

18 July 2008

The Manager
Company Announcements Office
Australian Securities Exchange

PEV Bentonite Successfully Proves its Environmental Credentials

PEV has been advised that an environmental technology project initiated by the Company has successfully locked up 80% to 98% of lead in contaminated soils, utilising the calcium bentonite from PEV's Mantuan Downs resource.

In practical terms the technology developed by PEV may have immediate Australian application in places like Mt Isa where lead contamination is a topical issue, and should provide a significant opportunity for decontamination of sites worldwide.

PEV commenced the project in 2003 in partnership with the University of South Australia, under a Commonwealth Government Innovation Access Program, to develop a cost-effective technology for remediating metal contaminated sites.

The project was run in conjunction with the South Korean Government, and used contaminated soil taken from a shooting range in South Korea where lead contamination had built up over years of use as a rifle range.

The final research report stated as its major achievement:

"This project developed an innovative and cost effective technology to minimise human exposure to contaminated soils using modified calcium bentonite to immobilise lead, thereby eliminating the reactive and bio-available fractions. The study showed that the bio-accessability (available for human absorption) of lead in the presence of the material could be reduced by as much as 98%."

The report also stated:

"This project further developed modifications to the raw bentonite as a new technology for the resource-based industries to deliver substantial increases in national wealth by reducing environmental impacts on land"

and:

"This project produced an advanced clay material capable of being used for practical environmental remediation, thus stimulating the growth of world-class Australian industries for adapting technologies developed from cutting-edge research."

PEV continues to develop other calcium bentonite-based technologies for the improvement of our environment, including the wholly owned technology for the removal of carcinogenic toxins from high temperature smoke, the global licence for absorption of oil spills in water, increasing agricultural productivity through bentonite blending for fertilizer, and the reduction of methane emissions in livestock.

Yours faithfully

A handwritten signature in black ink, appearing to read 'M. B. Green', written in a cursive style.

Chairman