

Hong Kong, China  
12<sup>th</sup> April 2010  
TSXV: PEH

NEWS RELEASE

**PRIMELINE COMMENCES DRILLING LS 35-3-1 WELL**

**Primeline Energy Holdings Inc.** ("Primeline" or the "Company") (TSXV: PEH) today announces that drilling of the LS35-3-1 well has commenced in Block 25/34 East China Sea.

Pursuant to the previously announced turnkey drilling contract between Primeline and China Oilfield Services Ltd. (COSL), drilling rig COSL 942 arrived at Primeline's LS35-3-1 location on 9<sup>th</sup> April 2010. Following the positioning of the rig, jack-up and other preparatory work, the LS 35-3-1 well was spudded today. Under the currently anticipated schedule, the drilling of LS 35-3-1 will take around 20 days, followed by logging and any testing which may be required.

This 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 17<sup>th</sup> March. The Lishui 35-3-1 well location is approximately 15km SW from the Lishui 36-1 gas field. It is one of the main prospects in the exciting new play concept in the vicinity of the Lishui 36-1 gas field. Any resources which may be discovered in these prospects will benefit from the infrastructure to be built as part of the development programme.

**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 km<sup>2</sup> 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](http://www.pehi.com). Should you wish to receive Company news via email, please email [chelsea@chfir.com](mailto: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 current contract under which COSL has commenced drilling will be completed on a timely basis. The drilling operations may not be completed on a timely basis, in which event drilling of LS 35-3-1 may be delayed, 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