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NEWS RELEASE

PRIMELINE RECEIVES SETTLEMENT PAYMENT OF ZHEJIANG GAS DISPUTE

Hong Kong, March 24, 2017 – Primeline Energy Holdings Inc. (“**Primeline**” or the “**Company**”) (TSXV: PEH) today announced that it has now received the full payment due under the recently agreed settlement of the dispute with Zhejiang Natural Gas Development Company Ltd. (“**Zhejiang Gas**”) in relation to the Gas Sales Contract for LS36-1 (“**GSC**”).

As previously announced, on March 1, 2017, settlement agreements were signed between Primeline and CNOOC China Ltd (“**CCL**”) and CCL with Zhejiang Gas relating to the dispute Primeline had with Zhejiang Gas with regard to the GSC. Following the execution of the agreements, Zhejiang Gas paid the overdue amount in full to CCL and Primeline, applied to withdraw the arbitration proceedings against Zhejiang Gas before the China International Economic and Trade Arbitration Commission (“**CIETAC**”). CIETAC formally confirmed the termination of the arbitration proceedings on March 21, 2017 and Primeline has received today RMB 256 million (CAD\$49 million) net of VAT for its share of all outstanding, unpaid or partly paid amounts due to the end of 2016 including take-or-pay payments for 2015 and 2016; plus a sum of RMB12m (CAD\$2.3m) relating to the difference between the agreed price and the price previously paid from January 1 to February 28, 2017. These payments represent the full and final settlement amount due in settlement of the dispute with Zhejiang Gas.

The production rate is being maintained at the design level of circa 25mmcfpd and the payment process is now normalised.

About Primeline Energy Holdings Inc.

Primeline is an exploration and production company focusing exclusively on China natural resources to become a major supplier of gas and oil to the East China market. Primeline has a 100% Contractor's interest in, and is the operator of, the petroleum contract with CNOOC for Block 33/07 (4,397sq km) and a 49% interest in the producing LS36-1 gas field in Block 25/34, together with CNOOC (51% interest and acting as Operator). Both blocks are in the East China Sea. LS36-1 has been in production since July 2014. Shares of Primeline are listed for trading on the TSX Venture Exchange under the symbol PEH.



ON BEHALF OF PRIMELINE ENERGY HOLDINGS INC.

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Please visit the Company's website at www.pehi.com. Should you wish to receive Company news via email, please email john@chfir.com and specify "Primeline Energy" in the subject line.

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. Although these statements are based on assumptions management believes to be reasonable, actual results may vary from those anticipated in such statements. Exploration for oil and gas is subject to the inherent risk that it will not result in a commercial discovery.

Neither the 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.