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

(the “Company” or “Pearl Oriental”)

(Incorporated in Bermuda with limited liability)

(Stock Code: 632)

SUCCESSFUL COMMENCEMENT OF PRODUCTION AND SALE OF GAS AND OIL FIELD IN UTAH, USA

Pearl Oriental is pleased to announce that the latest outcome of production up to 10 October 2010 of the Utah Gas and Oil Field, of which 70% Ownership Interest was acquired by the Company on 21 June 2010, is very encouraging. With the professional services of the U.S. reputable oil and gas engineering service firm, Halliburton, drilling of three (3) new wells has been very smooth, the completion and fracturing have been finished in early October 2010.

The first new well (Thurston 7-9)

It has drilled and completed to a depth of 8,000 feet, through logging and engineering analysis has confirmed a total of four (4) oil and gas productive zones. The completion and fracturing of the first productive zone has been successfully performed. A total of 740,000 cubic feet of natural gas has been sold to Anadarko’s gas pipeline system with revenue being recorded. The remaining three zones will be produced soon according to the original engineering schedule. Also we have recovered a total of thirty (30) barrels of light crude oil condensate and samples were sent for further engineering testing and development studies.

The second new well (Thurston 10-15)

It has drilled and completed to a depth of 7,607 feet, through logging and engineering analysis has confirmed a total of four (4) oil and gas productive zones. The completion and fracturing of the first productive zone has been successfully performed. Natural gas production will be started within a few days after water dry up. The produced gas will be sold and revenue will be recorded accordingly. The remaining three zones will be produced soon according to the original engineering schedule.

The third new well (Thurston 5-15)

It has drilled and completed to a depth of 7,748 feet, through logging and engineering analysis has confirmed a total of four (4) oil and gas productive zones. The completion and fracturing of the first productive zone will be performed on 30 October 2010. Upon completion, the produced gas will be sold and revenue will be recorded accordingly.

The fourth new well

With the success of the new drilling program, logging and engineering data analysis, our geologist and engineer experts have suggested that the fourth new well will be drilled in November 2010 to a depth of 13,000 to 16,000 feet, deeper than the first three wells, to encounter more oil and gas productive zone potentials.

New oil discovery

Through logging and engineering data analysis, the first new well (Thurston 7-9) has encountered shallow oil pay zone at depth of around 3,500 feet, and the result is encouraging. This possible new oil discovery has not been included in the independent technical expert report of HAAS as set in the Company's circular dated 24 May, 2010. Our management team will evaluate the commercial value of this oil potential after we get further technical information.

The Board is pleased to acknowledge the above production results which have been verified by the Company's oil and gas expert, and the Utah Gas and Oil Field has entered into the actual production and sale stage. As the scale of drilling and production activities will continue to expand, the volume of production and natural gas and oil will increase gradually, and it will bring more sale revenue to the Group.

As at the date hereof, the Board comprises five executive Directors, namely Mr. Wong Yuk Kwan (alias: Wong Kwan), Dr. Lew Mon Hung, Mr. Cheung Kwok Yu, Mr. Zhou Li Yang and Mr. Johnny Yuen; one non-executive director, Mr. Baiseitov Bakhytbek; 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
Wong Kwan
Chairman and Chief Executive

Hong Kong, 11 October 2010

** For identification purposes only*