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TSXV: PEH

NEWS RELEASE

PRIMELINE ENTERS INTO EXPLORATION SECOND PHASE : ODP PROGRESS

Primeline Energy Holdings Inc. ("Primeline" or the "Company") (TSXV: PEH) today announced that Primeline has elected to enter into the second phase of the exploration period for Block 25/34 in the East China Sea and is in the last stages of finalisation of the Overall Development Plan (ODP) for Lishui 36-1 gas field.

Following the review and acceptance of the ODP technical work in late August 2009, CNOOC Research has been finalising the ODP report and preparing the supporting documentation required for government approval. The supporting documentation includes an occupational hazard assessment, a safety assessment report and an environment impact assessment (EIA). All three reports need to be reviewed and approved by a government designated expert panel and submitted to the relevant government ministries and commissions before the ODP can be formally submitted. Primeline and CNOOC have completed the occupational hazard assessment and the safety assessment report expert review successfully and such reports can now be submitted for approval in December. The EIA review is planned to be held in mid December. Depending on the speed of the formal government approval for these three reports and other supporting documentation, Primeline and CNOOC aim to submit the full ODP to the National Development and Reform Commission in the first quarter of 2010. In the meantime, Primeline and CNOOC are continuing their negotiation of the Supplement Development Agreement governing the development and production operations relating to the Lishui 36-1 gas field and Primeline has been continuing its discussions with various financial institutions on project finance for the development.

Primeline has also formally notified CNOOC that it has elected to enter into the second phase of the exploration period for Block 25/34. As previously agreed with CNOOC, the second phase of the exploration period will be for two years and is deemed to have commenced on 1st May 2009 with a commitment for two wells, including the one unfulfilled well commitment carried over from phase one. Pursuant to the Petroleum Contract, Primeline is obliged to relinquish 25% of the exploration area at the expiration of the first phase of the exploration period and has designated the area to be relinquished. As a result the total concession area for Block 25/34 is now 5,221 sq km. Primeline will continue to implement the rolling development strategy and to develop the Lishui 36-1 gas field whilst continuing exploration for additional resources in the nearby area to expand the resource base.



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 5,221 sq km (following the recent relinquishment) 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. They are based on assumptions that work will be completed in a timely fashion and that required governmental approvals will be timely obtained. Actual results may vary from those anticipated in such statements. Work may be delayed for technical and other reasons, and if it is, finalisation and approval of the ODP will also be delayed. Required government approvals may not be obtained in a timely fashion, or at all. If governmental approvals are not obtained, the Company may be unable to proceed with the development. Exploration for oil and gas is subject to the inherent risk that it will not result in a commercial discovery.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.