Building a Leading China Focused Oil and Gas Company

1. TSX-V listed E&P China gas play with strong management team

2. Producing since 2014 from $700m+ regional production infrastructure hub in East China Sea in partnership with CNOOC

3. Access to the high price eastern China gas market. China is the world's second largest energy market, but gas at just 5.5% of total energy mix. Increased gas utilization has become a focus of Chinese government energy policy

4. High margin hydrocarbon upside in the field and in the 5,877 km$^2$ exploration concession

5. 2015 saw two exploration wells drilled as the first step of rolling exploration program. Although no commercial hydrocarbon found, technical discovery provides vital information for future exploration
- Proven petroleum province
- New E&P focus in Xihu Trough (Basin) in Northern East China Sea, anchored on two existing fields:
  - Pinghu Field: onstream in 1998, 386 km 14” pipeline to Shanghai terminal
  - Chunxiao Field: onstream in 2006, 360 km 28” pipeline to Ningbo and four production platforms. Expansion development underway
- LS36-1 Gas Field: on stream in 2014
• LS36-1 gas field in production, accessing market through the regional production infrastructure hub

• Exploration in the immediate vicinity and the rest of the Block anchored around the producing LS36-1 facility
**Market: Access to Zhejiang Gas Grid**

- LS36-1 is a strategic gas field close to Zhejiang Province - population 50 million
- Fourth largest economy in China
- Rapid growth in past 10 years to ~6.6 bcmpa; slow down in 2015/16
- Gas is only 2.8% of total energy mix
LS36-1: Infrastructure Hub is Completed

- Platform facility
- Four development wells
- Subsea pipeline: 126.9 km to onshore terminal
- Sale gas pipeline: 32 km to grid
Chinese Gas Market in 2014 - 2015

- Rapid gas infrastructure development (LNG terminal and long distance pipeline) in the last 10 years
- Dramatic oil and coal price reductions since late 2014
- Slow down of Chinese economy has led to a slow down of gas demand and an oversupply
- Gas price for onshore pipeline gas in China dropped on April 1 and November 20, 2015 by 34% in Zhejiang Province
- Significant pressure on LS 36-1 gas on price and quantity
- Long term, still remains a very attractive market
- Still the highest gas price region in the world
- China gas usage is only 5.5% of total energy mix
East China Gas Developments

**West-East Pipeline Projects**
- Phase 1: 4,000 km pipeline from Xinjiang province to Shanghai; 18 bcmpa, on-stream September 2004
- Phase 2: West Gas to East: 6,000 km (9,000 including branches) from Turkmenistan to Guangzhou and Shanghai; 30 bcmpa planned; on-stream 2012
- Sichuan Gas To East: 2,150 km pipeline from Sichuan to Shanghai; 12 bcmpa; on-stream August 2010

**LNG Projects**
- Shenzhen LNG (3 mton): first delivery in 2006; Planned expansion to 7 mton
- Fujian LNG: (2.6 mton) first delivery 2009
- Ningbo LNG: first delivery 2013
- Other LNG terminals completed or under development

**Offshore Gas Fields**
- There are eight gas pipelines to East China that are operational from offshore gas fields
2015 Operations Summary

- Production period commenced December 1, 2014, and Gas Sale Contract delivery period commenced January 1, 2015
- Working in challenging market conditions to maintain production and cash flow
- Q2 production suffered as a result but Primeline anticipates full collection of amounts owing associated with ‘take or pay’ contractual arrangements
- Following diligent efforts, continuous production since October
- Raised funds for exploration
- Completed 3D seismic processing and interpretation, well location selection and design
- Drilled two exploration LS23-1-1 and LS30-3-1 wells, although both have confirmed the geological model and sandstone reservoir, but unfortunately neither unfortunately resulted in commercial discovery
Exploration – Two Well Commitment

