

4th May 2010 EST
TSXV: PEH

NEWS RELEASE

PRIMELINE ANNOUNCES FURTHER DRILLING PROGRESS

Primeline Energy Holdings Inc. ("Primeline" or the "Company") (TSXV: PEH) today announces further progress in the drilling of the LS 35-3-1 exploration well in Block 25/34 East China Sea.

At 13:00 EST on the 4th May (01:00 a.m. 5th May 2010 China time), the well reached the planned total depth (TD) of 2,886 m. During the May 4th drilling operations, sandstone intervals with gas shows and weak oil shows, in addition to those announced in Primeline's May 3rd press release, were encountered at the prognosed third target zone.

Readers are cautioned that these results are based only on data collected during drilling and are not definitive. Electric logging and, if warranted, drill stem testing will be required to determine whether there are producible hydrocarbons in place.

Primeline then decided to deepen the well to penetrate through the sandstone sequence with hydrocarbon shows, and instructed the drilling contractor, China Oilfield Service Ltd. (COSL) to proceed with the deepening to 2,908 m. Drilling operation ceased at this depth at 16:30 EST (4:30 a.m. China time). Beyond the planned TD Primeline was outside the Turnkey Scope of the Drilling Contract with COSL, and moved onto a day rate basis contract mode.

Primeline is now implementing a programme of data collection (covering all three target zones) extending over a period of several days and comprising final electric and other well logging and associated activities. If the final data suggest the existence of producible hydrocarbons, Primeline may conduct a drill stem test of LS 35-3-1. After logging, Primeline may decide to further deepen the well. Primeline will make further announcements promptly on any significant developments in this well.

This exploration drilling operation is part of the step-out drilling campaign that Primeline is implementing as part of its rolling exploration and development strategy. Primeline and CNOOC are preparing for the development of Lishui 36-1 gas field following signing of development



agreements with CNOOC on 17th March. The LS 35-3-1 well location is approximately 15 km SW from the Lishui 36-1 gas field and is one of the several prospects identified by high quality 3D seismic data in the vicinity of the Lishui 36-1 gas field.

About Primeline Energy Holdings Inc.

Primeline is an exploration and development company focusing exclusively on China resources to become a major supplier of gas and oil to the East China market. Primeline has a 75% Contractor's interest in the Petroleum Contract with CNOOC for Block 25/34, an offshore exploration area of 5,221 km² in the East China Sea, where the Lishui 36-1 discovery is located. A 3D survey was used to define a number of high potential prospects near the discovery for the Company's step out exploration programme. Previously drilled wells in and around Block 25/34 encountered oil and gas shows and flows indicating that there is significant hydrocarbon potential in the remainder of the Block. Shares of the Company are listed for trading on the TSX Venture Exchange under the symbol PEH.

ON BEHALF OF PRIMELINE ENERGY HOLDINGS INC.

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Please visit the Company's website at www.pehi.com. Should you wish to receive Company news via email, please email chelsea@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. These statements relate to the time in which drilling of the LS 35-3-1 well is anticipated to be completed, and the subsequent logging and testing programme. They are based on assumptions that the drilling, and electric logging and other data collection will be completed on a timely basis as proposed by the turnkey drilling Contractor and Primeline. The drilling operations may not be completed on a timely basis, in which event drilling of LS 35-3-1 may be delayed. Data collected during drilling (such as oil and gas shows) and electric logging cannot give definitive evidence of the existence of producible hydrocarbon, and there may be no testing of the well. Exploration for oil and gas is subject to the inherent risk that it will not result in a commercial discovery.

Neither 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