

PRIMELINE ENERGY HOLDINGS INC.
FOR IMMEDIATE RELEASE

March 29, 2005, London, England. Primeline Energy Holdings Inc. (TSX Venture: PEH) (“Primeline” or the “Company”) is pleased to announce that it has entered into a new Product Sharing Contract (PSC or Petroleum Contract) with China National Offshore Oil Corporation (CNOOC).

The signing ceremony for the PSC for Block 25/34 was held on March 24th in the People’s Great Hall (the Chinese Parliament) in Beijing, China, attended by Senior Management of CNOOC and Primeline. Block 25/34 covers a total area of 7,006 sq kms in the East China Sea, and is located about 390 km southeast of Shanghai and around 110 km east of the City of Wenzhou. The Block covers most of the area of Primeline’s previous PSC Block 32/32, including the Lishui 36-1 (Vicky) gas discovery Primeline made in 1997. Primeline Energy China Ltd., a 100% owned subsidiary of the Company and its affiliate company, Primeline Petroleum Corporation, are the contractors in the Petroleum Contract, holding interests therein of 75% and 25% respectively.

Pursuant to the new Petroleum Contract, the contractors will fund all the exploration expenditure during the exploration phase and CNOOC has right to participate in up to 51% of any commercial development by paying its pro rata share of the development costs.

This is the second Petroleum Contract the Company has entered into with CNOOC (third for Primeline Petroleum Corp.). Primeline operated Block 32/32 in the East China Sea and made a significant gas discovery, Lishui 36-1, in late 1997. Between 2000-2002 Primeline joint ventured with CNOOC in the drilling of two appraisal wells on the discovery.

Mr. Victor Hwang, President of Primeline Energy Holdings Inc., commented “We are very pleased with the opportunity to continue our venture with CNOOC, truly a world class company. We are very excited with this new Contract. It will allow us to continue our efforts to commercialize the gas discovery we made to provide the fast growing economy of Wenzhou region with much needed energy resources. ”

Mr. Liu Qi, the Mayor of Wenzhou, who witnessed the signing ceremony, added: “We congratulate Primeline and CNOOC on the signing of this new Contract to speed up the exploration and appraisal programme in the East China Sea. We are lucky that our city is the closest major market to Primeline’s Lishui 36-1 discovery. We will provide Primeline and CNOOC our utmost support and wish them all the best luck as it is of great importance to the expansion of our local economy.”

Peter Kelty
Director
Primeline Energy Holdings Inc.

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