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## NEWS RELEASE

### Primeline 2016 Year End Results

**Hong Kong, August 2, 2016** – Primeline Energy Holdings Inc. ("Primeline" or the "Company") (TSXV: PEH) today announced that it has filed its annual audited financial statements for the year ended March 31, 2016 and related management discussion and analysis. Copies of these documents may be obtained at [www.SEDAR.com](http://www.SEDAR.com) under Primeline's profile or on Primeline's website at [www.pehi.com](http://www.pehi.com).

During the year ended March 31, 2016 the Company, together with its partner CNOOC, has:

- Increased revenues from LS36-1 net to Primeline to approximately CAD\$36 million (RMB 179 million) from CAD\$32 million (RMB 159 million) for the year ended March 31, 2015 notwithstanding the challenging market conditions and the related disputes with Zhejiang Gas and CNOOC;
- Produced gas from LS36-1 with no significant technical problems and delivered approximately 134 million cubic metres (mmcm) natural gas to Zhejiang Gas under the Gas Sales Contract during the year ended March 31, 2016; and
- Undertaken preparatory works to drill the adjustment well LS36-1-A4M following the Joint Management Committee for Block 25/34 in February 2016. This adjustment well was successfully drilled and completed following subsequent to the year end.

In addition, the Company has completed the drilling of two exploration wells in Block 33/07 and fulfilled its work commitment under Petroleum Contract 33/07 with 100% of working interest:

Primeline has substantial amounts outstanding due to the dispute with Zhejiang Gas and CNOOC on various issues relating to Gas Sale Contract and Petroleum Contract. The Company will continue to seek a negotiated resolution of the disputes but if the matters go to the completion of arbitration the Company and its legal counsel believe it would have a very high probability of having the Gas Sales Contract terms upheld and the Petroleum Contract protected. The Company expects that the disputes with Zhejiang Gas and CNOOC will be resolved to the Company's satisfaction and that with a gradually improving economic climate it will be possible to leverage the production base of the Company to finance continued exploration and provide a base for future expansion.

London England  
Fourteen South Audley Street  
London | W1K 1HN  
England | UK  
Tel +44 20 7499 8888  
Fax +44 20 7499 2288

Hong Kong China  
Hong Kong Parkview  
88 Tai Tam Reservoir Road  
Hong Kong | China  
中國香港大潭水塘道88號陽明山莊  
Tel 電話 +852 2810 5511  
Fax 圖文傳真 +852 2810 0667

Shanghai China  
Suite 22N | Cross Region Plaza  
899 Ling Ling Road  
Shanghai | 200030 | China  
中國上海零陵路 899 號  
(飛洲國際廣場) 22N座 郵編 200030  
Tel 電話 +86 21 6468 6462  
Fax 傳真 +86 21 6468 6467



## **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 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

### **CONTACT:**

#### **PRIMELINE ENERGY HOLDINGS INC.**

Dr. Ming Wang  
CEO  
Phone: +44 207.499.8888  
Toll Free: +1 877.818.0688  
Email: [IR@pehi.com](mailto:IR@pehi.com)

#### **CHF INVESTOR RELATIONS**

Cathy Hume  
CEO  
Toll Free: +1.877.838.1079 x231  
Email: [cathy@chfir.com](mailto:cathy@chfir.com)

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 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.*