• Block 33/07 Petroleum Contract carries a two exploration well commitment
• Well location selected along the western margin of the Lishui basin with multiple target zones; design completed by July 2015
• Turnkey Drilling Contract signed with COSL on August 14, 2015
• The site survey of the drilling locations completed in September
• LS23-1-1: 81 m of water about 24 km north of LS36-1 platform; reached total depth (TD) of 2,666 m on October 21, 2015
• LS30-3-1: 83.5 m of water about 20 km north of the LS36-1 platform; reached TD of 2,000 m on November 27, 2015
2015 Exploration Drilling Program

Block 33/07 showing well locations and LS36-1 Gas Field

First well: LS23-1-1 TD 2666m
Second well LS30-3-1 TD 2000m
Seismic Correlation

- LS36-1 Field
- LS30-3-1
- LS23-1-1 Gas Shows
- LS35-3-1 Gas Flow
- T42 Horizon
- T50 Horizon
Primary targets

LS23-1-1 October 2015 – Lower MYF and Lingfeng

Zone of gas shows
LS30-3 Prospects 1C Amplitude Anomaly with AVO

Minimum Amplitude Extraction ±5ms window on Fullstack

P50 Area

P10 Area
Well Location LS30-3-1
2015 Drilling Results

• Cost effective and smooth drilling operation
• Both LS23-1-1 and LS30-3-1 wells encountered very good sandstone reservoir, as predicted
• LS23-1-1 well has gas shows in three zones, and has several thin reservoirs with pay quality with a total cumulative thickness of 14 m. Other reservoirs are water bearing
• LS30-3-1 provided good channel sand geometry in the LS36-1 Gas Field reservoir level, but water bearing
• No commercial discovery and migration remains the key risk
• Primeline is currently conducting a post well evaluation to better understand the potential upside and risk in the remainder of 5,877 km² exploration area
## Prospective Resources (McDaniel) Drilling

<table>
<thead>
<tr>
<th>Prospect</th>
<th>Prospective Resources - Natural Gas</th>
<th>Risked (2) Resources</th>
<th>Chance of Success (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
<td>Medium</td>
<td>Mean</td>
</tr>
<tr>
<td></td>
<td>MMcf</td>
<td>MMcf</td>
<td>MMcf</td>
</tr>
<tr>
<td>LS36-1</td>
<td>Paleocene-M1-0</td>
<td>2,745</td>
<td>5,568</td>
</tr>
<tr>
<td>LS36-1</td>
<td>Paleocene-M1-1 South</td>
<td>1,738</td>
<td>3,963</td>
</tr>
<tr>
<td>LS36-1</td>
<td>Paleocene-M2</td>
<td>4,858</td>
<td>14,463</td>
</tr>
<tr>
<td>LS36-1</td>
<td>Paleocene-M3</td>
<td>14,647</td>
<td>31,255</td>
</tr>
<tr>
<td>LS36-1</td>
<td>Paleocene-L1</td>
<td>8,340</td>
<td>24,177</td>
</tr>
<tr>
<td>LS36-1</td>
<td>Paleocene-L2</td>
<td>2,354</td>
<td>5,321</td>
</tr>
<tr>
<td>LS30-8</td>
<td>Paleocene-M2</td>
<td>9,375</td>
<td>27,118</td>
</tr>
<tr>
<td><strong>LS36-1 Development Area (Sub total)</strong></td>
<td>44,055</td>
<td>111,865</td>
<td>142,330</td>
</tr>
<tr>
<td>LS29-2</td>
<td>Paleocene-M1-2</td>
<td>18,922</td>
<td>47,291</td>
</tr>
<tr>
<td>LS29-2</td>
<td>Paleocene-M1-2</td>
<td>7,200</td>
<td>22,516</td>
</tr>
<tr>
<td>LS35-1</td>
<td>Total</td>
<td>20,340</td>
<td>63,044</td>
</tr>
<tr>
<td><strong>Block 33/07 3D Seismic Area (after 2015 drilling)</strong></td>
<td>46,462</td>
<td>132,851</td>
<td>191,031</td>
</tr>
<tr>
<td><strong>Total Remaining after 2015 Drilling</strong></td>
<td>90,519</td>
<td>244,716</td>
<td>333,362</td>
</tr>
</tbody>
</table>

(1) There is no certainty that any portion of the prospective resources will be discovered. If discovered, there is no certainty that it will be economically viable or technically feasible to produce any portion of the resources. Total based on an arithmetic aggregation of all the Prospect/Zones and as such there is >90 % chance of exceeding the overall Low Total and <10 % chance of exceeding the overall High Total.

