

PRIMELINE ENERGY HOLDINGS INC.

FOR IMMEDIATE RELEASE  
1999

March 30,

#### PRIMELINE ENTERS INTO PHASE TWO EXPLORATION

Primeline Energy Holdings Inc. ("Primeline", the "Company") announces that the Company has elected to enter into Phase Two Exploration of the Petroleum Contract for Block 32/32 which has been endorsed by China National Offshore Oil Corporation (CNOOC).

The Phase one exploration work program and commitment was fulfilled with the drilling of Vicky-1 in 1997 and the 3D seismic acquired in 1998. The Phase Two contractual commitment is for one exploration well within a two year period. Primeline and CNOOC remain extremely confident of the hydrocarbon potential in the Block, and intend to build on the success of the Vicky discovery by proving up further its potential. Post well evaluation of the Vicky discovery as announced on 16th February 1998, indicated most likely recoverable reserves of 660 billion cubic feet of hydrocarbon gas and 7.9 million barrels of hydrocarbon liquids. In addition, several subtle prospects and leads within a 20km radius of Vicky-1 have been identified to have geology similar to Vicky. These traps could have a potential recoverable resource of over several trillion cubic feet of gas.

Primeline is continuing its 3D seismic interpretation program over the Vicky discovery and surrounding area. Preliminary results show significant encouragement which as well as confirming the previous understanding of the geology of discovery, indicates significant additional regional potential. The preliminary results of the 3-D interpretation indicate a slight increase in the reserve estimate from the previously announced level is likely. It is expected that the completion of the interpretation will be by the end of April 1999. This program will help the Company to refine its exploration and appraisal strategy for the remainder of 1999 and 2000.

As part of the contractual obligations of the PSC, Primeline is required to relinquish 25% of the Blocks area when entering into Phase Two. This will reduce the area of Block 32/32 to about 4,500 sq. km. Primeline has already recognized an area in the western part of the current Block which has been indicated by the available data to be of little prospectivity.

Primeline owns a 75% interest in Block 32/32 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"

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.