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The Manager
Company Announcements Office
Australian Securities Exchange

PEV acquires wastewater treatment business

PEV has signed an agreement to acquire Filtek Filtration Solutions (Filtek), a Brisbane based business that provides industrial wastewater solutions including the sale and installation of wastewater treatment plants using proven membrane technology.

The purchase of Filtek provides significant synergies for PEV and entry into the lucrative waste water treatment industry.

Calcium bentonite is used in clarification of water, food oils, wines and other liquids, and PEV produces a high quality calcium bentonite from its major resource in Queensland. Filtek is working with PEV to develop integrated water treatment protocols using its calcium bentonite combined with filtration devices to resolve waste water issues.

Environmental regulations are driving wastewater producers towards cleaning up their wastewater streams. Manufacturing industries like paper and pulp, abattoirs, and metal and plastics are large water users and often discharge significant amounts of wastewater. As discharge costs rise, these industries are looking for cost-effective treatment options to clean and recycle their wastewater.

Filtek has installed a number of wastewater treatment plants across Australia over the past few years, and Mr Singh has significant experience and corporate contacts in this sector.

Installation of water treatment systems will accelerate as environmental regulation and increasing discharge fees force industries to clean up and reuse their wastewater. With this acquisition, PEV is now well positioned to take advantage of this growth.

The acquisition of Filtek includes establishing a testing laboratory for all bentonite and waste water treatment applications, and five year leases on two pilot plants used for advanced water testing. Also included is the assignment of the supply agreement with the USA water treatment manufacturer, and an agreement with an Asian supplier of compact water treatment plants.

Consideration will be \$50,000 plus the issue of 2,500,000 fully paid PEV shares at 2 cents.

Filtek's principal, Mr Sirjit Singh, a chemical engineer with over thirty years experience in developing, researching and marketing industrial minerals, and wastewater solutions, has been assisting PEV develop calcium bentonite products for use in the environmental remediation and agriculture markets.

Mr Singh is being appointed an executive director and general manager of PEV with responsibility for expanding the wastewater market, and co-coordinating development and marketing of the company's range of bentonite products.

Yours faithfully

A handwritten signature in black ink, appearing to be 'M. Brer', is written over a horizontal line.

Chairman