

Hong Kong, China  
30<sup>th</sup> March 2010  
TSXV: PEH

NEWS RELEASE

**PRIMELINE RIG TO MOBILISE TO LOCATION**

**Primeline Energy Holdings Inc.** ("Primeline" or the "Company") (TSXV: PEH) today announces that COSL 942 drilling rig will be mobilised to Primeline's site in the next few days.

Primeline has received notification from China Oilfield Services Ltd. (COSL) that COSL 942 is expected to complete its current well operations on or around 2<sup>nd</sup> April 2010 and will then be ready to be mobilised to Primeline's LS35-3-1 well location. On the basis of the currently advised schedule, COSL 942 will be on location around 5<sup>th</sup> April for the rig to prepare for the drilling operations which are estimated to commence around 8<sup>th</sup> April. Under the turnkey contract signed between COSL and Primeline, COSL will be responsible for all the operations but Primeline has a supervision team in place in Shanghai and on the well site.

As announced on 25<sup>th</sup> March, Primeline will fund its share of the drilling costs via a rights issue. As the rights issue has not yet closed, Primeline's Chairman, Victor Hwang has advanced to the Company the funds necessary for the drilling operation.

This operation is part of the step-out drilling campaign that Primeline is implementing as part of its rolling exploration and development strategy. Primeline and CNOOC are preparing for the development of Lishui 36-1 gas field following signing of development agreements with CNOOC on 17<sup>th</sup> March. The Lishui 35-3-1 well location is around 15 km SW of Lishui 36-1 gas field.

**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 km<sup>2</sup> in the East China Sea, where the Lishui 36-1 discovery is located. 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.

Ming Wang  
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Please visit the Company's website at [www.pehi.com](http://www.pehi.com). Should you wish to receive Company news via email, please email [robin@chfir.com](mailto:robin@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 in which the COSL 942 rig is expected by COSL to be on location for the drilling of the LS 35-3-1 well, and Primeline's expectation that funding arrangements will be completed. They are based on assumptions that the current contract under which COSL 942 has been mobilized will be completed on a timely basis, upon budgets for drilling compiled by Primeline, and that funding arrangements can be completed. Current contracts may not be completed on a timely basis, actual costs may exceed those budgeted, and it may not be possible to complete funding arrangements. If so, then drilling of LS 35-3-1 may be delayed, the amounts Primeline will have to raise may be increased, and Primeline may be unable to meet its payment obligations under the drilling contract. 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, Primeline may be unable to develop the gas field. Exploration for oil and gas is subject to the inherent risk that it will not result in a commercial discovery.

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