

10 November 2010

Mr Rohan Abeyewardene Senior Adviser, Issuers (Brisbane) ASX Compliance Pty Limited Level 5, Riverside Centre 123 Eagle Street Brisbane Qld 4000

Dear Mr Abeywardene

Re: Price Query Pacific Environin Limited (the "Company")

Our responses to your questions using your numbering:

- 1. The Company is not aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company.
- 2. Not Applicable
- 3. There is no reason to think that there may be a change in the Company's result so that the figure for the half year ending 31 December 2010 would vary from the previous corresponding period by more than 15%.
- 4. There is no reason to think that the Company may record any material abnormal or extraordinary profit for the half year ending 31 December 2010.
- 5. Early in the calendar year the Company sought expressions of interest for participation in the exploration and development of the Company's coal tenements. Following on from the expressions of interest process, over the last four months, the Company has been negotiating a series of agreements. Negotiations of these agreements are incomplete. The details of any agreement reached will be released to the market in due course.

The Company is conducting an ongoing assessment of the exploration potential of its coal tenements. These assessments enable the Company to identify exploration targets. Further results of these assessments are announced to the market when known.

The Company believes that following yesterday's placement announcement the price change indicates that market is anticipating an announcement in relation to the above matters in the near future.

6. The Company is in compliance with the listing rules and, in particular, listing rule 3.1

Yours faithfully

Kevin Mischewski

Company Secretary

M. Michel.



10 November 2010

Mr Kevin Mischewski Company Secretary Pacific Enviromin Limited PO Box 3210 NEWSTEAD OLD 4006

By email: kevin@pevltd.com

Dear Kevin

ASX Compliance Pty Limited ABN 26 087 780 489 Level 5, Riverside Centre 123 Eagle Street Brisbane QLD 4000

PO Box 7055 Riverside Centre Brisbane QLD 4001

Telephone 61 7 3835 4000 Facsimile 61 7 3832 4114 www.asx.com.au

Pacific Environin Limited (the "Company") PRICE OUERY

We have noted an increase in the price of the Company's securities from a close of 1.9 cents on Monday, 8 November 2010 to an intraday high of 2.6 cents today, at the time of writing. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

- 1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?
 - Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.
- 2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?
 - Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).
- 3. Is there any reason to think that there may be a change in the Company's result so that the figure for the half year ending 31 December 2010 would vary from the previous corresponding period by more than 15%? If so, please provide details as to the extent of the likely variation.
- 4. Is there any reason to think that the Company may record any material abnormal or extraordinary profit for the half year ending 31 December 2010? If so, please provide details.
- 5. Is there any other explanation that the Company may have for the price change in the securities of the Company?
- 6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by email at <u>rohan.abeyewardene@asx.com.au</u>. It should <u>not</u> be sent to the Company Announcements Office.

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Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the commencement of trade, (ie, 9.30am EDST (8:30am Brisbane time)) tomorrow, Thursday, 11 November 2010.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely

Rohan Abevewardene

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Senior Adviser, Issuers (Brisbane)

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