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NEWS RELEASE

PRIMELINE ANNOUNCES PRODUCTION UPDATE, REPAYMENT OF BONDS AND BANK LOAN ADJUSTMENT

Hong Kong, November 19, 2018 – Primeline Energy Holdings Inc. ("Primeline" or the "Company"), listed on the TSX Venture Exchange Inc. (the "TSX-V") under the trading symbol "PEH", announced today an update on production from the LS36-1 gas field (the "Gas Field"), its resolution of various financial issues and an update on the final stage of Primeline's arbitration (the "CNOOC Arbitration") with CNOOC and CCL China Limited ("CCL").

CNOOC Lowered the LS 36-1 Production

CCL, the Operator of the LS36-1 Gas Field, reported on September 10, 2018 that well A5 had stopped producing as a result of water ingress. Well A5 represents approximately 13% of the total production from the Gas Field. As a precaution, CCL also proposed reducing production from well A1M, which drains the same reservoir as A5, until it completed its investigation of the cause of the loss of A5 and temporarily reduced production of the Gas Field to a level of approximately 450,000m^3/day of sale gas, or about 60% of the previous production level.

Following receipt of the information regarding the A5 well, on September 11, 2018 Primeline approved a budget for CCL to proceed with work to investigate and resolve the problems with A5 immediately. However, CCL did not commence the work until November 5, when it conducted coiled tubing operations to lift water in the A5 well bore. On November 8, CCL reported that whilst such operations had successfully removed the water from the well, gas flow had not been restored and CCL confirmed its view that production from the A5 well should be discontinued and demobilized the coiled tubing equipment. However, the well head pressure of A5 recovered on November 11 and Primeline has requested that the coiled tubing equipment be returned to the platform immediately, but CCL has refused to do so.

Primeline has also requested that production from well A1M should now be increased back to the previous level. However, notwithstanding the agreement by CCL and Primeline in a Joint Management Committee ("JMC") meeting in July 2018 that the Operator should maximise production of gas from the Gas Field, CCL has not agreed to increase production and instead, on November 8, proposed that the production level of the Gas Field for the year 2019 should be reduced to a total sales gas quantity of only 102.31mcmpa, which would be the equivalent of approximately 33% of the annual contract quantity (ACQ) under the gas sale contract (the "GSC") with Zhejiang Gas under which production from the Gas Field is sold. At that level of production, the gas sales revenue would only be sufficient to cover the budget for operating costs which CCL has proposed for 2019, providing no or minimal revenue to Primeline. Primeline has objected strongly and the matter is to be discussed in detail at a JMC meeting which is to take place shortly.

The development of the Gas Field was intended to supply gas for 15 years under the GSC at an ACQ of 300mcmpa for an initial plateau period of seven years. The facilities have a design life of 25 years. However, after only four years of intermittent production at a rate lower than the designed plateau rate, CCL has now proposed that production be reduced to just a break-even level.

To put matters into context, one of the key issues related to the current production shortfall is CCL's failure as operator to implement a previously agreed plan to drill for additional gas resources discovered and identified within the Gas Field which can be drilled from the platform. The rolling development of the reserves and resources in the field was always envisioned and therefore additional well slots were built on the platform to allow such additional work. In 2013, following the drilling of the initial four production wells, CCL presented to the JMC detailed reports confirming the proven developed reserves and identifying additional gas reserves and resources. Four wells were designed for such "phase 2" drilling and their technical justification was approved by the JMC in October 2013. However, CCL has failed to implement such work for additional gas during the 5 years from 2013. This failure, among others, forms part of the main claims in the CNOOC Arbitration.

Primeline believes CCL's proposal to reduce production and failure to drill for additional gas is commercially illogical and without any proper technical justification and is not consistent with their own technical reports presented in the past and in the last few days.

