

6 June 2008

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

PEV rights issue to shareholders

As announced on 22 May 2008, Pacific Enviromin Limited (“PEV”) is raising \$3.2 million through a fully underwritten renounceable rights issue of approximately 53.6 million ordinary shares at 6 cents per share, offered to all shareholders who are on the Company register on 18 June 2008. Patersons Securities Limited and Cygnet Capital Pty Limited have been appointed joint lead managers and underwriters to the issue.

The prospectus relating to this rights issue was lodged with the Australian Securities Exchange and Australian Securities and Investments Commission on 6th June 2008 and will be posted to shareholders on the 20th June 2008.

The funds will be used for capital expenditure at the Company’s Mantuan Downs calcium bentonite mine to improve efficiencies, and at the Grafton Range sodium bicarbonate project. Further details will be contained in the prospectus.

The important dates for the issue are shown below:

Announcement of Issue	22 May 2008
Notice of Issue sent to eligible shareholders	10 June 2008
Shares trade “ex-rights” and Rights trading commences on the Australian Securities Exchange	12 June 2008
Record Date to determine Entitlements under the Rights Issue	18 June 2008
Prospectus and Entitlement and Acceptance Form dispatched	20 June 2008
Last day of Rights trading	27 June 2008
Closing Date for acceptances	4 July 2008
Shortfall Notice Deadline Date (notice of the Shortfall Securities and Certificate)	9 July 2008
Allotment and issue of New Shares	11 July 2008
Dispatch of shareholding statements for New Shares	14 July 2008

Yours faithfully



Chairman



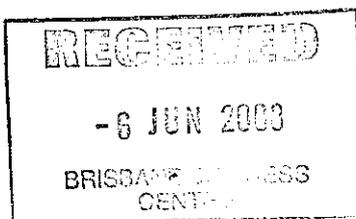
ACN 089 206 986

PROSPECTUS

For an offer of 1 New Share for every 6 Shares held at an issue price of 6 cents per New Share by way of a pro-rata renounceable rights issue to raise approximately \$3.2 million before costs.

Joint Underwriters and Joint Lead Managers

Patersons Securities Limited ACN 008 896 311
Cygnets Capital Pty Ltd ACN 103 488 606



Important Notice

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the New Shares being offered under the Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional advisor.

The New Shares offered under this Prospectus should be considered as speculative.

Important Notice

This Prospectus is dated 6 June 2008. A copy of this Prospectus was lodged with ASIC on that date. ASIC takes no responsibility for the contents of this Prospectus.

No New Shares will be issued or allotted on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Pacific Enviromin Limited ("PEV" or the "Company") will apply to ASX for quotation of New Shares within 7 days after the date of this Prospectus. ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may quote the New Shares is not to be taken in any way as an indication of the merits of PEV.

Before deciding to invest in PEV, you should read and understand the entire Prospectus and in particular, in considering PEV's prospects, you should consider the risk factors in light of your personal circumstances (including financial and taxation issues) and seek advice from your professional adviser before deciding to invest. Investing in PEV involves risks. See "Risk Factors" in Section 5 for a discussion of certain risk factors that you should consider before deciding to invest in PEV.

No person is authorized to give any information or to make any representation in connection with the Offer that is not contained in this Prospectus or has not been released to ASX with the authorization of PEV.

The Entitlement and Acceptance Form accompanying this Prospectus is important. Please refer to the instructions in Section 4 of this Prospectus regarding the acceptance of your Entitlement. Applications can only be submitted on a valid Entitlement and Acceptance Form that is only available with this Prospectus.

You may also apply for additional New Shares in addition to your Entitlement, by completing the Shortfall Application Form. If there is a shortfall in subscriptions under the Issue, the Underwriters reserve the right to allocate any shortfall of New Shares to subscribers for additional New Shares in their sole and absolute discretion.

Restrictions on distribution

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to lodge this Prospectus in any jurisdiction outside of Australia or to otherwise permit a public offering of Rights or New Shares in any jurisdiction outside Australia. This Prospectus is not to be distributed in, and no offer of New Shares is to be made in, countries other than Australia and New Zealand.

Neither the Rights nor New Shares have been or will be registered under the US Securities Act of 1933 and may only be offered, sold or resold in, or to persons in, the United States in accordance with an available exemption from registration.

It is the responsibility of Applicants to ensure compliance with any laws of a country relevant to their Application. Return of a duly completed Entitlement and Acceptance Form will be taken by PEV as a representation that there has been no breach of such laws, that the Applicant is an Eligible Shareholder and that the Applicant is physically present in Australia or New Zealand.

Shareholders outside Australia and New Zealand should refer to Section 1.10 of this Prospectus for details of how your Entitlement will be dealt with.

Rights trading

Your Rights may have value. If you decide not to exercise all or part of your Rights you should consider whether to sell your Rights. It is important that you either accept or sell your Entitlement in accordance with the instructions in Section 4 of this Prospectus and on the back of the Entitlement and Acceptance Form.

Individual applicants are responsible for determining their allocations of Rights and New Shares before trading in them. Eligible Shareholders trade in Rights or New Shares before receiving confirmation of their allocation at their own risk.

Shareholders who take no action in respect of their Rights will receive no benefits.

Prospectus Availability

This Prospectus is available in electronic form at <http://www.pevlimited.com> and www.asx.com.au only for persons within Australia. Persons who access the electronic form of this Prospectus must ensure that they download and read the entire Prospectus.

A printed copy of this Prospectus is available free of charge by calling PEV on (07) 32210679.

Definitions and glossary, financial amounts and time

Definitions of certain terms used in this Prospectus are contained in Section 7. All references to currency are to Australian dollars and all references to time are to Eastern Standard Time, unless otherwise indicated.

Enquiries

For further information in relation to the Offer, please call PEV's Company Secretary Mr Kevin Mischewski on (07) 3221 0679.

CHAIRMAN'S LETTER

Dear Shareholder

This Prospectus provides an offer to all shareholders to participate in a pro rata renounceable rights issue to raise approximately \$3.2 million. The Rights Issue is supported by Patersons Securities Limited and Cygnet Capital Pty Ltd who are joint underwriters.

The funds raised under this Prospectus will enable Pacific Enviromin Limited to build a value-adding processing plant and other facilities at its Mantuan Downs calcium bentonite mine, and to continue technical and commercial assessment at the sodium bicarbonate project located at Grafton Range.

Following the Queensland Government's granting of the Company's mining lease at Mantuan Downs on 1 April 2008, the Company moved quickly to commence mining.

The Company's initial intention was to enter markets using the sun-dried bentonite product. Whilst the market for this product remains strong, the Company has also found that there is a strong demand for processed calcium bentonite which attracts a premium price by comparison with the basic sun-dried product.

Hence funds raised by this Rights Issue will be used to establish a processing and bagging plant to produce this higher value product, and various other assets such as additional drying pads, an all weather road, connecting power and communications are essential to the efficient running of the mine.

Marketing for our bentonite has been focused in Australia where we have received a very good response from the agricultural sector for our bentonite-blending with various agricultural outputs to create a quality soil conditioner. We have signed heads of agreement with major agribusinesses to pursue this opportunity.

Internationally, we continue to receive approaches from major industrial mineral corporations, and we will be hosting some of these people at the Mantuan Downs mine over the next few months to discuss potential supply arrangements.

