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NEWS RELEASE

PRIMELINE ANNOUNCES 3D RESULTS AND RESOURCE REPORT

Primeline Energy Holdings Inc. ("Primeline" or the "Company"), listed on the TSX Venture Exchange Inc. under the trading symbol "PEH", today announced that the Company has completed the interpretation of the recently completed 3D seismic survey and has received McDaniel's resource evaluation report on Block 25/34.

As previously announced, McDaniel & Associates of Calgary (<http://www.mcdan.com/>) was retained by the Company to provide an independent resource estimate for Block 25/34. McDaniel has now finalized its report, which concludes that the Lishui 36-1 gas discovery has a gross best estimate Gas Initially In Place (GIIP) contingent resource for the property of 292 bcf. It should be noted that "contingent resources" are not "reserves" for the purposes of National Instrument 51-101. McDaniel states that the term "contingent resources" is used because the Company has no reserves since "commerciality of the existing discovery, LS36-1, has not been confirmed". However, as referred to below, CNOOC and the Company are working with Wenzhou authorities in order to establish the commerciality of the existing resources.

The principal exploration activity of the Company over the last 12 months has been the acquisition of an additional 550 sq km of 3D seismic data to define prospect leads and possible drilling locations in the area adjacent to the discovery and the merging of that data with the Company's existing 3D data. The Company completed the processing of the merged 737 sq km 3D seismic data in April/May 2007, which data confirmed the existence of very exciting channel and canyon systems, and several sizeable prospects have been mapped in this new play concept area. Geophysical features associated with the Lishui 36-1 gas discovery, including direct hydrocarbon indicators (DHIs) such as AVO (Amplitude Versus Offset) anomalies and bright spots, are also found on these prospects. Tertiary channel sands are a proven play type in Western Africa and the Gulf of Mexico. AVO anomalies are often due to gas effects in the sands and these anomalies help differentiate bright spot gas sands from other bright reflectors. These nearby prospects and leads could provide significant resource additions for Primeline. The unrisksed best estimate of GIIP (property gross) by McDaniel for the six prospects close to Lishui 36-1 discovery (within 15 kms) is in the order of 1.7 tcf and McDaniel rated the geological chance of success of these prospects in the range of 26% to 46%. These estimates are "prospective resources", defined as quantities of oil and gas which are estimated on a given date to be potentially recoverable from undiscovered accumulations and calculated on a probabilistic basis.

The full text of the McDaniel's report is available on the Company's website (www.pehi.com)



On the basis of the data now available, Primeline has agreed with CNOOC the location(s) for the next exploration drilling in the Block 25/34 and is proceeding with the well design. The Company plans to drill at least one well in the Lishui Gas Play and is currently in discussions with drilling contractors and CNOOC to secure a rig for the drilling programme, although rig availability is scarce in current market conditions.

Furthermore, following the completion of the previously announced pre-feasibility study of a stand alone development of its existing Lishui 36-1 gas discovery, the Company has now engaged CNOOC's research institute to prepare a full feasibility study to evaluate different development scenarios, development costs and future operation costs and project economics. It is anticipated that this study will be completed during the last quarter of 2007. As part of the feasibility study, the Company and CNOOC will continue to evaluate the gas market conditions in Wenzhou and try to secure a gas price sufficient to justify the development. It is believed that if an early stand alone development of the existing discovery is possible, it will significantly enhance the value of any future resources discovered in the nearby area and the rest of the Block.

Primeline owns a 75% interest in the Petroleum Contract for Block 25/34 in the East China Sea with China National Offshore Oil Corp. (CNOOC) (parent company of CNOOC Limited, www.cnooc.com) and Primeline is also the operator for the Block. The Company made the gas discovery, Lishui 36-1, within the Block through two wells which have flow rates of 9.9 and 12.6 mmcf/d (million cubic feet per day) of natural gas, respectively. Block 25/34 encompasses 7,006 sq km in the basin where seven additional previously drilled wells in and around the Block encountered oil and gas shows and flows, indicating that there is significant hydrocarbon potential in addition to the Lishui Gas Play.

ON BEHALF OF PRIMELINE ENERGY HOLDINGS INC.

“Victor Hwang”

Victor Hwang
President

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 IR@pehi.com
Web Site: www.pehi.com



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