As previously reported, in late 2017, as part of its defence in the CNOOC Arbitration, CNOOC purported to terminate the Petroleum Contract and cease performance of its obligations thereunder, including the obligation to distribute Primeline's share of production revenue. This was a breach of the contractual requirement that the parties should not cease the performance of contract obligations until the final award of the tribunal. Primeline applied to the tribunal for interim relief and, after the hearing in January 2018, the tribunal ordered CNOOC to continue to comply with its contractual obligations until the tribunal's award in the CNOOC Arbitration.

The main hearing of the CNOOC Arbitration took place in Singapore on September 10-14 and 17-20, 2018 and then October 30, 2018. The tribunal has not provided guidance but Primeline's assessment is that the final award is not expected until sometime in the first half of 2019.

Support from the Syndicate Banks

Primeline informed its lending banks of the reduction in production and operational forecast made by CNOOC. The lending banks, being China Development Bank, China Export and Import Bank and Shanghai Pudong Development Bank (jointly "Syndicate Banks") which financed the

Company's share of the Gas Field development costs have to date been extremely supportive and, in November 2016, agreed to Company's application to amend the capital repayments and to reduce the interest rate margin payable in relation to the loan facility (the "Syndicate Facility").

Primeline is extremely pleased to report that it has secured the Syndicate Banks' approval for a reduction of the principal repayment due in November 2018, in view of the current abnormal operation conditions, the inability of CCL to restore the production to its former level and the anticipated schedule of the CNOOC Arbitration. Such adjustment provides support and flexibility until the CNOOC Arbitration is completed. An amendment agreement to the Syndicate Facility was signed on November 19, 2018.

Major Shareholder's Support in Resolving GEMS Bonds

On August 14, 2015, Primeline issued US$10 million principal amount Tranche A Convertible Bonds ("Tranche A Bonds") to GRF Prime Limited ("GRF Prime") and then US$8 million principal amount Tranche B Convertible Bonds ("Tranche B Bonds") on November 10, 2015. The term of the Bonds is three years, extendable at the option of GRF Prime for two one-year periods.

As previously announced, in August 2018, the Company repaid the Tranche A Bonds, through a replacement Bond issued to a company controlled by Mr. Victor Hwang, Primeline's President, Chairman and majority shareholder.

The Tranche B Bonds were due for repayment on November 12, 2018. However, all of Primeline's cash flow from the Gas Field is charged to and controlled by the Syndicate Banks and it was not possible to secure the release of funds with which to repay the Tranche B Bonds and Primeline was not able to agree terms with GRF Prime in relation to the extension of the term of the Tranche B Bonds.

Primeline is therefore extremely pleased to announce that it has again secured support from Mr. Victor Hwang to allow the Company to pay the Redemption Amount due in respect of the Tranche B Bonds.

Payment of the Redemption Amount due on the Tranche B Bonds has been funded by a loan of US$9,301,000 from Mr. Hwang. Mr. Hwang's loan is intended to be secured by the issuance by Primeline of US$9,300,000 principal amount of bonds (the "New B Bonds") having the same terms as the Tranche B Bonds. Issuance of the New B Bonds is subject to TSX-V approval.

The Company will continue to manage the current situation for the benefit of all stakeholders of Primeline and endeavour to ensure that the CNOOC Arbitration is successfully completed.

About Primeline Energy Holdings Inc.

Primeline is an exploration and production company focusing exclusively on China natural resources under petroleum contracts with CNOOC in the East China Sea. LS36-1 Gas Field 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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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. These statements relate to Primeline's expectation that it will ultimately be successful in the CNOOC Arbitration. Although these statements are based on assumptions management believes to be reasonable, actual results may vary from those anticipated in such statements. Primeline may not be successful in the CNOOC Arbitration, and if it is successful Primeline may be unable to enforce the award of the tribunal. Primeline assumes no obligation to update forward-looking information, except as required by law. Exploration for oil and gas is subject to the inherent risk that it will not result in a commercial discovery.