Grafton Range is ready to move to the next stage with agreements reached with the local landholders, and the completion of detailed digital compilation of previous exploration drilling and generation of 2D and 3D geological and hydrological models of the project.

The funds raised by this Rights Issue will also be used to drill test wells, or to un-cap existing wells drilled by the oil and gas explorers, to undertake further hydrological and geological investigations and production recovery process studies to establish the technical and commercial requirements for production at Grafton Range, and for general working capital.

The Board is confident the proceeds of this Rights Issue will enable the Company to accelerate its progress to achieve long-term revenues and positive cash flow, and I encourage you to read this Prospectus and participate in the Issue.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Brian Jones', written in a cursive style.

Brian Jones
Chairman

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Corporate Directory

Important Dates

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The timetable is indicative only and subject to change. The Directors generally reserve the right to vary these dates, including the Closing Date without prior notice. The Directors also reserve the right not to proceed with the whole or part of the Offer at any time prior to allotment. In that event, all Application Money will be returned without interest.



(Contractors loading side tippers for delivery to the drying pads – May 2008.
The equipment shown are not assets of PEV))

Investment Highlights

- ✓ PEV is presently building a quality portfolio of industrial mineral resources and projects.
- ✓ The rationale for acquiring Australian-based industrial mineral projects is that industrial minerals provide:
 - a multitude of industrial uses, and therefore revenue and risk diversification within one portfolio
 - minimal overburden and low extraction costs
 - low processing costs as compared to metals processing
 - significant cost-effective environmental applications
 - lower freight costs for delivery into Asia for major international industrial minerals groups and end users
- ✓ PEV has a clear focus on projects and products which have a distinct market or product competitive advantage
- ✓ First major project, Mantuan Downs calcium bentonite
 - mining has commenced
 - contains 15 million tonnes of calcium bentonite (JORC) with considerable potential to expand the resource size
 - drilling is continuing to confirm additional resource
 - very efficient mining process –
 - shallow overburden
 - flat lying resource covering 3 square kilometres
 - the Mantuan Downs calcium bentonite is higher quality (higher CEC) than world average
 - major Australian agribusinesses are working with PEV to develop calcium bentonite blends as feed supplements and fertilizer substitutes
 - major international industrial minerals corporations are visiting PEV to discuss product supply strategies
- ✓ Second major project, Grafton Range sodium bicarbonate (baking soda)
 - large sub-artesian brine reservoir, containing 14,000 parts per million of sodium bicarbonate

- o environmentally efficient extraction and processing
- o strong domestic and overseas demand for sodium bicarbonate and derivative products, such as soda ash and caustic soda
- o potential major joint venture partners

Section 1 Details of Rights Issue

1.1 The Issue

This Prospectus offers via a renounceable pro-rata entitlements issue for, Shareholders approximately 53,588,202 New Shares on the basis of 1 New Share for every 6 Shares held at the Record Date at an issue price of 6 cents for each New Share taken up under the Issue to raise approximately \$3.2 million before issue costs.

1.2 Underwriting

The Issue is fully underwritten by Patersons Securities Limited ("Patersons") and Cygnet Capital Pty Ltd ("Cygnet") (together the "Underwriters"). A summary of the Underwriting Agreement is set out in Section 6 of the Prospectus.

1.3 Entitlement to Rights Issue

Shareholders who are registered at the close of business on the Record Date, being 5.00pm on 18 June 2008 will receive Rights to acquire 1 New Share for every 6 Shares held at an issue price of 6 cents per New Share.

Fractional entitlements will be rounded up to the nearest whole number of Shares. For this purpose, holdings in the same name are aggregated for calculation of Entitlements. If PEV considers that holdings have been split to take advantage of rounding, PEV reserves the right to aggregate holdings held by associated Shareholders for the purpose of calculating Entitlements.

An Entitlement and Acceptance Form setting out your Entitlement to New Shares accompanies this Prospectus.

1.4 Issue is Renounceable

The Issue is renounceable. You may sell any part of your Entitlement. Any Entitlement not taken up by a Shareholder will pass to the Underwriters who reserves the right to allocate any Shortfall of New Shares to subscribers for Additional Shares at their sole and absolute discretion. Details on the allocation of any Shortfall is set out in Section 1.14 of this Prospectus.

1.5 Use of proceeds

PEV expects to raise approximately \$3.2 million under the Rights Issue before Offer costs and will use the proceeds as set out in Section 2.

1.6 Actions Required by Shareholders

An explanation of the actions required by Shareholders is set out in Section 4.

1.7 Allotment and Application Money

Eligible Shareholders may accept all or part of their Entitlement under the offer.

New Shares will be issued only after all Application Money has been received and ASX has granted permission for the New Shares to be quoted. It is expected that New Shares will be issued on 11 July 2008 and trading of the New Shares on the Australian Securities Exchange is expected to commence on 14 July 2008

All Application Money received before New Shares are issued will be held in a special purpose account. Upon allotment of New Shares the balance of funds in the account, plus accrued interest, will be received by the Company. If the New Shares are not quoted by ASX within three months after the date of this Prospectus, PEV will refund all Application Money in full.

1.8 Closing Date

The Closing Date for acceptance of your Entitlement is 5.00pm on 4 July 2008. The Company reserves the right to cancel the Rights Issue at any time prior to allotment.

1.9 Rights Trading

Trading of Rights commences on the Australian Securities Exchange on 12 June 2008 with the last day of trading being on 27 June 2008. All or part of an Eligible Shareholder's Rights may be traded on the Australian Securities Exchange or otherwise sold between these dates should you choose not to accept all or part of your Entitlement.

1.10 Treatment of Overseas Shareholders

The Offer is not being extended to any Shareholder whose registered address at the Record Date is not situated in Australia or New Zealand because of the small number of such Shareholders, the cost of complying with applicable regulations in jurisdictions outside Australia and New Zealand and the value of the New Shares offered. The Prospectus is sent to these Shareholders for information only.

The Offer to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). Members of the public in New Zealand, who are not existing Shareholders on the Record Date, are not entitled to apply for any New Shares.

Recipients may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia (other than to Eligible Shareholders).

The Company has appointed Patersons as nominee to sell the Non-qualifying Foreign Shareholders' Rights. Patersons will only sell the rights if there is a viable market in the Rights and a premium over the expenses of sale can be obtained.

Any such sale will be at a price and be conducted in a manner that the nominee will determine in its absolute discretion.

The proceeds of such sale (in Australian dollars) will be distributed to the Non-qualifying Foreign Shareholders for whose benefits the Rights have been sold in proportion to their shareholdings as at the Record Date (after deducting the costs of the sale and the distribution of the proceeds), save that individual amounts of less than \$10 will be retained by PEV. Neither the Company nor the nominees will be liable for any failure to sell the Rights or to sell the Rights at any particular price. If there is no viable market for the Rights of the Non-qualifying Foreign Shareholders, their Entitlement will be allowed to lapse.

1.11 Rights and Liabilities Attaching to New Shares

The New Shares issued under this Prospectus will rank equally in all respects with existing Shares. Summaries of the important rights attaching to Shares as set out in the Company's Constitution are contained in Section 6 of this Prospectus. There are no liabilities attaching to New Shares.

