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TSXV: PEH

**NEWS RELEASE**

**PRIMELINE CONVERTS TO IFRS AND CHANGES REPORTING CURRENCY TO RMB**

**Primeline Energy Holdings Inc.** ("Primeline" or the "Company") (TSXV: PEH) today announced that effective 1<sup>st</sup> April 2011, Primeline has changed from preparing its financial statements according to Canadian GAAP to preparing them according to International Financial Reporting Standards (IFRS) as required by Canadian securities law. Under IFRS it was necessary for the Company to carry out an analysis of its functional currency and, given that substantially all Primeline's operations are currently in China and any future income to be received from the gas sale arrangements from the LS36-1 development will be denominated in Renminbi (RMB), the official currency of People's Republic of China, the Company concluded that its functional currency should be RMB. Accordingly, Primeline's financial statements, effective 1<sup>st</sup> April 2011, will be presented in RMB. In order to avoid confusion the Company will provide Canadian dollar equivalents for information only.

With regard to the development of the LS36-1 gas field, CNOOC continues to progress the development and the Company will make a separate announcement on this in due course.

**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 Contractor's interest and is the operator for exploration under a Petroleum Contract with CNOOC for Block 25/34, an offshore exploration area of 5,221 sq kms in the East China Sea, which is now to be replaced by Block 33/07, comprising 5,877 sq kms. Primeline also has an 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 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 (and Block 33/07) encountered oil and gas shows and flows indicating that there is significant



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](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 enter into a new petroleum contract pursuant to the MOA and that such contract will be approved by the PRC Ministry of Commerce, that the Overall Development Plan will be finalised and submitted and that Primeline can successfully make arrangements to finance its share of development and exploration costs. Actual results may vary from those anticipated in such statements. Such agreements may not be entered into on the terms expected or at all, and financing may not be available on acceptable terms or at all. 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.