

PRIMELINE ENERGY HOLDINGS INC.

FOR IMMEDIATE RELEASE

PRIMELINE ANNOUNCES APPRAISAL WELL RESULT

August 11, 2000. Primeline Energy Holdings Inc. (CDNX: PEH), (“Primeline” or the “Company”) today announces the results of the first appraisal well, Lishui 36-1-2 (Vicky-2), in Block 32/32 in the East China Sea.

In line with the announcement by the Company on 5th June 2000, the Joint Operating Company for Block 32/32 has completed the drilling operation to a total depth of 2,900m and has conducted a comprehensive testing programme. The well test confirmed similar reservoir quality and characteristics to the discovery well LS 36-1-1 (Vicky-1) made by the Company in late 1997. From a single test zone in the upper Palaeocene reservoir, the well flowed at a stabilised rate of 12.25 million cubic feet per day (Mmcf/d) of natural gas and 189 barrels per day (bopd) of condensate through a 7/8” choke. Testing has been completed and the Operator is expecting to release the rig soon, after the completion of the ongoing geological operations.

Primeline and China National Offshore Oil Corp. (CNOOC) are now evaluating the results of the well, its potential and that of the other exploration prospects in the Block, while carrying out further laboratory analysis work of the samples collected from the well. This post-well evaluation exercise and analysis will be the basis of the next stage of the appraisal and development programme. A further announcement will be made as soon as the post-well evaluation work is completed and agreed by the Joint Management Committee, which is expected in about 3 months.

Under the terms of the Amendment Agreement signed by CNOOC and Primeline, CNOOC provides all the funds for the forwarding exploration operations including this appraisal programme. The Joint Operating Company established by CNOOC and Primeline is the operator of Block 32/32. Primeline will have obligations and revenues based on a net participation interest of 11.25% in any future development and production from the Block, whilst having no further obligation in funding the exploration and appraisal programme.

Primeline is focusing exclusively on oil and gas exploration and upstream business opportunities in China. The Company’s shares are listed on the Canadian Venture Exchange under the symbol ‘PEH’.

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