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TSXV: PEH

NEWS RELEASE

**PRIMELINE ENERGY'S LS 36-1 ODP FINAL REVIEW PASSED AND READY FOR  
SUBMISSION**

**Primeline Energy Holdings Inc.** ("Primeline" or the "Company") (TSXV: PEH) today announced that Primeline and China National Offshore Oil Corporation ("CNOOC") have passed the final review of the Overall Development Program for LS 36-1 gas field (ODP), which is now ready to be submitted to the National Development and Reform Commission (NDRC) for approval.

The ODP was completed and reviewed in 2009 but, due to the relocation of the onshore terminal to a better site, it was necessary to revise the design and all the relevant regulatory submission documents, including the environmental impact assessment (EIA), safety assessment and occupational hazard assessment. Following extensive negotiation and a public tender process, the formal contract for acquisition of the land for the terminal was signed by CNOOC with the Wenzhou municipal government on 27<sup>th</sup> October 2011. This completed the legal and planning process in relation to the terminal land and allowed all designs to be finalised for submission for all consents for the development.

The final review meeting for the ODP was held by CNOOC and Primeline on 9<sup>th</sup> November in Shanghai at which an expert panel reviewed and approved the final revision of the ODP. Consequently the ODP, subject to final editing, is now ready to be submitted to the NDRC.

The EIA passed the expert review by the State Oceanic Administration (SOA) on 28<sup>th</sup> July 2011, after the first review on 26<sup>th</sup> April 2011. Following revision, the EIA was formally submitted by CNOOC to the SOA in September and is currently in process for approval.

In the meantime, the basic engineering design for the terminal has been completed, following the completion of such design for the pipeline and platform in July. The basic design work for the



development, which commenced in November 2010 is now completed. A meeting was held in Shanghai on 10<sup>th</sup> November for final review and acceptance of this work. The basic engineering design document allows procurement for material and service contract to commence.

CNOOC Investment Committee approved the whole LS36-1 development in July 2011 and since then CNOOC, as the operator, has been carrying out detailed engineering design, procurement and fabrication of the pipeline and the platform in order to maintain the development schedule of first gas in the third quarter of 2013. Offshore installation, terminal construction and drilling of production wells are planned for 2012.

Primeline will make a further announcement when the ODP is submitted for approval to the NDRC.

#### **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 in the East China Sea, or 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 Corp. (PPC). Primeline and PPC have also secured a new exploration Block 33/07 covering 5,877 sq km of offshore area surrounding the LS 36-1 gas field development area. CNOOC is proceeding with 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 33/07 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](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 scheduled production of first gas from the LS 36-1 gas field in the third quarter of 2013. Actual results may vary from those anticipated in such statements. Gas may first be produced from the field at a later date, or not at all. If gas is produced later than expected or is not produced, revenues from the sale of such gas may be realized later than presently anticipated, or not realized at all. Exploration for oil and gas is subject to the inherent risk that it will not result in a commercial discovery*

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