

PRIMELINE ENERGY HOLDINGS INC.

FOR IMMEDIATE RELEASE

February 19, 1998

PRIMELINE CLARIFIES RESOURCE CLASSIFICATION

Primeline Energy Holdings Inc. (PEH.V) ("Primeline" or the "Company"), wishes to provide further details of the reserve estimates in its news release dated February 16, 1998. The estimates in the release were based on the result of a post well evaluation which was conducted by Primeline's own technical team in conjunction with Quad Consulting Ltd., a United Kingdom-based resource consulting firm involved in oil and gas exploration and development worldwide.

Management's post well evaluation utilized the data collected during drilling and testing the Vicky-1 (LS36-1-1) well including electric log data, drill stem test data, analytical data of the samples collected from the well and geophysical data. The structural closure has been re-interpreted/re-mapped in detail incorporating the well results. The reserve estimates were calculated probabilistically in order to not overstate the situation but at the same time not overlook the potential. The discovery is the first in the area and is located 100 km from the coast of China, 140 km from Wenzhou, a major city in South East China, in Zhejiang Province. However, this is a "frontier discovery" so the hydrocarbons discovered cannot be assigned as either "proved" or "probable" as defined in Canada's National Policy Statement 2-B at this early stage.

The "most likely recoverable reserve" of 660 billion cubic feet (bcf) of gas quoted was calculated by Primeline according to normal industry practice from the reservoir which was clearly demonstrated by the well data of Vicky-1 (LS36-1-1). The final reserve calculation will, however, require future appraisal drilling before the overall development program can be established.

The "potential recoverable resource of over 4 trillion cubic feet (tcf) of gas" describes the potential resources in the identified adjacent prospects within a 20 km radius to the Vicky-1 discovery if these prospects are successfully drilled. These prospects have geological similarities to the Vicky-1 discovery as indicated by seismic mapping and inversion processing.

As previously announced, Primeline intends to supplement its initial evaluation with a 3D seismic survey this spring before commencing with the drilling of appraisal wells in the locations identified following processing of the 3D seismic data. Once the results are obtained from one or more appraisal wells, there will be sufficient data for Primeline to commission an independent reserve report in accordance with National Policy Statement 2-B.

Primeline owns a 75% interest in Block 32/32, a 6,000 square km (1.5 million acres) concession block in the East China Sea. Primeline is exclusively focused on oil and gas exploration and upstream business opportunities in China. Primeline's shares are listed on the Vancouver Stock Exchange under the symbol PEH.

On behalf of the Board of Directors:

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

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