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東方明珠創業有限公司*
Pearl Oriental Innovation Limited

(the “Company”)

(Incorporated in Bermuda with limited liability)

(Stock Code : 632)

SUBSCRIPTION FOR NEW SHARES UNDER GENERAL MANDATE

AND

RESUMPTION OF TRADING

SUBSCRIPTION FOR NEW SHARES

The Company is pleased to announce that the Subscribers have reached the Agreements with the Company.

There are more than six Subscribers for the Subscription Shares, including without limitation, JP Morgan, Wellchamp Capital, Worldwide Low Carbon Group and other institutional investors.

Pursuant to the Agreements, the Subscribers have conditionally agreed to subscribe for an aggregate of 231,367,000 Subscription Shares at a price of HK\$1.38 per Subscription Share. The Subscription Price of HK\$1.38 represents (i) a discount of approximately 18.8% to the closing price of HK\$1.70 per Share as quoted on the Stock Exchange on the Last Trading Date; (ii) a discount of approximately 18.3% to the average closing price per Share of approximately HK\$1.69 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Date; and (iii) a discount of approximately 19.2% over the average closing price per Share of HK\$1.708 as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Date.

The Subscription Shares represent (i) approximately 18.77% of the existing issued share capital of the Company of 1,232,416,960 Shares as at the date of this announcement; and (ii) approximately 15.81% of the issued share capital of the Company of 1,463,783,960 Shares as

enlarged by the Subscription. The Subscription is conditional upon, among other things, the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares. The gross proceeds from the Subscription will be approximately HK\$319 million. The net proceeds of approximately HK\$310 million from the Subscription is intended to be partially utilized for the acquisition of the Utah Gas and Oil Field, the balance of the proceeds shall be utilized as costs for the exploitation & exploration of existing and new wells of the Utah Gas and Oil Field.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 16 April 2010 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 21 April 2010.

SUBSCRIPTION FOR NEW SHARES

SHARE SUBSCRIPTION AGREEMENTS

Dates

During the period from 15 April 2010 (after the trading hours) to 20 April 2010

Parties involved

The Company and the Subscribers

Subscribers

There are more than six Subscribers for the Subscription Shares, including without limitation, JP Morgan, Wellchamp Capital, Worldwide Low Carbon Group and other institutional investors.

All the Agreements have similar terms and conditions, and each of the Agreements are independent and not-interconditional.

Independence of the Subscribers

To the best knowledge of the Company, the Subscribers and their ultimate beneficial owners (as the case may be) are not connected persons of the Company and are third parties independent of, and not connected with, and not acting in concert with the directors, chief executives and substantial shareholders of the Company and any of its subsidiaries or any of their respective associates (as defined in the Listing Rules).

The Subscription Price

The Subscription Price of HK\$1.38 represents (i) a discount of approximately 18.8% to the closing price of HK\$1.70 per Share as quoted on the Stock Exchange on the Last Trading Date; (ii) a discount of approximately 18.3% to the average closing price per Share of approximately HK\$1.69 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Date; and (iii) a discount of approximately 19.2% over the average

closing price per Share of HK\$1.708 as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Date.

The Subscription Price has been determined with reference to the prevailing market price of the Shares and has been negotiated on an arm's length basis between the Company and the Subscribers. The Directors consider that the terms of the Subscription are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

The Subscription Shares

The 231,367,000 Subscription Shares represent (i) approximately 18.77% of the existing issued share capital of the Company of 1,232,416,960 Shares as at the date of this announcement; and (ii) approximately 15.81% of the issued share capital of the Company of 1,463,783,960 Shares as enlarged by the Subscription.

The Subscription Shares will be issued under the General Mandate. The total number of new Shares that the Company is authorised to allot and issue is 232,283,392 Shares. Since the date of the SGM and up to the date of this announcement, no new Shares have been allotted and issued by the Company under the General Mandate.

Ranking of Subscription Shares

The Subscription Shares, when issued and fully paid, will rank *pari passu* among themselves and with Shares in issue at the time of issue and allotment of the Subscription Shares.

Conditions of the Subscription

The Subscription is conditional upon, among other things, the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares (the "Condition").

Completion

It is expected that the Subscription will be completed on the third Business Days after fulfillment of the Condition.

REASON FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Directors consider various ways of raising funds and consider that the Subscription represents an opportunity to raise capital for the Company while broadening the Shareholder base and capital base of the Company. Accordingly, the Directors consider the Agreements are in the interest of the Company and the Shareholders as a whole.

