

29 January 2010

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

## QUARTERLY UPDATE OF ACTIVITIES

### **Bowen Basin Coal Projects**

PEV through its subsidiaries Mining Investments One Pty Ltd and Area Coal Pty Ltd now has 32 EPCs and EPC applications located in Queensland's Bowen, Gallilee, Surat and Clarence-Moreton Basins. EPC 1827 has been granted, four applications are subject to grant. Of the remainder, eighteen non-competing applications and nine competing applications with other companies have been lodged.

The Company has reviewed the first of the EPCs granted (EPC 1827) to assess the value of the tenement and at the same time has completed further geological assessment for coal potential. EPC 1827 lies between the Jellinbah and Curragh mines which host large production of low volatile, high calorific value, export quality coal suitable for coking, PCI and thermal use (See attached map).

EPC 1827 also abuts Stanwell Corporation Limited's MDL 162, which has recently been advertised for sale by tender process. Minserve Group Pty Ltd on behalf of PEV reviewed EPC 1827 in late 2009 and identified an exploration target of 45-65 million tonnes of underground, low volatile PCI/coking coal of export quality. The coal is present within the Aries Seam of the Rangal Coal Measures at depths likely to range from 300m to 400m. The exploration target is within the five southern sub-blocks on the western side of the Jellinbah Fault. Local infrastructure including, road, rail and power are all well developed in this area.

The Company continues its geological assessment of other granted EPCs and EPCAs not yet granted that lie within coal basins in Queensland. Additional geological assessments of these tenements will be completed shortly and released in summary form.

### **About PEV**

PEV operates a calcium bentonite mine in central Queensland (near Springsure). The mine is producing small quantities of bentonite for sale to regional agricultural and mine site markets. Agricultural trials are continuing with CSR Sugar, with results expected at harvest in May this year.

In recent times following the acquisition of Area Coal Pty Ltd, the Company has focused on unlocking the value of the recently acquired coal tenements. In most cases these coal exploration tenements are located in recognised coal basins and are believed to have the potential for economic coal discoveries.

PEV is in discussion with several interested parties for the exploitation of its coal EPC assets by one, or a combination of, farm-in, joint venture or sale.

To enable the Company to move forward with its business plans, we are addressing its capital requirements in several ways, which it is anticipated, will be announced to the market in the near future.

We anticipate an exciting future for the Company over coming months.

A handwritten signature in black ink, appearing to read 'Paul Byrne', written over a circular scribble.

Paul Byrne  
Executive Director

### **Competent Person Statement**

*The information in this announcement that relates to exploration targets is based on information compiled by Mr Paul Rayment, an independant consulting geologist who is a Member of the AusIMM. Mr Rayment qualifies as a Competent Person as defined by the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2004) and consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.*

