

**Primeline Energy Holdings Inc. - and -
Fourteen South Audley Street
London W1Y 5DP United Kingdom**

**Primeline International (Holdings) Inc.
88 Tai Tam Reservoir Road
Hong Kong**

**FINANCING COMPLETED FOR VICKY-1 EXPLORATION WELL,
EAST CHINA SEA
JOINT NEWS RELEASE**

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VANCOUVER, B.C. July 29, 1997 Symbol: PEH

Primeline Energy Holdings Inc. ("Primeline"), a Vancouver Stock Exchange ("VSE") listed company, has now received disinterested shareholder and VSE approval to the private placement which it announced on June 19, 1997. Today Primeline issued 7,246,376 common shares ("Shares") at a price of \$0.69 per share to Primeline International (Holdings) Inc. ("PIHI"). Pursuant to the policies of the VSE and British Columbia securities legislation, the Shares are subject to a twelve month hold period expiring July 28, 1998.

As a result of the transaction, PIHI is now owns or has control or direction over 21,271,025 common shares of Primeline, representing 92.07% of the issued and outstanding common shares of Primeline after giving effect to the issuance of the Shares. PIHI is not acting jointly or in concert with any other person (except its controlling shareholder Victor Hwang) in connection with the securities of Primeline and it has no intention at this time of increasing its beneficial ownership of, or control or direction over, any of the securities of Primeline. The purpose of the transaction was to provide Primeline with sufficient working capital to fund the obligation of Primeline's wholly owned subsidiary, Primeline Energy China Limited, to pay its 75% share of the drilling costs for the Vicky-1 exploration well in Block 32/32 situated in the East China Sea, offshore China. Primeline is the only exchange listed oil and gas exploration company focused on upstream opportunities in China.

Victor Hwang, Chief Executive Officer and a director of Primeline, and members of the Hwang family beneficially own all of the issued and outstanding shares of PIHI. This press release is issued jointly by Primeline pursuant to Section 85, and by PIHI pursuant to Section 111, of the *Securities Act* (British Columbia).

"Brian Chan"
**Brian Chan, Vice-President and Director,
Primeline Energy Holdings Inc.**

"Brian Chan"
**Brian Chan, Director and Senior Officer,
Primeline International (Holdings) Inc.**

The Vancouver Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.