

PRIMELINE ENERGY HOLDINGS INC.

FOR IMMEDIATE RELEASE

February 16, 1998

PRIMELINE CONFIRMS SUBSTANTIAL EAST CHINA SEA GAS DISCOVERY

London, England - Primeline Energy Holdings Inc. (PEH.V) ("Primeline," the "Company"), which announced a significant new gas discovery in the East China Sea in October 1997, wishes to announce the results of its post-discovery evaluation of the 'Vicky-1' (LS 36-1-1) well, located in Block 32-32 of the East China Sea.

The reserve calculation, prepared by management, based on the analysis of the well testing data, laboratory data of the samples collected from the well in addition to seismic data, indicates most likely recoverable reserves of 660 billion cubic feet (bcf) of natural gas for the reservoir defined by Vicky-1. Initial post-drilling evaluation has identified a potential recoverable resource of over 4 trillion cubic feet (tcf) of gas in nearby traps within a 20km radius of Vicky-1.

This discovery has revealed that the Lishui Sub-basin of the East China Sea has a proven hydrocarbon system. More than 10 additional prospects have been identified in Block 32/32, a 6,000 sq. km (1.5 million acres) concession block which covers much of the Lishui Sub-basin. The Company has a 30-year production sharing contract on Block 32/32 with China National Offshore Oil Corp. (CNOOC).

This spring, the Company intends to supplement its initial evaluation with 3D seismic data before commencing with the drilling of appraisal wells.

Primeline Energy Holdings Inc. is exclusively focused on oil & gas exploration and upstream opportunities in China. The Company's shares are listed on the Vancouver Stock Exchange under the symbol "PEH."

On behalf of the Board of Directors:

"Peter C. Kelty"

Mr. Peter C. Kelty
Director
Primeline Energy Holdings Inc.

THE VANCOUVER STOCK EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

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