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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)**

**VOLUNTARY ANNOUNCEMENT**

**DESPATCH OF CIRCULAR**

**(1) VERY SUBSTANTIAL ACQUISITION**

**AND**

**CONNECTED TRANSACTION**

**(2) SPECIFIC MANDATE TO ISSUE NEW SHARES**

**AND**

**INCREASE OF SHAREHOLDINGS OF ORIENT DAY**

Reference is made to the announcements issued by the Company dated 25 January 2010 (the "Announcement") in relation to a very substantial acquisition of the Company. Terms used herein shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

**DESPATCH OF CIRCULAR**

The Company is pleased to announce that a circular for the Acquisition of the Utah Gas and Oil Field has been finalized and will be despatched to the Shareholders on 24 May 2010 together with a notice of the SGM to be held on 8 June 2010.

Following the fulfilment of the Conditions including the passing of the necessary resolutions by the Independent Shareholders in the SGM to be held on 8 June 2010 to approve the Agreement, the Company will proceed to complete the Phase 1 Acquisition on the third business day thereafter.

## INCREASE OF SHAREHOLDINGS OF ORIENT DAY

The Directors are pleased to announce that, further to Orient Day's conversion of the Convertible Note in a principal amount of HK\$70,000,000 as announced by the Company on 3 May 2010, Orient Day has recently spent over HK\$22,300,000 to acquire the Company's shares in the open market. As a result, the shareholding of Orient Day has increased to approximately 43.38% of the enlarged total issued share capital of the Company.

Orient Day is a company wholly owned by Mr. Wong Kwan, who is a substantial shareholder, chairman and executive director of the Company.

The Board is of the view that, after Acquisition of the Utah Gas and Oil Field, the assets value of the Company will be further enhanced. As the Oil and Gas wells start production, it will bring steady income to the Group. Orient Day's further acquisition of shares in the Company demonstrates Mr. Wong Kwan's strong confidence in the future development potential of the Company and also his continual support to the Company.

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  
Cheung Kwok Yu  
*Executive Director and Company Secretary*

Hong Kong, 20 May 2010

*\* For identification purposes only*