(2) These are partially risked prospective resources that have been risked for chance of discovery, but have not been risked for chance of development.

(3) L23-1, L23-2N &S and LS30-3 total prospect chance of success takes into account the inter-dependency between zones.
Additional Resources in Lower Zones

- Current producers are in M1-1 and M1-2 sands
- Additional gas in other sands and in lower tight reservoirs

Cross-section of LS36-1
Reserve Additions via Phase 2 Drilling from Platform

• Eight locations and well tracks selected as candidates for reserve additions
LS36-1 Field Nearby Prospects

- In 2014, we expanded 3D seismic coverage by 600 km² to 1,300 km² in the gas play.
- Exploration drilling in 2015 to tap into prospects in the vicinity of LS36-1.
- Future 3D work will cover the oil play prospects.
Valuation Reflects Neither Progress to date nor Upside Potential

- Phase 1 of LS36-1 is cash flowing;
- Selling into one of the key provincial economies in China. Despite slower demand recently, this remains one of the highest gas price regions in the world
- Management with proven track record and operational expertise
- One of the very few offshore gas developments in China - with a world class $700m+ infrastructure hub
- 2015 exploration program is only part of the rolling development in this 5,877 km² concession with upside potential able to share infrastructure
- The east sub-basin has oil potential to be explored in the Block
Appendices

Supplementary Technical and Operational Data

Board of Directors

Management and Technical Team

Corporate Structure
LS36-1: Development schedule

<table>
<thead>
<tr>
<th>Activity</th>
<th>Development Programme</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2008</td>
</tr>
<tr>
<td>Gas Sales Agreement</td>
<td></td>
</tr>
<tr>
<td>Compilation of ODP</td>
<td></td>
</tr>
<tr>
<td>Development Agreements &amp; Execution</td>
<td></td>
</tr>
<tr>
<td>Revisions of the ODP &amp; EIA approval</td>
<td></td>
</tr>
<tr>
<td>Basic Design</td>
<td></td>
</tr>
<tr>
<td>Fabrication &amp; installation of Jacket</td>
<td></td>
</tr>
<tr>
<td>Fabrication &amp; installation of Topsides</td>
<td></td>
</tr>
<tr>
<td>Fabrication &amp; laying of Subsea Pipeline</td>
<td></td>
</tr>
<tr>
<td>Laying of Gas Sales Pipeline</td>
<td></td>
</tr>
<tr>
<td>Construction of Terminal</td>
<td></td>
</tr>
<tr>
<td>Drilling &amp; completion</td>
<td></td>
</tr>
<tr>
<td>Joint commissioning</td>
<td></td>
</tr>
<tr>
<td>First Gas</td>
<td></td>
</tr>
</tbody>
</table>

Legend:
- Development Activity
- Critical Path
- First production date

Primeline Corporate Presentation - April 1, 2016
# LS36-1: Development milestones

<table>
<thead>
<tr>
<th>Commercial Agreements</th>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Development Program completed</td>
<td>End 2009</td>
<td></td>
</tr>
<tr>
<td>Development Agreements signed</td>
<td>March 2010</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Design and Construction</th>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering design commenced</td>
<td>December 2010</td>
<td></td>
</tr>
<tr>
<td>Procurement and fabrication commenced</td>
<td>September 2011</td>
<td></td>
</tr>
<tr>
<td>Site installation commenced</td>
<td>March 2012</td>
<td></td>
</tr>
<tr>
<td>Mechanical Completion of platform, terminal &amp; offshore pipeline</td>
<td>June 2013</td>
<td></td>
</tr>
<tr>
<td>Development completed and production commenced</td>
<td>July 2014</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Finance</th>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Memorandum signed</td>
<td>July 2010</td>
<td></td>
</tr>
<tr>
<td>Revised Loan Memorandum signed</td>
<td>November 2012</td>
<td></td>
</tr>
<tr>
<td>CDB/EXIM/SPDB Project Finance confirmed, signed and drawn down</td>
<td>November 2014</td>
<td></td>
</tr>
</tbody>
</table>
**LS36-1: Development in images**

