

18 May 2007

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

Dear Sir,

No other Native Title applicants for Mantuan Downs resource

Pacific Environin Limited ("PEV") has today been advised by the Queensland Department of Mines and Energy that the period for registration for other native title claimants over its Mantuan Downs bentonite development has closed with no applications being registered by any other claimants.

This means that the drafted agreement with the only claimants, the Bidjara 3 people, on compensation and cultural heritage can now be completed.

Yours faithfully

Brian Jones

Chairman