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Company Announcements Office
Australian Stock Exchange
20 Bridge Street
SYDNEY NSW 2000

JOINT VENTURE EXPLORATION AND DEVELOPMENT HEADS OF AGREEMENT

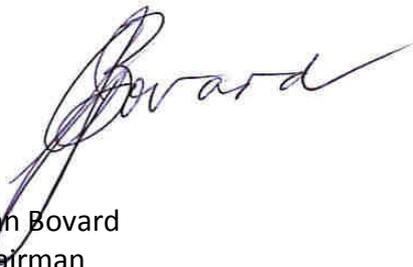
Pacific Enviromin Ltd (“PEV”) is pleased to announce that its Australian Pacific Coal division has entered into a Heads of Agreement with an Australian based company Blackwood Resources Pty Ltd (“Blackwood Resources”) for the joint venture exploration and development of four of its coal tenements (EPC 1979, 1955, 1987 & 1957) located in the Surat, Clarence-Moreton and Galilee Basins upon their grant by the Queensland Department of Mines and Energy. Completion of this transaction is subject to execution of a long form Sale and Purchase Agreement with a Project Joint Venture Agreement to be then entered into between the parties.

Pursuant to the Heads of Agreement, Blackwood Resources will acquire a 90% interest in the coal tenements for a total cash consideration of \$500,000 and PEV will hold a 10% interest in these tenements. Blackwood Resources will be responsible for all expenditure on exploration and development costs (including all costs incurred in respect of the Department of Mines and Energy) until completion of a bankable feasibility study pertaining to these tenements. At this time, PEV will have the election as to whether it intends to continue to hold its 10% interest in these projects. If so, the Company will be required to fund its proportionate share of expenditure in connection with these tenements going forward.

Exploration and development of these resources will target open cut thermal coal deposits suitable for the export market. Both companies will begin the immediate development of the Project Development Plan. Independent Geologist reports have identified immediate drilling target areas, which the upcoming exploration program will focus on.

Pacific Enviromin will use the proceeds from this agreement to help fund development of its other coal exploration tenements, including its priority tenement EPC1827 referred to in PEV’s ASX announcement of 19 November 2009 “Exploration Target Identified”.

Pacific Enviromin Ltd and Blackwood Resources look forward to working together for their mutual benefit in order to further delineate the potential for coal resources on these tenements. Blackwood Resources has been advised in this transaction by Grant Thornton Corporate Finance based in Sydney.



John Bovard
Chairman