

PRIMELINE ANNOUNCE LISHUI 36-1-3 APPRAISAL WELL RESULT

January 3, 2002, London, England. Primeline Energy Holdings Inc. (CDNX: PEH), (“Primeline” or the “Company”) announces that the well Lishui 36-1-3 has been plugged and abandoned.

The Joint Operating Company (“JOC”), jointly set up by China National Offshore Oil Corporation (“CNOOC”) and Primeline, has completed the well operations after reaching the total depth of 3,023 metres. The well failed to encounter hydrocarbons and the rig has now been released.

This well was drilled as part of the appraisal programme after the initial discovery Lishui 36-1-1 (Vicky-1) in late 1997 and the subsequent successful appraisal well Lishui 36-1-2 completed in late 2000. CNOOC and Primeline will critically analyse this new well information so as to obtain a fuller understanding of its geological implications, which will assist in refining the geology model for Lishui 36-1 gas discovery. The next stage of exploration/appraisal programme in Block 32/32 will be based on the results of the review of all the three wells drilled.

As announced previously, all the costs of this well have been borne by CNOOC under the Amendment Agreement of the Petroleum Contract for Block 32/32.

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 to a net participation interest of 11.25% in any future development and production from the Block. Block 32/32 encompasses 4,500 square kilometers in the East China Sea.

The Company’s shares are listed on the Canadian Venture Exchange under the symbol ‘PEH’.

“Peter Kelty”

Peter Kelty
Director
Primeline Energy Holdings Inc.

For More Information Please Contact:

Primeline Investor Relations

Tel. + 44 20 7499 8888

Fax. + 44 20 7499 2288

Toll Free: 1 877 818 0688

E-Mail primeline@pilp.com

Web Site: www.primelineenergy.com

The Canadian Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this News Release.