1.12 No Prospective Financial Forecasts

The Company is an industrial minerals and environmental technology company which commenced mining in April 2008 on one project and has another project in formative stage. Given the early stage of the Company's projects of mineral development and production, and the status of the Company's environmental technology projects there is no basis for the Directors to forecast future revenue and they do not do so.

1.13 Summary Only

The information set out in this Section provides a summary of the information contained in this Prospectus. Applicants should read this Prospectus in its entirety prior to making a decision to accept the Offer. If you have any questions about investing in the Company, please contact your stockbroker, accountant or independent financial adviser.

1.14 Additional Shares

Each Shareholder registered at the Record Date may apply for additional New Shares ("**Additional Shares**") at an issue price of six (6) cents per New Share.

In the event that there is a shortfall in subscriptions under the Issue, the Underwriters reserve the right to allocate any shortfall of New Shares to subscribers for Additional Shares at their sole and absolute discretion. The Underwriters may reject any application for Additional Shares or allocate fewer New Shares than applied for by subscribers for Additional Shares.

The ability for the Company to issue Additional Shares is dependant upon the extent of any shortfall to the Issue. Applications for Additional Shares must be made by completing the Shortfall Application Form. You may nominate any number of Additional Shares that you wish to apply for.

In the event that there is a Shortfall in subscriptions (including any shortfall existing after taking into account applications for Additional Shares) under the Issue, the Underwriters reserve the right, as contemplated within the Listing Rules, to allocate any shortfall of New Shares in their sole and absolute discretion so as to ensure a maximum amount of funds are raised.

Section 2 Purpose and Effect of the Rights Issue

2.1 Purpose of the Rights Issue

The net funds raised from the issue of New Shares through the Offer after payment of all associated costs, are expected to provide the Company with approximately \$2.9 million in additional capital.

Source of Funds

Cash available prior to the Issue	1,300,000
Proceeds of Rights Issue	3,215,000
Approximate Cost of the Issue	<u>(290,000)</u>
Funds available on completion of the issue	<u>\$4,225,000</u>

Use of Funds

Mantuan Downs		
Processing plant	2,050,000	(fine crushing/bagging)
Drying area	75,000	(extend the sun-drying pads)
Services to site	110,000	(water/power/communications)
Road construction	225,000	(all-weather road)
Admin etc	220,000	(management/leases/etc)
Exploration	<u>120,000</u>	(JORC expansion)
		2,800,000
Grafton Range		
Proving wells	600,000	two wells uncapped or drilled
Road access	<u>100,000</u>	all-weather road
		<u>700,000</u>
Total capital expenditure		3,500,000
Working Capital		<u>725,000</u>
TOTAL		<u>\$4,225,000</u>

The Directors reserve the right to make any adjustments to the use of funds as they see fit to manage the needs of the Company.

2.2 Effect of the Rights Issue

The principal effects of the Rights Issue will be to:

- increase the Company's cash reserves by approximately \$2.9 million after taking into account the costs of the Rights Issue;
- provide the Company with additional capital for the purposes referred to in Section 2.1; and
- increase the total number of issued Shares (refer Section 2.3)

Pro-forma consolidated historical financial information is provided in the following paragraphs summarizing the effect of the Rights Issue.

2.3 Effect of the Rights Issue on Capital Structure

The effect of the Rights Issue on the Company's issued share capital will be as follows:

Ordinary Shares	Number	% Equity
Existing Equity	321,529,214	85.7%
1 for 6 rights issue	<u>53,588,202</u>	<u>14.3%</u>
New total shares	<u>375,117,416</u>	100.0%

2.4 Effect of the Rights Issue on PEV's Financial Position

Set out below is the reviewed Consolidated Balance Sheet of the Company as at 31 December 2007 and a pro forma Consolidated Balance Sheet of the Company after the Rights Issue. The financial information prepared below is prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS).

CONSOLIDATED BALANCE SHEETS

AS AT 31 DECEMBER 2007

	Consolidated 31 December 2007 \$	Proceeds of Rights Issue & Placement ** \$	Pro forma 31 December 2007 \$
CURRENT ASSETS			
Cash and cash equivalents	947,169	3,868,452	4,815,621
Trade and other receivables	169,575	-	169,575
Other financial assets	10,000	-	10,000
TOTAL CURRENT ASSETS	1,126,744	3,868,452	4,995,196
NON-CURRENT ASSETS			
Property, plant and equipment	37,981	-	37,981
Exploration and evaluation expenditure	3,352,321	-	3,352,321
Intangible assets	8,165,916	-	8,165,916
TOTAL NON-CURRENT ASSETS	11,556,218	-	11,556,218
TOTAL ASSETS	12,682,962	3,868,452	16,551,414
CURRENT LIABILITIES			
Trade and other payables	569,281	-	569,281
Other financial liabilities	80,451	-	80,451
TOTAL CURRENT LIABILITIES	649,732	-	649,732
NON-CURRENT LIABILITIES			
Financial liabilities	468,379	-	468,379
TOTAL NON-CURRENT LIABILITIES	468,379	-	468,379
TOTAL LIABILITIES	1,118,111	-	1,118,111
NET ASSETS (DEFICIENCY)	11,564,851	3,868,452	15,433,303
EQUITY			
Parent entity interest			
Contributed equity	25,796,217	3,868,452	29,664,669
Accumulated losses	(14,231,754)	-	(14,231,754)
Total parent entity interest	11,564,463	3,868,452	15,432,915
Minority interest	388	-	388
TOTAL EQUITY	11,564,851	3,868,452	15,433,303

** Placement proceeds of \$1,000,000.02 received 3 June 2008.

2.5 Market Price of Shares

The highest and lowest market closing sales prices of the Shares during the 6 months up to 2 June 2008 and the respective dates of those sales were:

Highest:	11 cents	2 June 2008
Lowest:	5 cents	13 March 2008

The volume weighted average sale price on the Australian Securities Exchange of the Shares during the 6 months up to 1 June 2008 was 8.1 cents.

The market sale price of the Company's Shares on the Australian Securities Exchange as at the close of business on 4 June 2008 was 9 cents

Section 3 COMPANY BACKGROUND

3.1 Background

PEV is building a quality portfolio of industrial mineral projects. These should have the capacity to provide diversified revenue streams from a number of minerals, each of which support a diversity of product uses.

In building this portfolio, the Company intends to:

- acquire projects, which contain identified industrial mineral resources. The Company is not intending to explore “greenfield” sites which are often high risk.
- select projects which have an intrinsic competitive advantage, which can be exploited.

PEV's strategy of focussing on industrial minerals is based on several important factors.

1. Industrial minerals, such as the Company's calcium bentonite, sodium bicarbonate and dolomite projects, have a multitude of uses in different target markets.

Bentonite has many uses ranging from cat litter at the lower quality end, through soil enhancement and fertilizer substitution, food and beverage purification, drilling mud and foundry moulding, to pharmaceuticals and nano-technology for superior quality bentonite.

Sodium bicarbonate (baking soda) is well known in food manufacture. It is also used extensively in industry, pharmaceuticals, and mineral processing, and its derivative products, soda ash and caustic soda, are also used in these sectors, including glass manufacture.

Dolomite has many uses in agriculture and manufacturing.

These multiple uses of the Company's industrial minerals underpin the diversification of revenue streams and portfolio risk.

