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NEWS RELEASE

PRIMELINE ENERGY ISSUES BONDS AND SHARES TO VICTOR HWANG

Hong Kong, October 3, 2018, Primeline Energy Holdings Inc. (“Primeline”), or the “Company” (TSX.V: PEH) today announced that it has issued \$US 11,300,000 principal amount of bonds (the “New Bonds”) to Primeline International (Holdings) Inc. (“PIHI”), a company wholly-owned by Mr. Victor Hwang, Primeline’s President, Chairman and majority shareholder, and pursuant to payment of interest on the New Bonds will issue 294,619 new Ordinary Shares of Primeline (“Shares”) to PIHI.

As announced in Primeline’s press release of Aug. 15, 2018, on Aug.14, 2018 Mr. Hwang loaned Primeline the sum of \$US 11,300,000 (\$Cdn. 14,483,210 at the Bank of Canada daily exchange rate for \$US of 1.2817 as of Oct. 2, 2018) in order to fund repayment by Primeline of \$US 10,000,000 principal amount Tranche A Bonds issued to GRF Prime Limited (“GRF Prime”) in 2015 (the “Tranche A Bonds”) which matured on Aug. 14, 2018. The loan was to be secured by the issuance of bonds in the principal amount of US \$11,300,000 (the “New Bonds”) having the same terms as the Tranche A Bonds with a deemed issue date of Aug. 14, 2018, subject to receipt of acceptance of the issuance of the New Bonds from the TSX Venture Exchange (the “TSX-V”).

TSX-V acceptance has been obtained, and Primeline has issued the New Bonds today, with a deemed issue date of Aug. 14, 2018. As noted in Primeline’s Aug 15, 2018 press release, the New Bonds are for an initial term of one year, extendable for a further year at the option of the holder. Interest is payable on the New Bonds quarterly on Sept. 15, Dec. 15, Mar. 15 and June 15 of each year of the term at 7% per annum, of which 4.5% is payable in cash and 2.5% in Shares issued at a deemed price per Share equal to the higher of (i) the closing price of the Shares on the TSX-V on the day before; and (ii) the volume-weighted average trading price of the Shares on the TSX-V for the 10 days preceding the interest payment date (“Share Interest”). On maturity, the New Bonds must be redeemed for their principal amount together with a premium which will result in the bondholder receiving interest equal to 10% per annum, less cash interest paid and 50% of the lower of (a) the aggregate of all Share Interest paid and (b) the product of (A) the number of Shares actually issued in satisfaction of Share Interest on or prior to the redemption date and (B) the arithmetic mean of the Volume Weighted Average Price for one Share for the 10 consecutive Trading Days ending on the Trading Day immediately prior to the redemption date. The New Bonds are convertible, at the option of the bondholder, at any time during the period commencing

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four months and a day following the date of issuance up to the date that is 10 days prior to the date of maturity of the New Bonds, into Shares at a conversion price of CAD\$0.70 per Share.

The 294,619 Shares (the “**Interest Shares**”) will be issued to PIHI in payment of the Sept. 15, 2018 instalment of Share Interest at a deemed price of CAD\$0.102 per Share, the volume-weighted average TSX-V trading price of the Shares for the ten days preceding the interest payment date.

Prior to the issuance of the New Bonds, Mr. Hwang had ownership, directly and indirectly through PIHI, and control of a total of 125,213,470 Shares, or 64.02% of the issued and outstanding Shares. At the Bank of Canada rate for conversion of \$CAD to \$US of 1.2817 as of Oct. 2, 2018, 20,690,300 Shares were issuable upon conversion of the New Bonds, and assuming such conversion, and the issuance of the Interest Shares and of 1,521,536 shares as interest to GRF which are the subject of a separate press release, Mr. Hwang had ownership, directly and through PIHI, and control of 146,198,389 Shares, or 67.04% of the issued and outstanding Shares, representing a change in Mr. Hwang’s security holding percentage in the Shares of 3.02%.

Mr. Hwang, through PIHI, will acquire beneficial ownership of further Shares as Share Interest, and may convert New Bonds, or purchase or sell Shares in the market, in the future depending on market conditions and other factors relevant to his investment decisions. Mr. Hwang has no plans or future intentions by himself or with any joint actors which relate to or would result in: a corporate transaction, such as a merger, reorganization or liquidation, involving Primeline or any of its subsidiaries; a sale or transfer of a material amount of Primeline’s assets or those of any of its subsidiaries; a change in the board of directors or management of Primeline, including any plans to change the number or term of directors or fill any existing vacancy on the board; a material change in the present capitalization or dividend policy of Primeline; a material change in Primeline’s business or corporate structure; a change in Primeline’s Articles or another action which might impede the acquisition of control of Primeline by any person or company; any class of Primeline’s securities being delisted from the TSX-V; Primeline ceasing to be a reporting issuer in any jurisdiction of Canada; a solicitation of proxies from Primeline’s securityholders; or any action similar to those enumerated above.

A copy of Mr. Hwang’s early warning report relating to the transactions described above can be obtained from Mr. Robin Cook at FronTier Merchant Capital Group, whose contact information is below. Mr. Hwang’s address is Hong Kong Parkview, 88 Tai Tam Reservoir Road, Hong Kong.



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% 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.

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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 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.