

ABN 49 089 206 986

NOTICE OF ANNUAL GENERAL MEETING

and

EXPLANATORY MEMORANDUM

and

PROXY FORM

Date of Meeting: 30 November, 2009

Time of Meeting: 12:00 noon (Brisbane Time)

Place of Meeting: Unit 1, 5 Ross Street
Newstead Qld 4006

This Notice of Annual General Meeting and Explanatory Memorandum should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser before voting.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of shareholders of Pacific Enviromin Limited ("the Company") will be held at Unit 1, 5 Ross Street, Newstead Qld 4006 on 30 November 2009 at 12:00 noon (Brisbane time).

FINANCIAL REPORTS

To receive and consider the Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Income Statements, Balance Sheets, Statements of Cashflows and notes to and forming part of the accounts for the Company and its controlled entities for the financial year ended 30 June 2009.

RESOLUTIONS

1. RE-ELECTION OF DIRECTOR – MR. C DREDGE

To consider and, if thought fit, pass the following resolution;

"That Mr. C Dredge, who retires in accordance with article 18 of the Company's Constitution and being eligible offers himself for re-election, be re-elected a Director of the Company."

2. RE-ELECTION OF DIRECTOR – MR. P BYRNE

To consider and, if thought fit, pass the following resolution;

"That Mr. P Byrne, who retires in accordance with article 18 of the Company's Constitution and being eligible offers himself for re-election, be re-elected a Director of the Company."

3. REMUNERATION REPORT

To consider and, if thought fit, approve the following ordinary resolution:

"That the remuneration report section of the Directors Report for the Company for the year ended 30 June 2009 be adopted."

The vote on this resolution 4 is advisory only and does not bind the Directors of the Company.
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4. AUTHORISE PLACEMENT OF SHARES

To consider and, if thought fit, pass the following resolution, as an ordinary resolution with or without amendment:

*"That in accordance with the provisions of Listing Rule 7.1 of the Official Listing Rules of the ASX, and for all other purposes, the Company and the Directors of the Company are authorised to issue up to 40,000,000 fully paid ordinary shares (**Placement Shares**) at an issue price per Placement Share of not less than 80% of the weighted average trading price of the Company's shares calculated over the last five (5) days on which sales in the securities of the Company were recorded before the day on which the share placement is made (**Issue Price**), to various sophisticated or professional investors (**Investors**) that fall within one or more of the classes of exemptions specified in section 708 of the Corporation Act on the terms and conditions as contained in this Notice of Meeting and attached Explanatory Memorandum (**Placement**)".*

Notes:

- The Placement Shares will be issued to sophisticated or professional investors who fall within one or more of the classes of exemptions specified in section 708 of the Corporation Act;
- The Company intends to issue the Placement Shares as soon as practicable after the Meeting and in any event no later than three (3) months from the date of the Meeting;
- The rights attaching to the Placement Shares are identical in all respects to the existing ordinary shares on issue in the Company;
- The funds raised by the issue will be used by the Company to provide working capital to the Company; and
- The Placement Shares will not be issued to any related party of the Company (within the meaning of the ASX Listing Rules).

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by:

- Any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- any associate of such a person.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

5. INCREASE NON EXECUTIVE DIRECTORS REMUNERATION

To consider and, if thought fit, pass the following resolution:

“That the maximum amount of remuneration available for payment to non executive directors of the Company be increased by \$150,000 from \$250,000.00 per annum to \$400,000.00 per annum.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by:

- Any Director of the Company; and
- any associate of such a person.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

The Explanatory Memorandum provides details of the above resolutions.

Any enquiries in relation to the Resolutions or the Explanatory Notes should be directed to Mr Kevin Mischewski (Company Secretary) as follows:

Mr Kevin Mischewski
Ph. 07 3221 0679
Email: cosec@pevltd.com

Dated this 30th day of October, 2009.

BY ORDER OF THE BOARD



Kevin Mischewski
Company Secretary

Notes:

1. For the purposes of the Corporations Act 2001, all securities of the Company that are quoted securities at 7pm on 26 November 2009, will be taken, for the purposes of the Meeting, to be held by the persons who held them at the time, and such persons are eligible to vote at the Meeting.
2. A form of proxy is provided with this Notice.
3. A shareholder who is entitled to attend and cast a vote has a right to appoint a proxy.
4. A proxy need not be a shareholder of the Company.
5. A shareholder who is entitled to cast two or more votes may appoint not more than 2 proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the shareholder's voting rights.