2. The projects investigated to date have been notable for their low mining costs, through minimal overburden, flat lying resources, or efficient extraction processes.

These low mining costs enable competitive pricing for the resultant product.

3. The cost of industrial minerals processing plants and associated processing cost are generally much lower than those for processing metaliferous minerals such as gold, copper, lead and zinc.

Lower cost processing plants require less capital expenditure for revenue generation.

4. Through substantial research over a number of years in conjunction with CSIRO, universities, and government primary industry researchers, it has been shown that the use of calcium bentonite is a major benefit with wide applications in the environmental protection and remediation industries.

For remediation, the unique chemical and physical properties of calcium bentonite in both unmodified and modified form enable it to reduce the bio-availability of heavy metals and other pollutants in contaminated soils, air and water.

As demonstrated by CSIRO and the World Bank-backed International Water Management Institute in South East Asia, the addition of calcium bentonite to degraded soil enhances the soil's ability to maintain moisture and hold nutrients, leading to significant increases in crop yield.

Calcium bentonite beneficiated with either organic or inorganic fertilizers also provides a cost-benefit alternative to standard fertilizers, by slowing the release of fertilizers as well as reducing nutrient loss through leaching.

These environmental applications provide the Company with growing market opportunities as governments and farmers endeavour to reduce the build-up of salts and sulphates in arable soils, and farm run-off which has been linked with stream and ground water pollution, and detrimental run-off effect in coastal areas including the Great Barrier Reef.

5. The powerhouse countries of South East Asia are demanding increasing amounts of industrial minerals. Many of the industrial minerals such as bentonite and sodium bicarbonate come from America and Europe. With the expansion in global trade, shipping costs have increased substantially, and Australia now has a freight cost advantage over Europe and America. For this reason PEV is being approached by international industrial mineral corporations seeking supply and other arrangements to provide PEV's product for export.

3.2 Schedule of Tenements

Tenement	Mineral	Location	Status	Uses
EPM 13886* EPMA 17459 ML 70360	Calcium Bentonite	Springsure Central Qld	Mining commenced in respect of ML 70360	Multiple uses: agriculture, waste stream management, fertilizer substitution, food oil clarification
EPM 13302 EPM 16629 MLA 50207	Sodium Bicarbon ate	Roma Qld	Testwells to be drilled	Baking soda, soda ash, food and other industries, glass manufacture
EPM 16087	Dolomite	Ipswich Qld	Testing Samples	Agriculture, fertilizer

Notes:

EPM is Exploration Permit for Minerals (granted)

EPMA is Exploration Permit for Minerals Application

ML is Mining Lease (granted)

**. A renewal of this tenement was lodged on 5 March 2008 ahead of the stated expiry date of 7 March 2008. The tenement is considered current by the Queensland Department of Mines and Energy unless it revokes the tenement. Indications from the Department are that a renewal should be granted.*

3.3 Mantuan Downs Calcium Bentonite Project

3.3.1 Calcium Bentonite

The quality of bentonite is often defined by its Cation Exchange Capacity (CEC) which is a function of the high permanent negative charge held by the mineral.

The most useful properties of bentonite include its ability to readily exchange cations, its large surface area to mass ratio, its swelling, and hydration capacity, its ability to act as a binder and its impermeability, as well as its special properties of viscosity and thixotropy. Some of these properties can be significantly enhanced by chemical modification.

However, many uses of bentonite are based on the chemical activity provided by the cation exchange characteristics. The CEC is a measure of this ability.

The bulk of Mantuan Downs calcium bentonite has CEC values greater than 100 meg/100gms which is higher than many other calcium bentonites mined around the world. An additional benefit of the Mantuan Downs bentonite is its low grit and negligible cristobolite content which makes it also suitable for animal and human consumption.

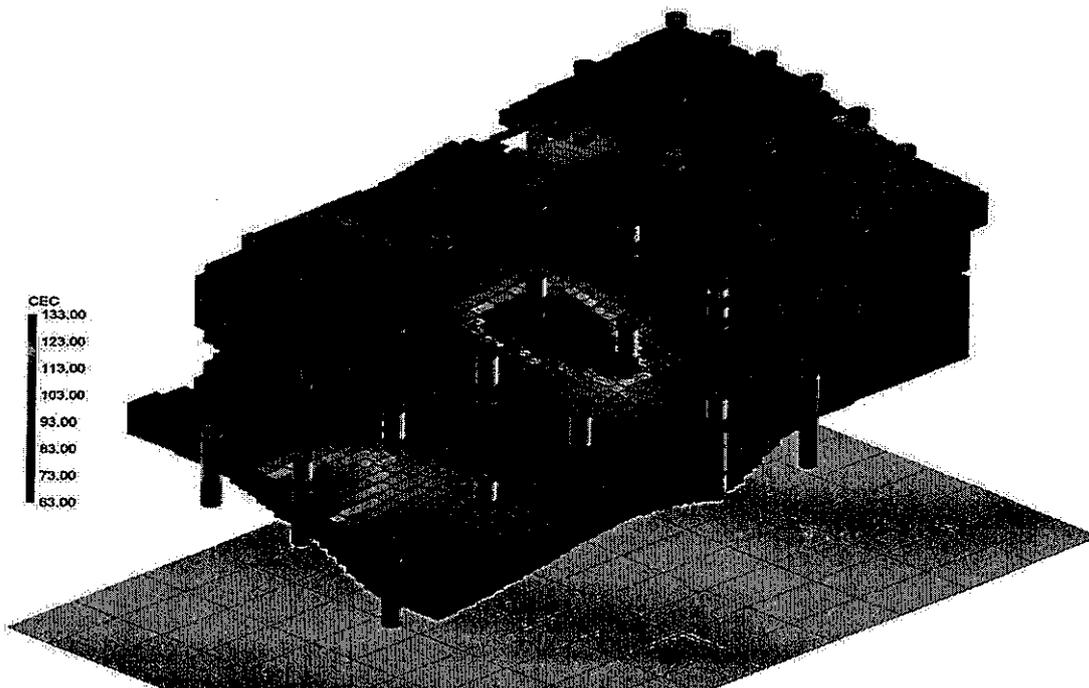
3.3.2 The Resource

Mantuan Downs calcium bentonite resource is located on the flat downs country west of Springsure in Central Queensland. The Company's tenements, and applications for new tenements, cover a combined area of 181.1 square kilometers, and on 1 April 2008, the Company was granted a mining lease by Queensland Government over an area of 2.74 square kilometers.

Mining started immediately on receipt of the grant of mining lease.

Mantuan Downs contains a large deposit of very high quality bentonite, defined to a JORC standard at 15 million tonnes, with considerable exploration work undertaken including 104 drill holes, a number of costeans and extensive laboratory testing.

Additional exploration, which started in May 2008, is expected to expand the resource size, as the Company's independent geologist reported additional calcium bentonite of good quality is located outside the resource area but within the exploration tenement.



*3D image of Mantuan Downs CEC quality taken from drill results
(10x vertical exaggeration)*

The deposit comprises two main bentonite horizons. The Upper Bentonite Zone is the best developed and has an average total CEC grade of 102 meq/100g, with some ore blocks having CEC's up to 130 meq/100g. It consists of light yellow green to dark-green bentonite and near the centre of the deposit is 4.0-4.5 metres thick. The Lower Bentonite Zone comprises light grey bentonite that contains minor rare shale, siltstone and sandstone interbeds. It has an average total CEC grade of 92 meq/100g. This zone is continuous throughout the deposit and is up to 4 metres or more thick.

