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## NEWS RELEASE

### **PRIMELINE ENERGY ISSUES 3,813,003 SHARES TO PIHI**

**Hong Kong, 26<sup>th</sup> March, 2019, Primeline Energy Holdings Inc.** (the “**Company**”) (TSX.V: PEH) today announced it will issue 3,813,003 new Ordinary Shares of Primeline (“**Shares**”) to Primeline International (Holdings) Inc. (“**PIHI**”).

2,091,599 Shares will be issued in payment of a portion of interest due on US\$11.3 million principal amount Convertible Bonds (the “**New Bonds**”) and 1,721,404 Shares will be issued in payment of a portion of interest due on US\$9.3 million principal amount Convertible Bonds (the “**New B Bonds**”) issued to PIHI, which is wholly owned by Mr. Victor Hwang, the Company’s President, Chairman and majority shareholder. Interest is payable on the New Bonds and the New B Bonds (together “the **Bonds**”) quarterly at 7% per annum, of which 4.5% is payable in cash (“the **Cash Interest**”) and 2.5% in Shares (“the **Share Interest**”).

In order to assist the Company with its cash flow until such time as the arbitral tribunal in the Company’s previously announced arbitration against China National Offshore Oil Corporation and its subsidiary CNOOC China Limited issues its award (“the **Arbitration Award**”), Mr Hwang and PIHI have agreed that payment of the Cash Interest in respect of the Bonds should be deferred and accrued. By an agreement dated 25<sup>th</sup> March 2019 the Company and PIHI agreed that, with effect from and including 15<sup>th</sup> March 2019, the Cash Interest payable in respect of the Bonds shall continue to be calculated in accordance with the terms of the Bonds but payment shall be deferred and accrued. Accrued Cash Interest shall be payable on written demand by PIHI given at any time after the date of the Arbitration Award. Interest shall not accrue or be payable on the amount of the Cash Interest thereby deferred and accrued.

The Shares issued in respect of the Share Interest will be issued at a deemed price of CAD\$0.045 per Share, the closing price of the Shares on the TSX-V on the trading day preceding the interest payment date of 15<sup>th</sup> March, 2019.

Upon completion of the issue, Mr. Hwang, together with PIHI, will own 131,756,519 Shares, representing approximately 64.70% of the Company’s 203,636,191 Shares issued and outstanding.

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

Primeline is an exploration and production company focusing exclusively on China’s natural resources to become a major supplier of gas and oil to the East China market. Primeline has a 100%

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Contractor's interest in, and is the operator of, the petroleum contract with CNOOC for Block 33/07 (5,877sq 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 located 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.

*“Ming Wang”*  
Ming Wang  
Chief Executive Officer

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*Please visit the Company's website at [www.pehi.com](http://www.pehi.com). Should you wish to receive Company news via email, please email [robin@frontiermcg.com](mailto:robin@frontiermcg.com) 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.*

*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.*