

PRIMELINE ENERGY HOLDINGS INC.
FOR IMMEDIATE RELEASE

PRIMELINE ANNOUNCES NEXT APPRAISAL WELL

November 16, 2001, London, England. Primeline Energy Holdings Inc. (CDNX: PEH), (“Primeline” or the “Company”) today announces that the Joint Operating Company (“JOC”), jointly set up by China National Offshore Oil Corporation (“CNOOC”) and Primeline, has secured a rig for drilling the second appraisal well in Block 32/32 as part of the 2001 work programme.

Following on from the discovery well Lishui 36-1-1 (Vicky-1) (1997), and the first appraisal well Lishui 36-1-2 (2000), CNOOC and Primeline are continuing with the appraisal programme. The new well location was selected based on the results of the post-well evaluation and other technical work conducted by the JOC in 2000/2001. This well will be drilled about 6.5 km west of the discovery well, Lishui 36-1-1 (Vicky-1). The new well will test the regional extension of the reservoir sequence and is seeking to refine natural gas and other hydrocarbon volume estimates.

The JOC, as the operator of the Block, signed the contracts this week for the drilling operations of Lishui 36-1-3 well. The well will be drilled by Kantan-3 semi-submersible rig, owned by Shanghai Petroleum Exploration and Development Company, an independent and very experienced offshore exploration company. The JOC envisages the commencement of drilling towards the end of November 2001.

Under the terms of the Amendment Agreement to the Petroleum Contract for Block 32/32 signed between CNOOC and Primeline in April 2000, CNOOC will bear all the costs of this appraisal well.

Primeline is focusing exclusively on oil and gas exploration and upstream business opportunities in China. Primeline owns 75% of the Contractor’s interest in the Petroleum Contract for Block 32/32, East China Sea, which entitles the Company a net participation interest of 11.25% in any future development and production from the Block. The Company’s shares are listed on the Canadian Venture Exchange under the symbol ‘PEH’.

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