Overburden is minimal compared with other Australian bentonite deposits, and ranges between 1 metre at its eastern margin to 4-5 metres near the south-western part of the deposit.

The Mantuan downs bentonite deposit is valuable because its low stripping ratio, minimal depth and flat lying resource, allow for mining efficiency and low mining costs; and the high quality of the bentonite provides for superior pricing in the market.

Mining is efficiently done with excavators or scrapers, and rehabilitation of mined areas will not require major cost.

The bentonite is mined at a moisture content of around 30% and is sun dried to 12% – 15% before processing and bagging. On starting mining in April 2008, the bentonite was initially dried in-pit. However the residual wet conditions in the region following the heaviest local rain in 30 years meant that drying was not as fast as expected. As a result, part of the capital being raised in this Issue will be used to establish more extensive drying pads to accelerate the drying process.

3.3.3 Bentonite Markets

Since bentonite has many applications, PEV has focused on promoting the high CEC quality and enhanced chemical and physical properties of the Company's calcium bentonite to target sectors which can utilize these features. Target sectors include agriculture, waste stream management and blending, government waterwise programs, and environmental remediation

Sodium bentonite has been used in livestock feed for many years to promote growth and reduce acidosis in cattle on conversion from grass to grain feeding in feedlots. Major agribusinesses are keen to use high CEC Mantuan Downs calcium bentonite to promote animal health and productivity.

One of Australia's largest feed supplement suppliers is trialing the product, along with two top Australian feed lot companies.. Another major benefit of using calcium bentonite in feed supplement, which was demonstrated in research trials, was the significant reduction in methane emissions from livestock. This may prove valuable with the introduction of carbon credit trading schemes.

PEV's calcium bentonite has been approved by the Queensland Government under the Waterwise Home & Garden program aimed at reducing water use on gardens. This approval followed research findings by CSIRO and the World Bank funded International Water Management Institute, which showed that adding calcium bentonite to soils can reduce water requirements and increase plant growth.

A growing use of bentonite is to reduce the bio-availability of unwanted chemicals and allow sustained bio-availability to plants of fertilizer compounds. The Australian feedlot industry produces over 2 million tonnes of manure annually. Disposal is by various methods including broadcasting over pastures, or pulverizing to make a soil enhancement product. PEV is working with several agribusinesses to blend bentonite with livestock waste to generate a high value, soil enhancement product for sale to the primary industries sector. Additionally, PEV is working with one of Australia's largest abattoir operators, to blend bentonite with waste to produce another soil enhancement, fertilizer substitute, product.

The opening up of Mantuan Downs has attracted the interest of several major, international industrial mineral corporations, who some have previously visited the deposit and taken samples for detailed analysis and testing. Several of these parties will be visiting in the next few months. These parties have requirements for large volumes of high quality calcium bentonite and all have expressed interest in various supply arrangements.

3.4 Grafton Range Sodium Bicarbonate

PEV acquired this project on 7 February 2008. The consideration paid was \$200,000, 1,500,000 PEV ordinary shares, and a royalty of 2.5% on net sales revenue over a ten year period capped at \$1 million.

3.4.1 Sodium Bicarbonate

Sodium bicarbonate (baking soda) is used extensively in food manufacture, pharmaceuticals, mineral processing and other industries. Major derivative products such as

sodium carbonate (soda ash) and caustic soda are also key inputs into a number of industries including chemicals and glass manufacture.

Currently, Australia is a net importer of sodium bicarbonate and its associated products, and the locally produced products are manufactured through a capital and energy intensive industrial chemical process.

3.4.2 The Grafton Range Project

The Grafton Range Project is 25 kilometers north of Roma in Southern Queensland. The area is centred on the Grafton Range series of petroleum and gas exploration wells drilled during 1964 to 1989.

High concentrations of sodium bicarbonate are present in the Jurassic Precipice Sandstone aquifer, which is 800 metres to 1,000 metres below surface.

The sodium bicarbonate originates from the underlying Permian Aldebaran Sandstone, which at Warrinilla, 160 kilometres to the north, contains up to 25,000 mg/L of sodium bicarbonate.

The Aldebaran Sandstone has low permeability, making it impossible to pump large amounts of water from individual wells.

The Aldebaran Sandstone is assumed to truncate against the overlying Precipice Sandstone near Injune. North of this point, the Precipice Sandstone is a freshwater aquifer, but to the south, in the Grafton Range area, the high sodium bicarbonate water has fed into the highly permeable Precipice Sandstone together with natural gas. Elevated concentrations of sodium bicarbonate have also been found in the underlying Showground Sandstone.

Production involves pumping the sodium bicarbonate brine to the surface through several wells, possibly including wells which have been capped. The brine is then treated by solar evaporation and reverse osmosis to produce the carbonate products. PEV has been approached by a resource group in the region regarding sharing a reverse osmosis plant for efficiency.

Large volumes of water are produced as a by-product which would be made available for local use, and have been utilised in the compensation package for the local landowners. There are no native title issues for the tenements and the Company has agreed compensation with the two landowners involved.

Funds raised through this Rights Issue will be used to drill up to two test wells (or open up existing wells) to enable further hydrological and geological investigations and production recovery process studies. The results of this work should lead to a feasibility study into the technical and commercial aspects of the project.

3.5 Peak Crossing Dolomite Project

This exploration tenement has recently been acquired and is located close to Brisbane. It contains several large dolomite occurrences, and surrounds an existing dolomite mine. The Company will continue testing including drilling and analytical test work and marketing studies to determine the technical and commercial aspects of this tenement.

Dolomite is composed of calcium and magnesium carbonate ($\text{CaCO}_3 \cdot \text{MgCO}_3$).

It has a wide variety of industrial applications. It is used in steelmaking, the cement industry, is an ingredient in the manufacture of plate glass and fibreglass, and has agricultural applications as a fertiliser, soil conditioner and stockfeed supplement.

Generally, dolomite's calcium carbonate component is in excess of 50%, and this component is experiencing high growth rates for usage in the paper industry where it is replacing the traditional kaolin because of calcium carbonate's high adaptability to alkaline technology and cost effectiveness.

Section 4 Action Required by Shareholders

4.1 What eligible Shareholders may do

The number of New Shares to which Eligible Shareholders are entitled (your Entitlement) is shown on the accompanying Entitlement and Acceptance Form.

If you do not take up your Entitlement, then your percentage holding in the Company will be diluted.

As an Eligible Shareholder, you may:

- take up all of your Entitlement (refer Section 4.2);
- sell all of your entitlement on the ASX (refer Section 4.3);
- take up part of your Entitlement and sell the balance on the ASX (refer Section 4.4)
- take up part of your Entitlement and allow the balance to lapse (refer Section 4.5)
- deal with part or all of your Entitlement other than on the ASX (refer Section 4.6); or
- allow all or part of your Entitlements to lapse (refer Section 4.7);
- apply for additional New Shares (Refer Section 4.8)

Non-qualifying Foreign Shareholders may not take any of the steps set out in Sections 4.2 to 4.8.

4.2 Taking up all of your Entitlement

If you wish to take up all of your Entitlement, complete the accompanying Entitlement and Acceptance Form for New Shares in accordance with the instructions set out in that form.

