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TSXV: PEH

NEWS RELEASE

PRIMELINE REPORTS THAT ODP PROGRESS IS ON TRACK

Primeline Energy Holdings Inc. ("Primeline" or the "Company") (TSXV: PEH) today announced that the important survey work required for the Overall Development Plan (ODP) for the Lishui 36-1 gas discovery has now been appointed. Progress on the ODP is on schedule.

As announced in February 2009, Primeline contracted CNOOC Research Beijing to compile the ODP. As part of the ODP compilation, CNOOC Research has had to arrange over 16 separate sub-contracts for surveys and special studies. The most important survey work is the pipeline route survey and platform site survey, which are now in progress. Other survey works include environmental surveys for the platform, pipeline, terminal and jetty, the site survey for the terminal and the fishery resources survey. Specific studies include a study of potential hazards for the terminal, pipeline and platform, an earthquake risk assessment, occupational disease studies, CO₂ utilisation market research and a number of specific studies on reservoir, drilling and engineering. The important surveys and studies have now all been contracted or appointed by CNOOC Research, in conjunction with Primeline's team, by tender or direct negotiation. The data results from some of the subcontracted projects are required in order for other parts of the ODP work to proceed on schedule and are therefore time critical, whilst others are to provide information required to be submitted with the ODP. With all survey work either underway or completed, the ODP project schedule is now within the full control of CNOOC Research.

Based on current progress, it is anticipated that CNOOC Research will complete the design work for the ODP before August 2009 for Primeline and CNOOC's review. After acceptance by CNOOC and Primeline, the ODP will be submitted, together with all the necessary supporting documentation which Primeline and CNOOC are currently preparing, to the relevant central government departments for filing and approval.

As part of the ODP process, Primeline and CNOOC have carried out research with regard to the market for the sale of CO₂ in Zhejiang Province and are encouraged by the results of this market research. It appears that it will be possible to sell the CO₂ products resulting from the processing of the gas from Lishui 36-1.

CNOOC and Primeline are also working closely with Wenzhou Municipality Government on the acquisition of the land for the onshore terminal, since overall planning approval has been obtained. As the land needs to be reclaimed from coastal mud flats, various additional approvals are required to be obtained before any on-



site work commences. Primeline and CNOOC are very pleased overall with the support provided by the Wenzhou Government for this major project.

About Primeline Energy Holdings Inc.

Primeline is an exploration and development company focusing exclusively on China resources to become a major supplier of gas and oil to the East China market. Primeline has a 75% Contractor's interest in the Petroleum Contract with CNOOC for Block 25/34, an offshore exploration area of 7,006 km² in the East China Sea, where the Lishui 36-1 discovery is located. Primeline is compiling the ODP for the Lishui 36-1 gas field on a stand-alone basis. A 3D survey was used to define a number of high potential prospects near the discovery for the Company's step out 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.

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Please visit the Company's website at www.pehi.com. Should you wish to receive Company news via email, please email catarina@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 time anticipated to complete the ODP and its various components, the costs thereof, and the possibility of sales of CO₂ products resulting from the processing of gas. They are based on assumptions that survey, design and other works will be completed in a timely fashion, that funding will be sufficient to pay the costs of the ODP, that required governmental approvals will be timely obtained and that a market will exist for CO₂ products. Actual results may vary from those anticipated in such statements. Survey, design and other work may be delayed for technical and other reasons, and if they are, completion of the ODP will also be delayed. Funding may not be sufficient, and required government approvals may not be obtained in a timely fashion, or at all. If funding is not sufficient or governmental approvals are not obtained, the Company may be unable to complete some or all of the ODP. There may be no market for CO₂ products resulting from the processing of gas, for reasons relating to cost, demand or other factors, and if not Primeline will obtain no revenue from such sales. Exploration for oil and gas is subject to the inherent risk that it will not result in a commercial discovery.

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