EXPLANATORY MEMORANDUM

Introduction

This Explanatory Memorandum forms part of a Notice convening the Annual General Meeting of Shareholders of the Company to be held on 30 November 2009 at 12:00 noon (Brisbane Time). This Memorandum is to assist Shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the Resolutions proposed.

All Resolutions to be considered by the meeting are ordinary resolutions requiring a simple majority of the votes cast by members attending and voting at the meeting.

FINANCIAL REPORTS

The Company's Annual Report which includes the Directors' Report and Auditors' Report, Directors' Declaration, Income Statements, Balance Sheets, Statements of Cashflows and notes to and forming part of the accounts for the Company and its controlled entities for the financial year ended 30 June 2009 were released to the ASX Limited on 30 September 2009. These are placed before the shareholders for any discussion. No voting is required for this item.

RESOLUTIONS

1. RESOLUTIONS 1 AND 2 – RE-ELECTION OF DIRECTORS

Each of Messrs Dredge and Byrne retire in accordance with Clause 18 of the Company's Constitution and, being eligible, offers themselves for re-election.

Details of the experience of Messrs. Dredge and Byrne are stated in the Annual Report.

The Directors (with Mr. Dredge abstaining) recommend that you vote in favour of Mr Dredge's re-election.

The Directors (with Mr. Byrne abstaining) recommend that you vote in favour of Mr Byrne's re-election.

2. RESOLUTION 3 – REMUNERATION REPORT

The Company is required to submit the Remuneration Report for consideration and adoption by way of a non-binding advisory resolution. The Remuneration Report forms part of the Directors Report contained in the Annual Report enclosed with this Notice.

The Remuneration Report:

- (a) explains the Board's policy for determining the nature and amount of remuneration of Executive Directors and senior executives of the Company;
- (b) explains the relationship between the Board's remuneration policy and the Company's performance;
- (c) sets out remuneration details for each Director and the most highly remunerated senior executives of the Company; and
- (d) details and explains any performance conditions applicable to the remuneration of executive directors and senior executives of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report. A vote on this resolution is advisory only and does not bind the Directors of the Company.

3. RESOLUTION 4 – APPROVAL FOR PLACEMENT OF SHARES

Introduction

Resolution 5 seeks shareholder approval to issue of up to 40,000,000 new fully paid ordinary shares (Placement Shares) at an issue price per Placement Share of not less than 80% of the weighted average trading price of the Company's shares calculated over the last five (5) days on which sales in the securities of the Company were recorded before the day on which the share placement is made (Placement Shares) to one or more sophisticated or professional investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporation Act 2001.

In order to preserve the maximum commercial flexibility of the Company to issue Shares under ASX Listing Rule 7.1, and in circumstances where the Company and the Directors of the Company believe that such issue of Shares is in the best interests of the Company and its Shareholders without having to obtain separate shareholder approval for such issue, the Company is seeking to obtain approval of its Shareholders to the issue of up to 40,000,000 Shares to effect the capital raising.

The effect of the shareholders approving the issue of these Shares will be that the issue will not be counted as part of the Company's 15% limit under ASX Listing Rule 7.1, and the Company will therefore retain a greater proportion of the 15% limit for any subsequent requirements that may arise.

The funds raised by the issue of the Placement Shares will be used by the Company for general working capital and retiring debt.

In accordance with ASX Listing Rule 7.3, the Company advises as follows:

- the maximum number of Placement Shares that will be issued under this Resolution 5 is 40,000,000;
- the Placement Shares will be issued and allotted on a progressive basis (as the Company identifies and agrees terms with Placées), but in any event will be issued and allotted not later than 3 months from the date of the Meeting;
- the issue price of the Placement Shares will be determined by the Directors of the Company, but shall not be less than the price that is 80% of the average market price of the Shares over the 5 trading days prior to the date of issue of the Placement Shares;
- the Placement Shares will be issued to certain persons selected by the Directors of the Company from time to time who fall within one or more of the classes of exemptions specified in Section 708 of the Corporations Act, provided that the Placement Shares will not be issued to any related party of the Company (within the meaning of the Corporations Act and the Listing Rules);
- the Placement Shares will have the same rights and entitlements as all other fully paid ordinary shares in the issued capital of the Company; and
- the Company will make application for quotation of the Placement Shares to be issued.

4. RESOLUTION 5 – INCREASE NON EXECUTIVE DIRECTORS REMUNERATION

It is proposed to ask shareholders to approve an increase in the maximum remuneration which may be paid to non executive directors be increased by \$150,000 from the present level of \$250,000 per annum to \$400,000.

