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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)

UPDATE ON DEVELOPMENT OF GAS AND OIL FIELD IN UTAH, USA

Reference is made to the Company’s announcement and circular dated 11 October 2010 and 24 May 2010 respectively.

Pearl Oriental is pleased to announce the latest development of the Utah Gas and Oil Field, of which 100% Ownership Interest is owned by the Company. With the professional services of the U.S. reputable oil and gas engineering service firm, Halliburton, drilling of 5 old and new wells has been very smooth and the completion and fracturing have been finished in the last year, among which 2 old wells (22-27X and 11-29), and 2 new wells (Thurston 7-9 and Thurston 10-15) are in production of gas. Management will try again to locate production layers of the new well (Thurston 5-15) as soon as practicable.

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. It is expected that the completion of this well in the Green River oil formation will be in around June 2011.

Drilling of New Wells

The Group is now applying for 30 drilling permits of new wells from government authorities of the State of Utah, and it is expected that the first 10 drilling permits will be granted within 3 months. The Group continues to investigate the geology of the Wasatch formation for a multi well program through seismic data obtained and on which we are currently reprocessing and evaluating, we will drill another 3 new wells of around 5,000 feet deep as soon as possible according to the original plan, and Management is also exploring methods for completing these wells at the lowest cost possible.

Long Term Positive Outlook for Natural Gas

Simmons & Company International, an institutional securities group in United Kingdom issued an energy industry research report on 12 April 2011. It mentioned although the natural gas market in the United States is likely to remain oversupplied this year, however, given a number of favourable factors including but not limited to nuclear crisis in Japan, turmoil in Middle East and North Africa, supportive policy of President Obama of encouraging corporate and domestic natural gas usage to reduce one third of foreign oil import, and in particular that the economics favour natural gas which currently trades at the equivalent of US\$25/barrel of oil equivalent, i.e. 1/4 of crude oil price, the medium and long term outlook for natural gas price will be positive.

In the circumstances, the Board of Pearl Oriental has decided to exercise its option to increase its Ownership Interest in the Utah Gas and Oil Field to 100% for US\$25 million in order to increase the Group's natural gas and oil reserves. The Group will also speed up the development of this gas and oil field so as to be prepared for the coming expected natural gas booming market and bring desirable investment return to the Shareholder.

Possible New Oil Field Projects

Apart from developing our Utah project in full speed, the Company and the JV Partner are studying several oil field projects in Texas, USA which have attractive development potential.

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

Cheung Kwok Yu

Executive Director and Company Secretary

Hong Kong, 15 April 2011

** For identification purposes only*