

29 July 2008

The Manager
Company Announcements Office
Australian Securities Exchange

Rights issue and placement completed

PEV is pleased to advise that it has successfully completed the placement to sophisticated investors, and the rights issue for existing shareholders, to raise an aggregate \$4.2 million in new equity.

These funds will be used to complete the construction of larger drying pads, an all weather access road, and a value adding processing plant at the Company's Mantuan Downs calcium bentonite resource.

PEV has already mined 10,000 tonnes, but its bentonite is presently processed by a third party, requiring transport of the lower value raw sundried product. These new developments will enhance the value of the bentonite before it leaves the mine, enabling mine gate sales of a quality processed product directly into the substantial agricultural sector.

PEV has signed agreements for supply of its calcium bentonite to a number of high profile agribusinesses, who will work with PEV in developing enhanced livestock feed supplements, and importantly, as a blended product using livestock waste to product a low-cost fertilizer substitute.

In addition, PEV has engaged hydrogeological consultants, Douglas Partners, who will assist with analysis and development of the Grafton Range sodium bicarbonate project including supervision and interpretation of the initial production well. This is an important Queensland project utilizing a sub-artesian brine reservoir to produce high quality natural sodium bicarbonate which is an important input into many industries. The project will generate substantial usable water for the local community from the process.

PEV now has a strong balance sheet with two quality industrial minerals assets, no borrowings apart from minor equipment leases, and sufficient capital to complete the commercial development of the Mantuan Downs mine, and advance the Grafton Range project towards production.

Yours faithfully



Chairman