You should then forward your completed Entitlement and Acceptance Form together with your Application Money in accordance with Section 4.9 to reach the Company's Share Registry no later than 5.00pm on 4 July 2008.

4.3 Selling all your Entitlement on the ASX

If you wish to sell all of your Entitlement on the ASX, complete the appropriate section on the back of the accompanying Entitlement and Acceptance Form marked "Instructions to your stockbroker" and lodge the Entitlement and Acceptance Form with your stockbroker as soon as possible, or otherwise provide instructions to your stockbroker regarding the number of Rights you wish to sell on ASX. You can sell your Rights on ASX from 12 June 2008 to 27 June 2008. The Company accepts no responsibility for any failure by your stockbroker to carry out your instructions.

4.4 Taking up part of your Entitlement and selling the balance on the ASX

If you wish to take up only part of your Entitlement, complete the accompanying Entitlement and Acceptance Form for the number of New Shares you wish to take up and follow the steps required in accordance with Section 4.2. You may then provide instructions to your stockbroker regarding the number of Rights you wish to sell on the ASX.

4.5 Taking up part of your Entitlement and allowing the balance to lapse

If you wish to take up part of your Entitlement and allow the balance to lapse, complete the accompanying Entitlement and Acceptance Form for the number of New Shares you wish to take up and follow the steps required in accordance with Section 4.2. If you take no further action, the balance of your Entitlement will lapse and you will have forfeited any potential benefit to be gained from selling/trading your Rights.

4.6 Dealing with part or all of your Entitlements other than on the ASX

You may transfer all or part of your Rights to another person other than on the ASX provided that the purchaser is not a Non-qualifying Foreign Shareholder or would not be a Non-qualifying Foreign Shareholder if the purchaser was the registered holder of Shares.

If you wish to transfer all of your Entitlement to another person other than on the ASX, forward a completed standard renunciation form (obtainable from the Company's Share Registry, Link Market Services) and the applicable transferee's cheque or bank draft for any Application Money for the New Shares they wish to subscribe for to the Company's Share Registry by 5.00pm on 4 July 2008.

If you wish to transfer part of your Entitlement to another person other than on the ASX only, but also want to take up some or all of the balance of your Entitlement, you will need to take the steps described above in relation to the Rights you wish to transfer and complete the accompanying Entitlement and Acceptance Form in respect of the Rights you wish to take up. You will need to lodge the form in accordance with the procedure in Section 4.2.

If the Share Registry received both a completed renunciation form and a completed Entitlement and Acceptance Form in respect of the same Rights, the renunciation will be given effect in priority to the acceptance.

4.7 Allow all or part of your Entitlement to lapse

Your Rights may have value. Rights are renounceable, which enable Eligible Shareholders who do not wish to accept some or all of their Entitlement to sell or trade all or part of their Rights on the Australian Securities Exchange.

4.8 Additional Shares

Each Shareholder on the Record Date may apply for Additional Shares, in addition to their Entitlement, at an issue price of six (6) cents per share. In the event that there is a Shortfall in the subscriptions under the Issue, the Underwriters reserves the right to allocate any Shortfall of New Shares to subscribers for Additional Shares at their sole and absolute discretion. There is no guarantee that Shareholders will be successful in being allocated any of the Additional Shares that they may apply for. The Company may reject any application for Additional Shares or allocate fewer New Shares than applied for by subscribers for Additional Shares.

Applications for Additional Shares must be made by completing the Shortfall Application Form which also accompanies this Prospectus.

4.9 Payment

By cheque

The application Price for New Shares is payable in full on application by a payment of 6 cents per New Share. The Entitlement and Acceptance Form must be accompanied by a cheque or bank draft for the Application Monies.

Cheques or bank drafts must be drawn in Australian currency on an Australian bank made payable to "Pacific Enviromin Limited – Share Application Account" and crossed "Not Negotiable". Applicants must not forward cash. Receipts for payment will not be issued.

You should ensure that sufficient funds are held in relevant account(s) to cover the cheque(s). If the amount of your cheque(s) for Application Money is not sufficient to pay for the number of New Shares you have applied for, you may be taken to have applied for such lower number of New Shares as your cleared Application Money will pay for or your Application may be rejected.

**Cheques should be made payable to:
Pacific Enviromin Limited – Share Application Account
crossed “Not Negotiable”
posted to the Company’s Share Registry
Pacific Enviromin Limited Share Offer
Link Market Services
Locked Bag A14
Sydney South NSW 1235**

**Or hand delivered to
Pacific Enviromin Limited Share Offer
Link Market Services
Level 12, 680 George Street
Sydney NSW 2000**

4.10 Enquiries

If you have any questions about your Entitlement please contact Link Market Services, on Phone: 1 300 554 474 for holders within Australia and 61 2 8280 7454 for holders outside Australia.

Alternatively, contact your stockbroker or other professional adviser.

4.11 Brokerage

No brokerage or stamp duty is payable by Shareholders who accept their Entitlement to New Shares, nor is any brokerage or stamp duty payable in respect of any allotment of Additional Shares.

Section 5 Risk Factors

The New Shares offered under this Prospectus are considered speculative because of the inherent risks associated with industrial mineral project development and commercialisation. In addition, there are risks inherent in investing in the share market in general.

The Directors have considered and identified in this section of the Prospectus the critical areas of risk associated with investing in the New Shares. The risks identified by the Directors are not exhaustive and potential investors should read this Prospectus in full and seek professional advice if they require further information on material risks in deciding whether to subscribe for New Shares.

5.1 Specific Risks

5.1.1 Production Risks

Operations such as design and construction of efficient mining and processing facilities, competent operation and managerial performance, efficient transport and marketing services, are required to be successful. In particular, production and processing operations can be hampered by engineering difficulties, weather conditions, cost overruns, inconsistent recovery rates and other unforeseen events.

5.1.2 Exploration and Assessment Expenditure

Exploration and assessment of minerals projects is a process subject to unforeseen contingencies. The Company's Grafton Range and Peak Crossing projects will require continued drilling to prove-up the sodium bicarbonate and dolomite volumes and quality, respectively.

These programs may take longer and cost more than estimated by the Company. Financial failure, or default by any future alliance or joint venture partner of the Company may require the Company to face unplanned expenditure or risk forfeiting relevant tenements.

5.1.3 Funding

Unless and until the Company develops revenue from its industrial minerals portfolio, it will be dependent upon the funds raised by this Offer, and its ability to obtain future equity or debt funding to support exploration evaluation and development of the properties in which it has an interest. The Company's ability to raise further equity or debt or to divest part of its interest in a project, and the terms of such transactions, will vary according to a number of factors, including the success of development of the Company's projects, stock market conditions and prices for metals in world markets.

5.1.4 Key Personnel

The ability of the Company to achieve its objectives depends on the retention of key executives and external contractors who provide commercial and technical expertise. If the Company cannot secure external technical expertise (for example to carry out mining at Mantuan Downs and drilling at Grafton Range and Peak Crossing) or if the services of the present executives cease to become available to the Company, this may affect the Company's ability to achieve its objectives either fully or within the timeframes and the budget the Company has decided upon.