- **Jacket Installation**
  - September 2012

- **Development Drilling**
  - Completed April 2013

- **Topside lifted**
  - May 2013, installation completed June 2013
LS36-1: Wells

Top M1-2 / M1-1 Merged & M1-0 (Patch) Contoured to GWC (5m CI)
Onshore Processing Terminal – in operation
Board of Directors

Victor Hwang | Chairman and President
Executive Director of the publicly listed Hong Kong Parkview Group Ltd., a division of the family controlled Chyau Fwu Corporation. Parkview’s core business includes property development, shipping and hospitality. He is also President of Parkview International London Ltd - the company that sold Battersea Power Station in London for US$780M in late 2006. Mr. Hwang holds a BSc in Business Administration and has significant business and political relationships in China.

Ming Wang | Director and CEO
Dr. Wang joined in 1994, appointed as Vice President of Exploration in 1996 and CEO in 2006. Since then he has been responsible for all technical and commercial operations for Primeline, including the successful drilling operation of the LS36-1-1 discovery well. He has extensive knowledge of, and contacts within, China’s petroleum industry. He holds a PhD in Geology from Imperial College, London.

Brian Chan | Director
Mr. Chan has extensive experience in international banking and commerce. He is General Manager and Director of the Hong Kong Parkview Group Ltd and is a Certified Accountant.

Alan Johnson | Non-Executive Director
Mr. Johnson has over 30 years' oil industry experience particularly in management and operations in Africa, Russia and China. He was Chief Operation Officer for the Cluff Group of Companies 1996-2000. He joined Glencore in 2000 as senior upstream oil manager, looking after projects including a 280,000 bblpd production venture and exploration in Africa and South America.

Peter Kelty | Non-Executive Director
Mr. Kelty has extensive experience in restructuring and financing major Asian regional corporations as well as advisory work for European and US multi-nationals. Mr. Kelty is a Certified Public Accountant and a member of the Illinois State Bar. He holds a Masters in Business Administration with a major in Accounting and is a Doctor of Jurisprudence.

Vincent Lien | Non-Executive Director
Mr. Lien has 20 years’ experience in banking, specialising in corporate finance and capital management in Asia, including for Swiss Bank, Bankers Trust and ABN AMRO. He is currently a director of various companies including the Maritime & Port Authority of Singapore, UP Energy Development Group Limited, CT Environmental Group Limited and Viva China Holdings Limited, each listed on the Hong Kong Stock Exchange. Mr. Lien obtained a Bachelor’s degree in Business Administration from the University of New Brunswick in 1986.

Tim Baldwin | Non-Executive Director
Mr. Baldwin is a partner of General Enterprise Management Services (HK) Ltd., a private equity fund management firm specializing in investment in companies operating in Asia in need of equity for strategic growth, acquisitions, market expansion or balance sheet restructuring.
Non-Board Senior Management & Technical Team

Stuart Joyner | Chief Financial Officer
Mr. Joyner joined in 2014 from Sound Oil where he was CFO and has 22 years' experience in the oil and gas sector. Prior to industry, he spent 18 years in investment banking at Investec and Credit Suisse, where he headed sector coverage and previously at Morgan Stanley, Dresdner Kleinwort and NatWest Securities. He holds the ACCA Diploma in Accounting and Finance and an MA (Hons) in German and French from the University of Edinburgh in 1994.

Andrew Biggs | Senior Vice President and General Counsel
Mr. Biggs joined in 2007 as General Counsel. Between 1981 and 1998, he was a partner with international law firm Richards Butler, both in Hong Kong and London. Mr. Biggs specialised in corporate finance transactions and was involved in many of the early H-share listings of mainland Chinese companies on the HK Stock Exchange. In 1998, Mr. Biggs joined Parkview Group as the Corporate Affairs Director. He is qualified as a solicitor in England and in Hong Kong.