The Board believes that an increase is justified to ensure that the Company has the flexibility to secure and retain appropriately qualified and experienced non executive directors from time to time.

Shareholder Voting

The Board has made a determination that all the shares of the Company will be taken, for the purposes of determining the right of shareholders to attend and vote at the Meeting, to be held by the persons who held them at 7 pm on 26 November 2009 (being a time that is not more than 48 business hours before the Meeting).

Other Information

There is no other information known to the Company that is material to a shareholder's decision on how to vote on the resolutions set out in the Notice of Meeting.

Should any shareholder be in doubt as to how he/she should vote on the resolutions and/or as to how it may affect him/her, he/she should seek advice from his/her accountant, solicitor or other professional advisor as soon as possible. Queries as to the lodgement of proxies and other formalities in relation to the Meeting to be held on 30 November 2009 should be directed to the Company Secretary (telephone 07 3221 0679).

Action to be taken by Shareholders

Attached to the Notice of Annual General Meeting accompanying this Explanatory Memorandum is a proxy form for use by shareholders. All shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person and are eligible to vote, to complete, sign and return the proxy form. Lodgement of a proxy form will not preclude a shareholder from attending and voting at the meeting in person.

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a Shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion or number of votes that the Shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes.

The proxy may, but need not, be a shareholder of the Company. Shareholders who are a body corporate are able to appoint representatives to attend and vote at the Meeting under Section 250D of the Corporations Act 2001 (Cwlth). The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the Corporations Act 2001 (Cwlth).

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) and certificates appointing body corporate representatives or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) or certificate appointing a body corporate representative must be deposited at, posted to, or sent by facsimile transmission to the Company's Registered Office:

Postal Address:
Company Secretary
Pacific Enviromin Limited
P.O. Box 3210,
Newstead Qld 4006

Fax Number + 61 7 3252 2111

The proxy form must be delivered not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

In the case of shares jointly held by two or more persons, all joint holders must sign the proxy form.

PROXY FORM

To: The Secretary
Pacific Enviromin Limited
PO Box 3210
Newstead Qld 4006
Fax: +61 7 3252 2111

I/We _____

of _____

being a shareholder/(s) of Pacific Enviromin Limited ("Company") and entitled to
_____ shares in the Company hereby appoint _____

of _____

or failing him/her _____

of _____

or failing him/her the Chairman as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at Unit 1, 5 Ross Street, Newstead Qld 4006 on Monday 30 November 2009 at 12:00pm (Brisbane time) and at any adjournment

thereof in respect of _____ of my/our shares or, failing any number being specified, ALL of my/our shares in the Company.

If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is []%. (The Company on request will supply an additional proxy form.)

The Chair of the meeting intends to vote all undirected proxies in favour of all the resolutions in respect of any undirected proxies which may be granted in favour of the Chair.

If you wish to indicate how your proxy is to vote, please tick the appropriate places below.

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in the box.



By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he as an interest in the outcome of the resolutions and that votes cast by the Chair of the meeting for those resolutions other than as proxy holder will be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if the poll is called on the resolution.

I/we direct my/our proxy to vote as indicated below:

RESOLUTIONS

	FOR	AGAINST	ABSTAIN
1. Re-election of Mr C. Dredge as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Mr P. Byrne as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Increase Non-Executive Director's Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

As witness my/our hand/s this _____ day of _____ 2009

If a natural person:

SIGNED by _____)
_____)

in the presence of:

Witness

Name (Printed)

If a company:

EXECUTED by _____)
_____)
in accordance with its _____)
constitution _____)

Director

Director/Secretary

Name (Printed)

Name (Printed)

If by power of attorney:

SIGNED for and on behalf of _____)
by _____)
under a Power of Attorney)
dated _____ and who declares that he/she has)
not received any revocation of such Power of)
Attorney in the presence of : _____)

Signature of Attorney

Signature of Witness

(After completion of this proxy form, please deliver it or fax it to the offices of Pacific Enviromin Limited)

NOTIFICATION OF CHANGE OF ADDRESS OF SHAREHOLDER - ISSUER SPONSORED ONLY

NOTE: If your holding is CHESSE sponsored, contact your sponsoring broker, who is the only person who can make a change to your address details.

To: Link Market Services Limited
ANZ Building, Level 19
324 Queen Street
Brisbane Q 4000
Fax No. 3221 3149

Dear Sir

I/We

of (insert new address)

formerly of (insert old address)

being an Issuer Sponsored shareholder of Pacific Enviromin Limited, request you to record my new address detailed above.

Signed (all holders to sign)

Date/...../.....

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