Whilst the ability of the Company to achieve its objectives may be affected by the matters mentioned above, the Directors believe that appropriately skilled and experienced professional would be available to provide services to the Company at market levels of remuneration in the event key external contractors cease to be available.

5.1.5 Volatility in the price of Minerals

Commodity prices are influenced by the physical and investment demands of those commodities. Fluctuations in commodity prices may influence timing, viability and management of the projects which the Company is developing.

5.1.6 Volatility in the market price for Shares

Although the Company is listed on the Official List, there is no assurance that an active trading market for its Shares will be sustained. There is also no assurance that the market price for the Shares will not decline below the issue price. The market price of the Company's Shares could be subject to significant fluctuations due to various external factors and events, including the liquidity of the Shares in the market, any difference between the Company's actual financial or operating results and broader market-wide fluctuations. Furthermore, any stock market volatility and weakness could result in the market price of the Shares decreasing so that they trade at prices significantly below the issue price, without regard to the Company's operating performance.

5.1.7 Insurance Risks

The Company maintains insurance coverage that is substantially consistent with resource industry practice. However, there is no guarantee that such insurance or any future necessary coverage will be available to the Company at economically viable premiums (if at all) or that, in the event of a claim, the level of insurance carried by the Company now or in the future will be adequate, or that a liability or other claim would not materially and adversely affect the Company's business.

5.1.8 Construction Capital Costs

The Company is conscious that at present, there is competition in the resource sector for skilled labour and that material costs have increased. The impact of these factors is that there are upward costs pressures in the market.

5.1.9 Government Regulation and Policy

The Company's tenements may be subject to extensive regulation by local, state and federal governments in relation to exploration, development, production, exports, taxes and royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic and radioactive substances, native title and other matters. Compliance with such laws and regulations will increase the costs of exploring, drilling, developing, constructing, operating and closing mines and other production facilities.

There can be no assurance that future government policy will not change and this may adversely affect the long term prospects of the Company.

5.1.10 No Active Market for Bentonite

The ability of the Company to generate revenues from its bentonite project is dependent upon the Company entering into private contracts for its sale as no active market exists. The Company has attracted interest from various parties for the purchase of its bentonite and is confident of entering into private sale agreements in the future.

5.1.11 Native Title Issues

The Company has signed a compensation agreement with the native title claimants for Mantuan Downs. There is no claim over the Grafton Range project as it is freehold land. However there may be native title compensation issues in future projects which may delay progress or create cost issues for those projects.

5.1.12 Litigation

The operations of the Company and its working capital position could be affected if the Company or its subsidiaries are the subject of litigation. As at the date of this Prospectus the Company is not aware of any actual or threatened litigation against it or its subsidiaries, with the exception that a non-operating subsidiary of the Company, Exnox Technologies Pty Ltd ("Exnox"), has received a demand for payment of \$900,000 arising out of its prior involvement as a participating member of the Co-operative Research Centre for Contamination and Remediation of the Environment. Exnox disputes and denies liability for the demand. *Refer to Section 6.7.*

5.2 General Risks

5.2.1. General Economic Climate

Factors such as inflation, currency fluctuations, interest rates, legislative changes, political decisions and industrial disruptions have an impact on the operating costs and on metal prices.

The Company's future income, asset values and share prices can be affected by these factors and, in particular, by the market price for any metals that the Company may produce and sell.

5.2.2 Stock Market Conditions

The market price of the New Shares when quoted on the ASX will be influenced by international domestic factors affecting conditions in equity and financial markets. These factors may affect the prices for the securities of mineral exploration companies quoted on the ASX, including PEV.

The stock market has in the past and may in the future be affected by a number of matters including:

- Commodity prices
- Market confidence
- Supply and demand for money; and
- Currency exchange rates

5.2.3 Commodity Prices May Go Down

The demand for, and price of, commodities is highly dependent on a variety of factors including international supply and demand, the level of consumer product demand, the price and availability of alternative commodities, actions taken by governments and international cartels, and global economic and political developments. Commodity prices have fluctuated in recent years and may continue to fluctuate significantly in the future. Fluctuations in commodity prices and, in particular, a material decline in the price of commodities may have a materially adverse effect on the Company's business, financial condition and results of operations.

5.2.4. Governments may stop exploration and production activities

Any material adverse changes in government policies or legislation of the various countries in which it operates affecting mining and exploration activities may affect the viability and profitability of the Company.

5.2.5 Foreign Currency and Exchange Rate fluctuations

Revenue and expenditure of the Company may be domiciled in currencies other than Australian dollars, and as such, expose the Company to foreign exchange movements. These may have a positive or negative influence on the Australian dollar equivalent of such revenue and expenditure.

The Company will appropriately monitor and assess such risks and may from time to time implement measures, such as foreign exchange currency hedging, to assist manage these risks. However, the implementation of such measures may not eliminate all such risks and the measures themselves may expose the Company to related risks.

5.2.6 Speculative Nature of Investment

The above list of risk factors ought not be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Prospectus.

Therefore, the New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares in the Company.

Section 6 Additional Information

6.1 Continuous reporting and disclosure obligations

The Company is a “disclosing entity” (as defined in the Corporations Act) and as such is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules.

These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the stock market conducted by ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company, which a reasonable person would expect to have a material effect on the price or value of the Company’s shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors’ statement and report, and an audit or review report as appropriate.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

Since lodging the Company’s Annual Report for the year ended 30 June 2007, the Company has made the following announcements to ASX:

Date	Description
4/06/08	Completion of Placement
4/06/08	Appendix 3B
4/06/08	PEV Subsidiary in dispute with CRC Care
22/05/08	Placement and rights issue and presentation
22/05/08	Reinstatement to Official Quotation
21/05/08	Suspension from Official Quotation
19/05/08	Trading Halt
30/4/08	Appendix 4C – quarterly
28/4/08	Correction to PEV Industrial Minerals Presentation
24/4/08	PEV Industrial Minerals Presentation
8/4/08	Bentonite Mining Commences
7/4/08	Placement
31/3/08	Appendix 3B
14/3/08	Queensland Government approves Mantuan Downs Mining Lease
29/2/08	Company Secretary Appointment
29/2/08	Half Yearly Report and Accounts
8/2/08	Acquisition of sodium bi-carbonate project
8/2/08	Appendix 3B
31/1/08	Appendix 4C – quarterly
28/12/07	Change of Director’s Interest Notice
7/12/07	Mantuan Downs Plan of Operation approved by EPA
5/12/07	Securities to be released from Escrow
26/11/07	PEV invests into profitable industrial mineral company
21/11/07	AGM presentation – Competent Person Statement
20/11/07	PEV AGM Presentation
20/11/07	Results of Meeting
20/11/07	Chairman’s Address to Shareholders
20/11/07	PEV acquires Sodium Bi-Carbonate Project
15/11/07	PEV rescinds uranium acquisition agreement
7/11/07	Shareholders’ Share Purchase Plan
31/10/07	Appendix 4C – quarterly
22/10/07	Notice of Annual General Meeting/Proxy Form
12/10/07	PEV Bentonite approved by Queensland government
21/09/07	Annual Report to Shareholders

6.2 CHESS

The Company participates in CHESS and will dispatch holding statements in lieu of share certificates that set out the number of New Shares issued to each successful Applicant under this Prospectus.

It is the responsibility of Applicants to determine their allocation before trading in the New Shares. Applicants who sell New Shares before they receive their statements do so at their own risk.

