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NEWS RELEASE

PRIMELINE COMPLETES SETTLEMENT OF ZHEJIANG GAS AND COSL DISPUTES

Hong Kong, May 29, 2017 – Primeline Energy Holdings Inc. (“**Primeline**” or the “**Company**”) (TSXV: PEH) today announced that it has now completed all the procedures under the recently agreed settlement agreements relating to the disputes with Zhejiang Natural Gas Development Company Ltd. (“**Zhejiang Gas**”) and China Oilfield Service Ltd (“**COSL**”).

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 Gas Sale Contract and with COSL on the payment of the turnkey drilling contract. On March 24, 2017, Primeline received the settlement payment with regard to Zhejiang Gas dispute and all the legal proceedings with Zhejiang Gas were withdrawn. Subsequently, Primeline Energy Operations International Ltd. (PEOIL), a subsidiary of the Company, signed a settlement agreement with COSL with regard to the payment due under the turnkey drilling contract and termination of COSL’s legal proceedings in China International Economic and Trade Arbitration Commission (“**CIETAC**”) against PEOIL. PEOIL made a full settlement payment to COSL in early April and on May 26, 2017 Primeline received confirmation from CIETAC that COSL’s arbitration proceedings against PEOIL in CIETAC had been formally terminated. With this, all the procedures under the March 1, 2017 settlement agreement have now been completed.

As previously announced, however, the settlement with Zhejiang Gas and COSL did not affect the ongoing arbitration by Primeline against CNOOC and CCL under the Petroleum Contract in relation to the LS36-1 development and production (“**CNOOC Arbitration**”) which was commenced in June 2016. In accordance with the CNOOC Arbitration procedures, Primeline submitted the formal statement of claim (SOC), together with all supporting witness statements and expert statements and document on April 25, 2017 and will submit the Chinese translation version of the SOC and related documents on June 5, 2017.

In the meantime, the field production rate has been maintained at the normal design level of circa 25mmcfpd and the payment process has been normalised and maintained.



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.

“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

CHF INVESTOR RELATIONS

Cathy Hume
CEO
Phone: +1 416.868.1079 x 231
Toll Free: +1.877.838.1079 x 231
Email: cathy@chfir.com

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.