

PRIMELINE ENERGY HOLDINGS INC.

NEWS RELEASE

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VANCOUVER, BC September 5, 1997 --- As previously announced, Primeline Energy Holdings Inc. ("PEHI"), a Vancouver Stock Exchange ("VSE") listed company, spudded the Vicky-1 exploration well in PEHI's concession in Block 32/32, East China Sea, offshore China, in early August.

Progress has been slower than anticipated because of two rig evacuations for safety reasons due to ongoing typhoon weather risk. The well is currently operating below 2500 meters and has encountered gas shows which have been logged and cased. The company cautions that at this time insufficient information is available to determine the economic significance of these gas shows.

The present programme is to continue drilling to the projected total depth of 3200 meters which it is anticipated will take 5-10 days. At that time, the company will be able to further evaluate information from the well.

PEHI owns a 75% interest in the production sharing contract for Block 32/32, an area with an overall size of approximately 6,000 sq. kms.

PEHI is the only exchange listed oil and gas exploration company focussed on upstream opportunities in China.

"Peter Kelty", Director
Primeline Energy Holdings Inc.

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