

PRIMELINE ENERGY HOLDINGS INC.

FOR IMMEDIATE RELEASE

January 29, 1999

PRIMELINE CORPORATE UPDATE

The Management of Primeline Energy Holdings Inc. ("Primeline", the "Company") presents the following update on corporate and operational activities to date:

Block 32/32 Seismic Data Evaluation

The Company has recently received finally processed 3D seismic data over the Vicky discovery in Block 32/32 from its processing contractor. Primeline and its consultants, Exploration Consultants Ltd. (ECL) are now engaged in the interpretation of the 3D seismic data. In the meantime, a regional re-evaluation of additional reprocessed 2D seismic data is also being conducted. The final result from this round of technical evaluation is expected to be completed before the end of April. This information will enable Primeline to formulate the appraisal strategy for the Vicky discovery and the exploration strategy for the surrounding area.

Gas Utilization

The Company held a series of successful meetings with Wenzhou authorities last fall and is encouraged by the level of co-operation. Discussions have centered on developing the local gas market to meet the region's growing energy requirements. As well, The Company is in continued discussions with several internationally-recognized utility companies with regard to utilization of the Company's projected gas production.

Primeline owns a 75% interest in Block 32/32, a 6,000 sq. km (1.5 million acres) concession in the East China Sea. Primeline is exclusively focused on oil and gas exploration and upstream business 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.

FOR MORE INFORMATION, PLEASE CONTACT:

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