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加拿大上市公司

超準能源

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## NEWS RELEASE

### PRIMELINE RECEIVES SUPPORT FROM BANK SYNDICATE DURING ARBITRATION

**Hong Kong, November 28, 2016** – Primeline Energy Holdings Inc. (“**Primeline**” or the “**Company**”) (TSXV: PEH) today announced that China Development Bank, China Export and Import Bank and Shanghai Pudong Development Bank (together the “**Syndicate**”) have agreed to materially adjust the Company’s capital repayments schedule and to reduce the Company’s interest rate margin over 6 month LIBOR on its outstanding US\$232 million loan facility (the “**Syndicate Facility**”) to support the Company during arbitrations (see below).

As previously announced, Zhejiang Gas, the buyer of the production from the Company’s LS36-1 Gas Field refused to offtake the contract quantity and pay the price as set out in the LS36-1 Gas Sale Contract (“GSC”) shortly after the field started commercial production, due to dramatic changes in the market. Thus, the Company has received substantially lower cash flow than forecast and has faced challenging financial conditions. The Company seeks to recover the substantial amounts outstanding due to it because of the disputes with Zhejiang Gas relating to GSC, and with CNOOC and its subsidiary relating to the GSC implementation and Petroleum Contract (“Disputes”). Each are the subject of current arbitration procedures.

The amendments to the Syndicate Facility have deferred US\$36 million of capital repayments over the 12 month period that were previously due. The Company has thus fully met the November 2016 repayment in the adjusted schedule and the loan service is maintained as normal. The Syndicate has also reduced the Company’s interest rate margin from 470bps to 335bps over 6 month LIBOR from November 2016 until Disputes are resolved.

#### 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

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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”*

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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 [john@chfir.com](mailto: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. If the disputes with Zhejiang Gas and CNOOC are not resolved to Primeline's satisfaction, or if Zhejiang Gas secures a lower price for gas sold thereunder or does not comply with the take or pay payment obligations, and if CNOOC and its subsidiary fail to fulfil their obligations and duties as operator and sale agents for Primeline in LS36-1, the Company's revenues or cash flow may be lower than anticipated and there may be a serious consequent adverse effect on the Company's ability to meet debt repayment obligations under the Syndicate Facility. 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.*