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加拿大上市公司

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Hong Kong  
25<sup>th</sup> March 2010  
TSXV: PEH

NEWS RELEASE

**PRIMELINE FILES PRELIMINARY  
RIGHTS OFFERING PROSPECTUS**

**Primeline Energy Holdings Inc.** ("Primeline" or the "Company") (TSXV: PEH) is pleased to announce that it has filed a preliminary short form prospectus in the provinces of British Columbia, Alberta, Ontario and Quebec relating to a rights offering (the "Offering") to raise gross proceeds of CAD\$23,510,311.

Each holder of record of Primeline common shares ("Shares") as of a record date to be determined will be entitled to receive one right (a "Right") for each Share held. One Right will entitle the holder to acquire one Share at a price of \$0.50 per Share (the "Subscription Price"). The Offering will include an additional subscription privilege (the "Additional Subscription Privilege") pursuant to which a shareholder may subscribe for more Shares than the number of Rights initially allotted to him or her would permit. Such additional subscriptions will be granted based on the number of Shares not otherwise subscribed for on the initial exercise of Rights under the Offering. Shares subscribed for under the Additional Subscription Privilege will be allotted on a pro rata basis. The Rights will be exercisable for 21 days. The record date and expiry dates will be determined at the date of filing the final short form prospectus.

The Company's largest shareholder, Primeline International (Holdings) Inc. ("Primeline International"), has agreed to provide a standby commitment (the "Standby Guarantee") under which Primeline International will purchase from the Company at the Subscription Price any Shares (the "Standby Shares") that are not otherwise subscribed for under the Offering prior to the expiry time, including pursuant to the Additional Subscription Privilege. Primeline International is owned by Mr. Victor Hwang, the Company's chairman.

The Offering is being made to holders of Shares in Alberta, British Columbia, Ontario and Quebec, and other jurisdictions where it is lawful to do so. (the "Qualifying Jurisdictions"). Rights Certificates and prospectus will not be mailed to holders of Shares resident outside of the

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Qualifying Jurisdictions (“Non-Qualifying Shareholders”). Non-Qualifying Shareholders will be sent a letter advising them that their Rights certificates will be issued to and held by the Subscription Agent, which will hold those Rights as agent for the benefit of all Non-Qualifying Shareholders. The Subscription Agent will attempt, on a commercially reasonable basis, to sell the Rights of Non-Qualifying Shareholders over the facilities of the TSX Venture Exchange.

The Rights and Shares issuable upon the exercise of the Rights have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) and may not be offered or sold in the United States or any of its territories or possessions or to U.S. persons. Accordingly, subscriptions will not be accepted from any security holder or transferee who is a U.S. person or resident in the United States, its territories or possessions.

Primeline will accept subscriptions from holders resident outside of the Qualifying Jurisdictions, other than holders resident in the United States, if they satisfy the Subscription Agent and the Company that such offering to, and subscription by, such holder or transferee, is lawful and in compliance with all securities and other laws applicable in the jurisdiction where such holder or transferee is resident. A holder resident in such a jurisdiction who meets these requirements and wishes to exercise Rights must complete and deliver a request for exempt purchaser status, which will be provided in the materials sent to such shareholder.

The net proceeds of the Offering will be used to pay the Company's share of the costs under the contract for a drilling rig with China Oilfield Services Ltd. for a step-out exploration well announced on March 5, 2010. These will range between \$13,204,125 in the event of a dry hole, and up to \$21,989,311 in the event of a discovery. The balance will be added to general working capital.

In connection with the Offering, Primeline has engaged Jennings Capital Inc. ("Jennings Capital") as a managing dealer for the Offering and entered into a managing dealer agreement dated March 24, 2010. Jennings Capital will receive a fee equal to the greater of (i) 2% of the gross proceeds from the exercise of Rights by holders of Shares, other than Mr. Hwang and his family members and affiliates (including Primeline International) and the directors and officers of the Company, and (ii) CAD\$75,000.

The Offering is subject to regulatory approval, including the approval of the TSX Venture Exchange.

Further details concerning the Offering and the procedures to be followed by holders of Shares are contained in the preliminary prospectus available on the Company's profile at [www.sedar.com](http://www.sedar.com). The preliminary prospectus is still subject to completion or amendment. There will not be any sale or



any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued.

This news release does not constitute an offer to sell, or the solicitation of an offer to buy securities in any jurisdiction, including the United States, or to or for the account or benefit of U.S. persons absent U.S. registration or an applicable exemption therefrom, nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state. The Rights and the Shares issuable on exercise of the Rights will not be and have not been registered under the U.S. Securities Act, and may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. person.

**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 sq km 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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Chief Executive Officer

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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 [robin@chfir.com](mailto:robin@chfir.com) and specify "Primeline Energy" in the subject line.*

*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.*