



Press Release

**Pearl Oriental Invests US\$25 Million
to Further Acquire Remaining 30% Ownership Interest of
Utah Gas and Oil Field**

Pearl Oriental Innovation Limited (“Pearl Oriental”, Stock Code 0632.hk) announces that pursuant to the Acquisition of 70% Ownership Interest of Utah Gas and Oil Field completed on 21 June 2010, the Company has exercised its option at a cash consideration of US\$25 million (equivalent to HK\$195 million) to acquire the remaining 30% Ownership Interest, and the Acquisition completed on 11 March 2011. Pearl Oriental owns 100% Ownership Interest of the Utah Gas and Oil Field.

The Board of Directors of Pearl Oriental expresses that, given the recent surging global oil prices, the price of crude oil has exceeded US\$100 per barrel. The Group’s 100% Ownership Interest of Utah Gas and Oil Field will further increase the gas and oil reserves to 75 million BOE (barrel of oil equivalent) of the Company and will record more revenue when the Utah Gas and Oil Field achieves full production which is in the best interest of the Company and its shareholders.

Management has received in early March 2011 a preliminary valuation of the Utah Gas and Oil Field prepared by an independent professional valuer. Based on that report, there will be a considerable appreciation in respect of the 30% Ownership Interest in the Utah Gas and Oil Field in comparison with the acquisition cost of US\$25 million. Accordingly, it is expected that it will improve the Group’s financial position.

The Utah Gas and Oil Field has started production and sales of gas since October 2010. One of its new wells has been drilled to 3,500 feet and newly discovered oil reserves at the shallow depth. The Group will expedite the progress and will exploit more new wells.

By Order of the Board

Pearl Oriental Innovation Limited

11 March 2011