



www.pehi.com
Listed on TSX Venture (PEH.V)
加拿大上市公司

超
準
能
源

London, England
14th July 2008
TSXV: PEH

NEWS RELEASE

PRIMELINE RE-PROCESSING REGIONAL SEISMIC DATA TO EVALUATE ADDITIONAL PROSPECTIVITY

Primeline Energy Holdings Inc. ("Primeline" or the "Company") (TSXV: PEH) today reported that the Company has commenced re-processing regional 2D seismic lines in order to further investigate the regional prospectivity of Block 25/34. An update on Company's other ongoing development and exploration drilling activities is also provided.

Whilst the Company's main activities have been focused on development of the existing discovery and drilling the nearby prospects covered by 3D seismic data, the Company has continued its geological and geophysical evaluation of the remainder of the Block utilising the existing 23,000 km of 2D seismic data and information from 12 regional wells. The current 3D seismic area is only 10% of the total contract area of Block 25/34. In and around the Block in the Lishui Basin there are a total of seven previously drilled wells (in addition to Primeline's discovery wells) that had various forms of hydrocarbon shows and flows. The Company believes that channel and canyon systems, with strong DHI support, as defined in the 3D seismic area could be present throughout the Basin and could be developed as future drilling targets in addition to the prospects already identified.

The Company has recently completed a testing programme for the re-processing of 2D seismic data held by it, which is of various vintages spanning over 20 years. On 30th June 2008, the Company signed a contract with Hispec Research Corp. (effective 4th July 2008) to reprocess a total of 3,520 km 2D seismic data based on agreed parameters from the testing programme. The total cost of the contract, based on the final processing sequence, will be in the range of US\$250,000 to US\$350,000. Hispec (<http://www.hispecgeo.com>), a specialist seismic processing company, has developed various leading edge processing techniques and software which were successfully applied to Primeline's 3D re-processing in 2005/2006. Under the contract, Hispec will reprocess the existing Primeline data during the next 3 months in order to improve the quality of the data to aid the regional evaluation.

This regional evaluation will identify the exploration potential in the Basin to provide the Company with prospect inventories that will guide future exploration of the remainder of Block 25/34 outside the Lishui 36-1 Gas Play area covered by 3D seismic data.

Commercialisation of the Existing Discovery

Discussions concerning gas sale agreement with Zhejiang Provincial and Wenzhou Municipal authorities re-opened in March 2008, and Primeline and China National Offshore Oil Corp. ("CNOOC") have made significant progress in the negotiations. Primeline and CNOOC hope to sign an "Agreement in Principle" for a gas sale with the Government-controlled gas distributor in the near future on terms that would justify the commercial development of the existing discovery on a stand-alone basis.

London England
Fourteen South Audley Street
London | W1K 1HN
England | UK
Tel +44 20 7499 8888
Fax +44 20 7499 2288

Hong Kong China
Hong Kong Parkview
88 Tai Tam Reservoir Road
Hong Kong | China
中國香港大潭水塘道88號陽明山莊
Tel 電話 +852 2810 5511
Fax 圖文傳真 +852 2810 0667

Shanghai China
Suite 22N | Cross Region Plaza
899 Ling Ling Road
Shanghai | 200030 | China
中國上海零陵路 899 號
(鹿洲國際廣場) 22N座 郵編 200030
Tel 電話 +86 21 6468 6462
Fax 傳真 +86 21 6468 6467



Meanwhile, the field work for the previously announced environmental survey has been completed and Primeline's contractor is now analyzing the data and preparing the report. This survey is part of the work required for the overall development plan (ODP), which will commence after an Agreement in Principle for gas sale is signed.

Exploration Drilling Update

Primeline has completed the site survey of two proposed exploration well locations near the Lishui 36-1 gas discovery in the Lishui gas play and all other preparatory work required before drilling the identified prospects. Primeline is ready to drill immediately once a rig is available on acceptable terms. Primeline has been actively seeking rigs and has received several proposals in respect of various international drilling rigs and drillships. Whilst it has not so far been possible to obtain a suitable rig on economic terms, the rig market now appears to be easing slightly. Primeline is continuing its discussions with COSL/CNOOC and other drilling contractors in order to secure a rig with the intention of drilling at least one of the selected exploration well locations.

About Primeline Energy Holdings Inc.

Primeline is an exploration company focusing exclusively on China resources to become a major supplier of gas and oil to the East China market. Primeline has a 75% interest in the Petroleum Contract with CNOOC for Block 25/34, an offshore exploration area of 7,006 km² in the East China Sea. A recently completed 3D survey has defined a number of high potential prospects for the Company's immediate exploration programme. Previously drilled wells in and around Block 25/34 encountered oil and gas shows and flows indicating that there is significant hydrocarbon potential in the remainder of the Block. Shares of the Company are listed for trading on the TSX Venture Exchange under the symbol PEH.

ON BEHALF OF PRIMELINE ENERGY HOLDINGS INC.

Ming Wang
Chief Executive Officer

CONTACT:

PRIMELINE ENERGY HOLDINGS INC.

Dr. Ming Wang
CEO
Phone: +44 207.499.8888
Fax: +44 207.499.2288
Toll Free: 1.877.818.0688
Email: IR@pehi.com

CHF INVESTOR RELATIONS

Michael Borovec
Account Manager
Phone: +1 416.868.1079 ext. 229
Fax: +1 416.868.6198
Email: michael@chfir.com

Jeanny So
Director of Operations
Phone: +1 416.868.1079 ext. 225
Fax: +1 416.868.6198
Email: jeanny@chfir.com

Please visit the Company's website at www.pehi.com. Should you wish to receive Company news via email, please email michael@chfir.com and specify "Primeline Energy" in the subject line.

Forward-Looking Statements

Some of the statements in this news release contain forward-looking information, which involves inherent risk and uncertainty affecting the business of Primeline. These statements relate to the Company's anticipation that an agreement in principle for gas sales with a Provincial Government-controlled gas distributor will be signed in the near future. They are based on assumptions that such an agreement in principle can be concluded on acceptable terms. Actual results may vary from those anticipated in such statements. The Company may not be able to conclude such an agreement in principle on acceptable terms.

The TSX Venture Exchange has neither reviewed nor approved and takes no responsibility for the contents of this release.