

PRIMELINE ENERGY HOLDINGS INC.

NEWS RELEASE

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VANCOUVER, BC September 30, 1997 --- Primeline Energy Holdings Inc. ("PEHI"), a Vancouver Stock Exchange ("VSE") listed company, today announced that it has successfully tested for hydrocarbons in its first well in the East China Sea.

PEHI spudded the Vicky-1 well on July 25th, 1997 in Block 32/32. Located in the 'Lishui' Sag of the East China Sea Basin. The well reached a total depth of 3,300 metres, one hundred metres deeper than originally planned on September 21st, 1997. Currently the company is conducting a testing programme. Initial results have shown a significant gas flow and the testing is on going. Final results and the degree of commerciality will be announced shortly.

PEHI holds a 75% interest in the Petroleum Contract for Block 32/32, which is approximately 6,000 sq. km in size. Primeline Petroleum Corporation (PPC), the parent company of PEHI holds the remaining 25%.

The block was initially acquired by PPC during the Chinese 4th round offshore bidding in 1993 when China National Offshore Oil Corporation (CNOOC) signed 18 Petroleum Contracts and Agreements with ten international oil companies. Since then, major companies including Texaco, Shell and Chevron have drilled 14 wildcat wells in the East China Sea.

PEHI's Vicky-1 well is the 15th well and the first wildcat that has conducted testing encountering a significant hydrocarbon flow. This discovery is made in only one of the 11 structure traps currently identified in block 32/32.

Victor Hwang, the Chairman and CEO of PEHI said, "We are highly gratified that our faith in the potential of the East China Sea has been vindicated. This is a significant discovery, especially in light of the dry holes that have preceded it in the area".

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

***"Peter Kelty"*, Director
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The Vancouver Stock Exchange has not reviewed and does not accept responsibility for the adequacy of this release.