

PRIMELINE ENERGY HOLDINGS INC.
FOR IMMEDIATE RELEASE

June 24, 2005, London, England. Primeline Energy Holdings Inc. (TSX Venture: PEH) (“Primeline” or the “Company”) is pleased to announce that it has completed the first Joint Management Committee (“JMC”) Meeting with China National Offshore Oil Corporation (“CNOOC”) (NYSE: CEO) with regard to the operations in Block 25/34.

As previously announced, Primeline and CNOOC signed the Petroleum Contract on 23rd March 2005 and subsequently the Petroleum Contract was ratified by the Ministry of Commerce on 22nd April 2005 and became effective on 1st May 2005. Primeline Energy China Ltd. (“PECL”), a wholly owned subsidiary of the Company, and Primeline Petroleum Corporation (“PPC”), an affiliated company, are jointly “Contractors” in the Petroleum Contract. PECL and PPC own 75% and 25% of the Contractors’ interest respectively in the Petroleum Contract. Primeline Energy Operations International Ltd. (“PEOIL”), another wholly owned subsidiary of the Company, is designated as “Operator” of the Petroleum Contract.

Pursuant to the Petroleum Contract, Contractor/Operator and CNOOC are required to set up a Joint Management Committee (“JMC”) to manage the operations under the Petroleum Contract.

The first JMC meeting was held in the offices of CNOOC Ltd. - Shanghai last week. The organization of the JMC and work procedures were reviewed and agreed at the meeting. The JMC also reviewed and approved the Operator’s work program for 2005 which principally includes:

- Acquire from CNOOC all the existing seismic and well data in Block 25/34 that Primeline does not previously hold.
- Undertake a regional technical evaluation of all the data available.
- Design, acquire and process an area of 3D seismic data to assist selection of the location of the next appraisal/exploration well in the Lishui 36-1 gas play, subject to the vessel availability.

At the meeting, both CNOOC and Primeline expressed their satisfaction with the official commencement of operations under the new Petroleum Contract. Both parties fully agreed on the strategy to include a 3D seismic program as an essential part of the appraisal/step out exploration program around the Lishui 36-1 gas discovery. This strategy is set to expand the current exploration achievement of the 2 successful wells in the gas discovery aiming to establish commercially viable reserves at the earliest possible date.

The Company is also pleased to announce that it has received an updated technical assessment report from its retained petroleum consultant Exploration Consultants Ltd. (ECL) on its Block 25/34. The full report is available on the company website (www.primelineenergy.com).

The management of Primeline commissioned this report to evaluate the current technical status and potential of the Lishui 36-1 discovery and to review the strategy of the company’s recent

acquisition of the new Petroleum Contract for Block 25/34 in the East China Sea. ECL reviewed all the data relating to Block 25/34 available to Primeline, including the 3 wells drilled in the gas discovery. ECL has estimated the quantity of discovered resource and has evaluated the further exploration and development potential of 25/34.

The Company has currently no “reserves” as per defined by National Instrument 51-101 and the management acknowledges that the Company needs to conduct further appraisal and exploration activity, as well as further gas market commercialization efforts, in order to upgrade and expand the resources identified to proven, probable and possible reserves.

The Company continues its efforts in exploring various financing options to fulfill its commitments. Discussions are proceeding with a number of funders whom have expressed serious interest in the project.

Peter Kelty
Director
Primeline Energy Holdings Inc.

For More Information Please Contact:
Primeline Investor Relations
Tel. + 44 20 7501 0688
Fax. + 44 20 7501 0699
Toll Free: 1 877 818 0688
E-Mail primeline@pilp.com
Web Site: www.primelineenergy.com

Or

Eric Schjelderup
Port Mercantile Capital Inc.
Investor Relations
Tel: +1 604 649 1981

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