

PRIMELINE ENERGY HOLDINGS INC.
FOR IMMEDIATE RELEASE

PRIMELINE ANNOUNCES APPRAISAL WELL RESULT

March 8, 2001. Primeline Energy Holdings Inc. (CDNX: PEH), (“Primeline” or the “Company”) today announces during the 4th Quarter of 2000, the main activity for Block 32/32 was the post-well evaluation of the appraisal well, Lishui 36-1-2, which was completed in September 2000. The Joint Operating Company (the “Operator”) for Block 32/32 completed the laboratory analysis work of the samples collected from the well, as well as the analysis of all the other geological and engineering data from the well. These results are encouraging. It is therefore the intention of the owners, China National Offshore Oil Corp. (CNOOC) and Primeline that they move on to prepare for the drilling of a further appraisal well in Block 32/32.

An important part of the preparation work for the next appraisal well is the re-interpretation of the seismic data in the light of the new information obtained from Lishui 36-1-2. The Operator has completed the processing of the recently acquired 2D seismic data. The 3D seismic re-processing was also completed in January 2001 and the data is currently being used for a special processing for future reservoir analysis. The special processing will take between 2 and 3 months. Upon the completion of the special re-processing of the 3D seismic data, both the 2D and 3D seismic data will be re-interpreted. This re-interpretation is planned for April - May 2001. The results of this work, together with the recently obtained post-well evaluation results, will enable a well informed decision to be made on the location of the next appraisal well.

In view of the continuing work programme, CNOOC and Primeline have decided to delay the Joint Management Meeting until this month when fuller information will be available. At this meeting which was initially proposed for the end of 2000, the Year 2001 work programme will be finalized.

Under the terms of the Amendment Agreement signed between CNOOC and Primeline in April 2000, former will provide all the funding required for future exploration operations including the appraisal programme. 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 obligations to fund 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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