

14 March 2008

The Manager
ASX Announcements Office

Queensland Government approves Mantuan Downs Mining Lease

PEV is pleased to announce that the Queensland Cabinet has approved mining at the Company's large calcium bentonite resource at Mantuan Downs.

The approval will enable PEV to immediately commence stripping of the minimal (1 metre) overburden and the mining of bentonite for market sales. Plant and equipment, and accommodation and supervisory infrastructure are already on site. The mining pits and drying platforms have been surveyed and the Company anticipates that the first product should be sun-dried and available for shipment within 14 days.

Initial shipments to Brisbane will supply bentonite for the Government approved Waterwise program in South East Queensland, and an appropriate bagging plant and distribution network has been contracted to process the product into the market.

There has also been strong demand from domestic livestock producers for the calcium bentonite as a feed supplement which will be supplied direct from the mine.

Mantuan Downs is a very large resource of extremely high quality calcium bentonite with an average CEC level some 20% above the global norm, with large sections up to 60% higher.

Because of this high quality, coupled with the low mining costs and the long mine life of over 50 years, PEV has been approached by a number of major international industrial mineral corporations, both distributors and end-users, regarding the supply of bentonite into domestic and overseas markets, particularly into Asia.

PEV has been in discussion with these corporations for many months, and some have been given initial samples which have created strong interest. However we have had to defer visits to the resource until the mining lease was granted, as these parties needed to examine the product in-situ and take larger samples. They are now being invited to inspect the mine and the Company anticipates the initial strong interest will convert into tangible outcomes for PEV.

Development of the mine to the first revenue stage has been a low capital cost exercise. Therefore, Directors are confident that with low quoted contract mining costs of approximately \$4 per tonne because of the minimal overburden, and revenue for raw bulk product in the range of \$50 per tonne at mine gate, positive cash flow can be achieved quickly.

Yours faithfully



Brian Jones
Chairman