Alan Soulsby | Technical Director
Mr. Soulsby joined in 1994 as Technical Director and was responsible for the initial block selection and the exploration programme which led to the LS36-1 discovery and ongoing evaluation work. He has had a wide and varied career in the petroleum industry with over 35 years’ international exploration experience, including managing Exploration Consultants Ltd. for a number of years and managing many large integrated exploration and evaluation projects. He graduated from Oxford University with a degree in Physics in 1970 followed by a Masters in Geophysics.

Brian Thurley | E & P Coordinator
Mr. Thurley joined in 2014 to work with Alan Soulsby to manage the exploration program and production of the LS36-1 gas field. He has over 35 years’ G&G experience in international oil and gas exploration and production projects including International Exploration Manager for Monument Oil and Gas, technical director for Burren Energy, and technical advisor to Bayfield Energy. Mr. Thurley graduated from Imperial College, London.

Mark Norman | Project Director and General Manager, China Office
Mr. Norman joined in 2012 as Project Director for Primeline’s Shanghai office and Vice President in the Lishui Operating Company - the operator of the LS36-1 development - and in December 2014, he became General Manager of Primeline’s Shanghai Office. He has over 25 years’ experience in project management and has expertise in the delivery of complex projects in the UK and worldwide.
## Corporate Structure

<table>
<thead>
<tr>
<th>Trading Symbols</th>
<th>PEH - TSX Venture Exchange</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding Shares</td>
<td>183.8M</td>
</tr>
<tr>
<td>Fully Diluted Shares</td>
<td>189.1M</td>
</tr>
<tr>
<td>Balance Sheet @31/12/15</td>
<td>Total assets C$614m/Net assets C$117m</td>
</tr>
<tr>
<td>Auditor</td>
<td>PriceWaterhouseCoopers</td>
</tr>
<tr>
<td>Major shareholders</td>
<td>Mr. Victor Hwang (approx. 68.5%)</td>
</tr>
<tr>
<td></td>
<td>Fidelity Worldwide (approx. 7%)</td>
</tr>
<tr>
<td></td>
<td>GEMS (approx. 3%)</td>
</tr>
<tr>
<td></td>
<td>Management (approx. 2%)</td>
</tr>
</tbody>
</table>

## Contact

<table>
<thead>
<tr>
<th>Dr Ming Wang</th>
<th>Stuart Joyner</th>
<th>Andrew Biggs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer</td>
<td>Chief Financial Officer</td>
<td>Senior Vice President</td>
</tr>
<tr>
<td><a href="mailto:mingwang@pehi.com">mingwang@pehi.com</a></td>
<td><a href="mailto:stuartjoyner@pehi.com">stuartjoyner@pehi.com</a></td>
<td><a href="mailto:andrewbiggs@pehi.com">andrewbiggs@pehi.com</a></td>
</tr>
</tbody>
</table>
Disclaimer

This information contains certain forward-looking statements within the meaning of applicable securities laws. Forward-looking statements are often characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate” and other similar words, or statements that certain events “may” or “will” occur, including without limitation statements related to intended work programs and associated timelines. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected or anticipated in the forward-looking statements. Such risks and uncertainties include the inherent risks involved in the exploration for and development of crude oil and natural gas offshore, the uncertainties involved in interpreting drilling results and other geological and geophysical data, fluctuating energy prices, the possibility of cost overruns or other unanticipated costs or delays, the risks associated with negotiating with foreign governments and country risk associated with conducting operations in the People’s Republic of China and other factors, many of which are beyond the control of Primeline Energy Holdings Inc. (“Primeline”). Primeline cannot and does not assure that actual results will be consistent with such forward-looking statements. Forward-looking statements are made as at the date of preparation of this presentation and are subject to change. Primeline assumes no obligation to revise or update them to reflect new circumstances, except as required by law. Prospective investors should not place undue reliance on forward-looking statements.