The gross proceeds from the Subscription will be approximately HK\$319 million. The net proceeds of approximately HK\$310 million from the Subscription is intended to be partially utilized for the acquisition of the Utah Gas and Oil Field, the balance of the proceeds shall be utilized as costs for the exploitation & exploration of existing and new wells of the Utah Gas and Oil Field. The net price per Subscription Share is approximately HK\$1.34.

Reference is made to the Company's announcement dated 25 January 2010 (the "VSA Announcement"). Terms capitalized herein shall have same meanings as defined in the VSA Announcement.

DEVELOPMENT OF UTAH GAS AND OIL FIELD PROJECT

Together with internal resources of the Company and after completion of the Subscription, the Company will have adequate funding to finance the Consideration and the Development Costs for acquisition of the Utah Gas and Oil Field project. In addition, as CFIUS has already granted approval for the Company's acquisition of Ownership Interest in the Utah Gas and Oil Field, the Company will complete the Acquisition soon after obtaining independent shareholders' approval at a special general meeting of the Company to be held since most of the Conditions Precedent have been fulfilled.

The Board is pleased to be advised that, the rework of seven (7) existing wells of Utah Gas and Oil Field project has been started, and that of other seven (7) new wells are under planning. We expect that there will be the first gas production in sales within 3 months.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The following is the fund raising activities conducted by the Group in the past 12 months immediately preceding the date of this announcement:

Date of announcement	Event	New proceeds (approximately)	Intended use of proceeds as announced	Actual use of proceeds
4 June 2009	Issue of Convertible notes	HK\$30 million	As general working capital for the Group	As general working capital for the Group
11 December 2009	Subscription for 115,680,000 Shares	HK\$114 million	Partly as general working capital for the Group and partly for possible acquisition of overseas energy and natural resources projects	As the Deposit for the Acquisition
14 December 2009	Subscription for 65,000,00 Shares	HK\$64 million	For possible acquisition of overseas energy and natural resources projects	Has not yet been utilized

EFFECTS ON SHAREHOLDING STRUCTURE

	As at the Last Trading Date		After the Completion of the Agreements	
	(No. of Shares)	(%)	(No. of Shares)	(%)
Orient Day <i>(Note)</i>	517,084,800	41.96	517,084,800	35.33
Other Directors	2,912,090	0.24	2,912,090	0.19
Public Shareholders				
- the Subscribers	--	--	231,367,000	15.81
- Other public Shareholders	712,420,070	57.80	712,420,070	48.67
Total	1,232,416,960	100.00	1,463,783,960	100.00

Note: Orient Day Developments Limited is a company incorporated with limited liability in the British Virgin Islands and is wholly and beneficially owned by Mr. Wong.

INFORMATION ON THE GROUP

The principle activity of the Company is an investment holding company. It is principally engaged in energy and recycling businesses.

GENERAL

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Subscription Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 16 April 2010 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 21 April 2010.

Terms and definitions

“Agreements”	various share subscription agreements between the Company and the Subscribers entered into on between 15 April 2010 (after the trading hours) and 20 April 2010 in relation to the Subscription
“Board”	the board of Directors
“Business Day”	Any day (other than Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal banking business

“Company”	Pearl Oriental Innovation Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the board of the Company
“General Mandate”	the mandate granted to the Directors by the Shareholders at the SGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the SGM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“JP Morgan”	J.P. Morgan Securities Limited
“Last Trading Date”	15 April 2010, being the last full trading day for the Shares before this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wong”	Mr. Wong Kwan, Chairman and Chief Executive of the Company and an executive Director
“PRC”	The People’s Republic of China
“SGM”	the special general meeting of the Company held on 20 January 2010
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.10 in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	the subscribers who subscribe for the Shares under the Agreements.
“Subscription”	the subscription for 1,463,783,960 new Shares by the Subscribers pursuant to the terms of the Agreements
“Subscription Price”	HK\$1.38 per Subscription Share

“Subscription Share(s)”	1,463,783,960 new Shares to be subscribed for by the Subscribers pursuant to the Agreements
“Orient Day”	Orient Day Developments Limited, a company incorporated in the British Virgin Islands with limited liability, and wholly owned by Mr. Wong
“%”	per cent.

As at the date hereof, the Board comprises six executive Directors, namely Mr. Wong Yuk Kwan (alias: Wong Kwan), Dr. Lew Mon Hung, Mr. Cheung Kwok Yu, Mr. Zhou Li Yang, Mr. Zheng Yingsheng and Mr. Johnny Yuen; and three independent non-executive Directors, namely Mr. Yu Jianmeng, Mr. Fung Hing Chiu, Cyril and Mr. Lam Ka Wai, Graham.

By Order of the Board
 Pearl Oriental Innovation Limited
 Lew Mon Hung
Deputy Chairman and Executive Director

Hong Kong, 20 April 2010

* For identification purposes only