

London, England
1st September 2009
TSXV: PEH

NEWS RELEASE

PRIMELINE AND CNOOC COMPLETE ODP FOR THE LISHUI GAS DISCOVERY

Primeline Energy Holdings Inc. ("Primeline" or the "Company") (TSXV: PEH) today announced that Primeline and CNOOC have completed the technical work for the Overall Development Plan ("ODP") for Lishui 36-1 gas discovery and are now proceeding to finalise the ODP for submission for governmental approval.

As announced in February 2009, Primeline contracted CNOOC Research Beijing to compile the ODP. The technical work, supported by recently completed surveys and additional study results, has now been completed. Primeline and CNOOC Shanghai held a joint review meeting in late July in Shanghai to review the initial results. Following that initial review, additional work was carried out and the final review by CNOOC Head office was held 27th August 2009 in Wenzhou, the major city on the coast where the proposed offshore pipeline would arrive directly from the Lishui 36-1 gas field.

At the final technical review, the ODP was approved and accepted by CNOOC and Primeline and it was agreed that both parties will now proceed to seek internal approval from CNOOC Investment Committee and Primeline's Board before submission of the ODP for central government approval.

Primeline and CNOOC are preparing the supporting documents including a full environmental impact study report, safety assessment report and various documents from local government departments in Zhejiang Province and Wenzhou City. The environmental and safety report are planned to be submitted to the relevant authorities by the end of October. The timing for submission of the ODP will be subject to the approval by such authorities of the environmental impact study and safety assessment.

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 7,006 km² in the East China Sea, where the Lishui 36-1 discovery is located. Primeline is compiling the ODP for the Lishui 36-1 gas field on a stand-alone basis. 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 catarina@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 anticipated to submit the ODP and its approval. They are based on assumptions that the preparation of supporting document will be completed in a timely fashion, and that required governmental approvals will be timely obtained. Actual results may vary from those anticipated in such statements. Documentation may be delayed for technical and other reasons, and if they are, submission of the ODP will also be delayed, and required government approvals may not be obtained in a timely fashion, or at all. If funding is not sufficient or governmental approvals are not obtained, the Company may be unable to develop the gas field. 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.