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

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Hong Kong  
26<sup>th</sup> May, 2011  
TSXV: PEH

## NEWS RELEASE

### PRIMELINE ARRANGES WORKING CAPITAL FACILITY AND APPOINTS NEW GENERAL MANAGER IN CHINA

**Primeline Energy Holdings Inc.** ("Primeline" or the "Company") (TSXV: PEH) today announced that Primeline has signed an agreement with Victor Hwang, its President, Chairman and largest shareholder, under which Mr. Hwang has granted Primeline a loan facility of up to US\$4,000,000 (the "Loan") which may be drawdown in multiple tranches at any time before 30<sup>th</sup> November 2011. The Loan, which will be used for working capital purposes, is interest free and is repayable on written demand at any time after 30<sup>th</sup> November 2011. Primeline is investigating options for generating funds to repay the Loan, and expects to make an announcement about repayment in due course.

In addition, Primeline has appointed Chongxin Zhang as General Manager of its operational office in Shanghai with effect from 1<sup>st</sup> June 2011. Mr. Zhang has recently retired from China National Offshore Oil Corporation ("CNOOC"). Mr. Zhang is a geophysicist and has had a long career with CNOOC, including 13 years as CNOOC Shanghai's Vice President and four years as CNOOC's Chief Representative in the USA and has considerable experience in offshore oil and gas exploration and development, particularly in the East China Sea. Mr. Zhang will work with Mr. Yujin Shen, our Chief Representative on all China operations. Mr. Shen will retire as executive in due course but will continue as advisor.

#### 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 and is the operator for exploration 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. Primeline also has a 36.75% interest in the LS36-1 gas field in Block 25/34 which is being developed by Primeline together with CNOOC (acting as Operator for the development) and Primeline Petroleum Corporation. CNOOC is proceeding with the preparation of the development and Primeline is leading the exploration effort currently focused on the prospects in the 3D seismic data area where a number of high potential prospects near the LS36-1 development have been

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mapped and where the LS35-3-1 discovery (drilled in 2010) is located. The new LS35-3-1 discovery and 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

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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 [lauren@chfir.com](mailto:lauren@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 Primeline's expectation that it will be able to conclude arrangements to generate funds to repay the Loan. Actual results may vary from those anticipated in such statements. Such arrangements may not be entered into on the terms expected or at all. If not, Primeline may be unable to repay the Loan. 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.