

PRIMELINE ENERGY HOLDINGS INC.

NEWS RELEASE

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VANCOUVER, BC October 14th, 1997 --- Primeline Energy Holdings Inc. ("Primeline"), a Vancouver Stock Exchange ("VSE") listed company, today announced the result of the testing programme of Vicky-1 well (LS36-1-1).

Primeline spudded the Vicky-1 well on July 25th, 1997. Located in the "Lishui Sag" in the southern part of East China Sea, about 100 km offshore, the well reached a total depth of 3,300m on September 21st, 1997 and encountered several hydrocarbon-bearing zones. The uppermost zone, between 2,250 metres and 2,283 metres, was tested over a 48 hour period and flowed at a maximum rate of 9.86 million cubic feet per day (Mmcf/d) of natural gas and 117 barrels of oil condensate per day (bopd) through a 48/64" choke. Testing has now been completed. Primeline and China National Offshore Oil Corp. ("CNOOC") are currently evaluating the results of the well, its potential and that of the prospects in Block 32/32 in order to formulate the next stage of development and exploration strategy.

The Vicky (LS36-1) prospect is one of several adjacent prospects defined in Block 32/32.

Mr. Victor Hwang, Chairman and CEO of Primeline said, "This discovery is significant in that it establishes the presence of hydrocarbon properties in Block 32/32, effectively opening up a new frontier of opportunity for exploration in offshore China. The Block's close proximity to shore is clearly advantageous as it lowers the threshold of commercial development for any discovery there. Sustained rapid economic growth on China's Eastern Coast has already created great demand and a ready market for petroleum products." The result significantly increases the potential of the prospects in the Lishui Sag basin which falls mainly within Block 32/32.

Primeline holds 75% of the interest in the Petroleum Contract for Block 32/32 which is approximately 6,000 sq. km. The other 25% of the interest is held by Primeline Petroleum Corp. ("PPC"), a private company owned by the principal shareholder of Primeline. The block was initially acquired by PPC during Chinese 4th round offshore bidding in 1993 when CNOOC signed 18 Petroleum Contracts and Agreements with 10 international oil companies. Since then, 14 wildcat wells were drilled in the East China Sea by international companies such as Texaco, Shell, Esso, Chevron and Japex. The Vicky-1 well is the 15th well and the first wildcat drilled by foreign company in the East China Sea that conducted testing and encountered a significant hydrocarbon flow.

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

"Peter Kelty"

**Peter Kelty, Director
Primeline Energy Holdings Inc.**

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