

Primeline Energy Holdings Inc.
c/o The Hong Kong Parkview Group Ltd.
88 Tai Tam Reservoir Road
Hong Kong

PRIMELINE ANNOUNCES US\$1 MILLION PRIVATE PLACEMENT

FOR IMMEDIATE RELEASE

September 29, 1998, Primeline Energy Holdings Inc. (Symbol: PEH.V) ("Primeline"), a Vancouver Stock Exchange ("VSE") listed company, is pleased to announce that its controlling shareholder Victor Hwang, through his company Primeline International (Holdings) Inc. ("PIHI"), has agreed to provide Primeline with US\$1,000,000 on a private placement basis (converted into C\$1,525,000 at yesterday's noon exchange rate of \$1 US = \$1.5125 C) consisting of 847,222 Units at the price of C\$1.80 per Unit. Each Unit will consist of one share of Primeline and one non-transferable warrant entitling PIHI to purchase one additional share of Primeline for a period of two years at a price of \$1.98 during the first year and \$2.16 during the second year. Proceeds from the private placement will be used to defray exploration expenses of Primeline's wholly owned subsidiary, Primeline Energy China Limited ("Primeline China"), on the Vicky-1 exploration well in the East China Sea, estimated to be approximately US\$1,300,000.

In addition, PIHI has agreed to accept 2,166,245 shares of Primeline at a deemed price of \$1.80 per share in settlement of a total of C\$3,899,241 it has advanced to Primeline since July, 1995 to finance the operation of Primeline and its wholly owned subsidiaries. Approximately C\$555,000 of such amount is accrued interest at prime plus 3% up to June 30, 1998.

The private placement and debt settlement are both subject to acceptance by the Vancouver Stock Exchange.

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 Kelty"

Peter Kelty
Director, Primeline Energy Holdings Inc.
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