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Hong Kong, China  
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TSXV: PEH

## NEWS RELEASE

### PRIMELINE SIGNS PROJECT FINANCE CONTRACT

**Primeline Energy Holdings Inc.** ("Primeline" or the "Company") (TSXV: PEH) announces that the binding documentation for the project finance facility for the financing of its share of the costs to complete the LS36-1 gas field development ("Development") has now been finalised and was signed by Primeline and the financing banks on 17<sup>th</sup> November 2014.

As announced on 7<sup>th</sup> November, Primeline, and its affiliate company Primeline Petroleum Corp. ("PPC") secured a project finance facility from a syndicate jointly led by China Development Bank ("CDB") and China Export and Import Bank ("EXIM") with Shanghai Pudong Development Bank ("SPDB") as participant and agent bank.

The facility is made available to Primeline and PPC on a joint borrower basis and secured on their respective interests in the Development. The principal amount of the facility is US\$ 274 million (of which the Company's share is US\$ 205.5 million) which will be repayable over 9 years at an all-in interest rate of 6 month LIBOR+4.7%. Following the signing of the documentation, the security arrangements and accounts set up will be implemented with first drawdown expected around the end of November.

China National Offshore Oil Corp (CNOOC) is the 51% owner and operator of the Development. Under agreements signed by CNOOC, Primeline and PPC in 2010, CNOOC has advanced all development costs to date. The loan facility has been put in place in order to finance the obligation of Primeline and PPC to repay their share of the development costs (collectively 49%) to CNOOC.

Development trial production, which started in July 2014, has progressed extremely well and has averaged 23.3mmcfpd since early September. Once the loan has been drawdown and CNOOC repaid, Primeline and PPC expect to receive a significant amount of income for their shares of the sales revenue which has been generated during the trial production period and which has been held by CNOOC for the account of Primeline and PPC pending repayment. A further announcement will be made when the initial drawdown has been completed.

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## **About Primeline Energy Holdings Inc.**

Primeline is an exploration and development company focusing exclusively on China resources to become a major supplier of gas and oil to the East China market. Primeline has a 75% Contractor's interest in and is the operator of the petroleum contract with CNOOC for Block 33/07 (5,877sq km) in the East China Sea, and a 36.75% interest in the LS36-1 gas field in Block 25/34, together with CNOOC Limited (51% interest and acting as Operator for the field development and production) and PPC (12.25% interest). Shares of Primeline are listed for trading on the TSX Venture Exchange under the symbol PEH.

ON BEHALF OF PRIMELINE ENERGY HOLDINGS INC.

Ming Wang

Chief Executive Officer

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#### ***Forward-Looking Statements***

*Some of the statements in this news release contain forward-looking information, which involves inherent risk and uncertainty affecting the business of Primeline. These statements relate to the timing of the first drawdown of the loan under the loan contract and the receipt of sales revenue from the Development. They are based on assumptions that the final procedures will be completed in a timely manner and first revenue will be received soon after initial drawdown and repayment is made to CNOOC. Completion of the procedures for draw down may take longer than expected or may not be completed. CNOOC may take longer than presently expected to release the funds held for the account of Primeline and PPC after repayment. Exploration for oil and gas is subject to the inherent risk that it will not result in a commercial discovery.*

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*