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加拿大上市公司

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TSXV: PEH

NEWS RELEASE

PRIMELINE / CNOOC DEVELOPMENT AGREEMENTS BECOME EFFECTIVE

Primeline Energy Holdings Inc. ("Primeline" or the "Company") (TSXV: PEH) is pleased to announce that it has received notification from CNOOC that the Supplemental Development Agreement for LS 36-1 gas field (the "SDA") signed on 17th March has been ratified by the China's Ministry of Commerce and has become effective. The SDA confirms that CNOOC exercises its right under the Petroleum Contract relating to Block 25/34 to take a full participating interest of 51% in the LS 36-1 gas field, and act as operator through its wholly-owned subsidiary CNOOC China Limited Lishui Operating Company.

As announced on 19th March, CNOOC entered into a number of agreements with Primeline and Primeline Petroleum Corp. on 17th March to cover various aspects of the LS 36-1 gas field development, including the SDA, a Joint Operating Agreement, an agreement relating to the implementation of the development and procurement and cost control principles and a letter agreement amending a previous agreement relating to the terms of the Petroleum Contract. With the ratification of the SDA, all of these development agreements have now become effective. CNOOC is now formally the operator for the LS 36-1 development operations and will commence development preparations, whilst Primeline and CNOOC prepare to submit the Overall Development Programme (ODP) for the LS 36-1 development for full Chinese government approval.

In the meantime, Primeline is continuing its post well evaluation work following the completion of the LS 35-3-1 discovery well.

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 and is the operator for exploration in the Petroleum Contract with CNOOC for Block 25/34,

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an offshore exploration area of 5,221 km² in the East China Sea. Primeline also has a 36.75% interest in the LS 36-1 gas field in Block 25/34 which is being developed by Primeline together with CNOOC (acting as Operator for the development) and Primeline Petroleum Corporation. CNOOC is proceeding with the preparation of the development and Primeline is leading the exploration effort currently focused on the prospects in the 3D seismic data area where a number of high potential prospects near the LS 36-1 development have been mapped and where the new LS 35-3-1 discovery is located. The new LS 35-3-1 discovery and previously drilled wells in and around Block 25/34 indicate 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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