6.3 Rights and liabilities attaching to New Shares

The rights attaching to ownership of the New Shares are set out in the Company's Constitution, a copy of which is available for inspection at the registered office of the Company during business hours. The following is a summary of the principal rights of holders of the New Shares:

Ranking – New Shares are ordinary shares in the capital of the Company and rank equally with all other ordinary shares issued by the Company. Currently all shares issued by the company are ordinary shares.

Meetings and voting - Each holder of Shares will be entitled to receive notice of and to attend and vote at any duly convened annual general meeting or extraordinary general meeting of the Company. At any such meeting of the Company every Shareholder present in person, or by proxy, attorney or representative appointed pursuant to the Corporations Act has one vote on a show of hands and upon a poll, one vote for every Share held by them.

Dividends – New Shares will participate in any dividend declared by the Company from time to time. Subject to the rights of holders of shares of any special preferential or qualified rights attaching thereto, the profits of the Company are divisible amongst the holders of Shares in proportion to the Shares held by them.

Transfer of the Shares - Transfer of New Shares may be affected in any manner required or permitted by ASX Listing Rules or Securities Clearance House Business Rules or by an instrument of transfer in any usual form or by another form approved by the Directors or recognized by the Corporation Act or the ASK Listing Rules.

The Company may refuse to register any transfer of Shares or apply a holding lock to prevent a proper Securities Clearance House transaction where permitted to do so by the Corporations Act, the ASX Listing Rules or the SCH Business Rules. If the Directors decline to register a transfer, the Company must within five (5) business days after the date of lodgement of such transfer give to the lodging party written notice of the refusal and the precise reasons for it.

Winding Up – Upon paying the Application Money, Shareholders will have no further liability to make payments to the Company in the event of the Company being wound up. Surplus assets after the winding up of the Company shall be distributed among Shareholders in proportion to their holding in the Company.

Future increases in Capital – The allotment and issue of any new shares is under the control of the Directors. Subject to the Listings Rules, the Company's Constitution and the Corporations Act, the Directors may allot or otherwise dispose of new shares on such terms and conditions as they see fit.

Variation of Rights – At present, the Company has only ordinary shares on issue. If the shares of another class were issued, the rights and privileges attaching to ordinary shares could only be altered with the approval of a resolution passed at a separate general meeting of the holders of ordinary shares by a three quarter majority of such holders or the written consent of the holders of at least three quarters of the ordinary shares.

There are no liabilities attaching to New Shares.

6.4 Taxation

The Directors consider that it is not appropriate to give advice regarding the taxation consequences associated with the acquisition, sale or exercising of Rights, or the subsequent disposal of any Shares subscribed for under this Prospectus. The Directors recommend that all Eligible Shareholders consult their own professional tax advisors.

6.5 Material Contracts – Underwriting Agreement

Under an underwriting agreement dated 6 June 2008 (Underwriting Agreement), Patersons Securities Limited (Patersons) and Cygnet Capital Pty Ltd (Cygnet) collectively (Underwriters) have agreed to severally co-underwrite the Offer as to 50% each.

Upon completion of the Rights Issue, the Underwriters will receive an aggregate corporate advisory/management fee of \$76,067 and an underwriting fee of 5% of the amount to be raised of approximately \$3,215,292. The Underwriters will also receive payment of reasonable costs and expenses incurred by the Underwriters in connection with the Offer. The Company will also pay any GST applicable to any fee payable to the Underwriters under the Underwriting Agreement.

Cygnet Capital Pty Ltd may, at its election, take its underwriting fee as ordinary shares at an issue price of 6 cents per share. By the second business day after the closing date for acceptances, the Company must notify the Underwriters of the number of applications for New Shares which have been received. If there has been a shortfall in acceptances, the Underwriters must, subject to the Underwriting Agreement, deliver to the Company, within 9 business days of receiving a notice of shortfall from the Company, applications for New Shares not taken up by the holders of the rights.

The Underwriting Agreement enables the Underwriters to terminate the Agreement and be released from their obligations on the happening of stipulated termination events, including the following:-

- the All Ordinaries Index of the ASX, S&P/ASX 200 or the S&P/ASX 300 Metals and Mining indices fall at any time after the date of the Underwriting Agreement to a level which is more than 10% below any of those indices as at close of business of the ASX on the business day before the date of the Underwriting Agreement.
- official quotation has not been granted by the shortfall notice deadline date under the Underwriting Agreement or, having been granted, is subsequently withdrawn, withheld or qualified.
- the price of the Company's Shares as quoted by the ASX falls below 6 cents per share;
- There is an outbreak of hostilities or a material escalation of hostilities after the date of the Underwriting Agreement involving Australia, New Zealand, Indonesia, Japan, Russia, the United States, United Kingdom, India, Pakistan, the Peoples Republic of China, or any member of the European Union or any terrorist attack is perpetrated on those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world.
- Any of the sub-underwriters that are introduced by the Company do not comply with their obligations under any sub-underwriting agreement.
- Various events (such as litigation, change in the Board or senior management, etc) that in the Underwriters opinion may have a material adverse effect or give rise to a liability of the Underwriters under the Corporations Act or otherwise.

The Underwriting Agreement also permits an Underwriter to underwrite the whole of the Issue where a termination event occurs and only the other Underwriter terminates its obligations under the Agreement. In this instance, all underwriting and other fees payable under the Underwriting Agreement are payable to the continuing Underwriter except a management fee of 1% of the amount underwritten by Cygnet which remains payable to Cygnet, and a corporate advisory fee of \$60,000 which remains payable to Patersons, in the event the Underwriting Agreement is terminated by Patersons or PEV. Both Underwriters remain indemnified by PEV for any costs incurred under the Issue at all times.

A copy of the Underwriting Agreement may be inspected at the Company's office at Level 37, 123 Eagle Street, Brisbane, Queensland.

6.6 Corporate Advisory Mandate

PEV has entered into Corporate Advisory Mandates with Patersons and Cygnet on 8 May 2008 and 7 May 2008 respectively ("**Mandates**").

The Mandates provide for both Patersons and Cygnet to act as Joint Lead Managers to the Company's share placement that was completed on 3 June 2008.

Both Underwriters are to receive 5% of the amount underwritten under the Issue in consideration for their services. Cygnet may elect to take its 5% fee as shares in PEV at an issue price of 6 cents per share. In addition to this Patersons will receive a Corporate Advisory Fee of \$60,000 and Cygnet will receive a Management Fee which is equal to 1% of the amount underwritten by them.

Cygnet will also provide ongoing advice on an adhoc basis to PEV on corporate issues and opportunities and provide an arrangement to be able seek corporate advice when required in exchange for an additional management fee of \$5,000 per month and 1,000,000 ordinary shares for no consideration.

6.7 Dispute with CRC Care

A subsidiary of the Company, Exnox Technologies Pty Ltd (Exnox), has received a demand for payment arising out of Exnox's prior involvement as a participating member of the CRC for Contamination and Remediation of the Environment (CRC Care), from which Exnox resigned by notice given in April 2007. The demand alleges that Exnox is liable to pay \$900,000 to CRC Care.

Exnox is a non-operating company in the PEV group, with no impact on the forecast revenues of PEV. Exnox strenuously disputes the CRC Care demand, denies liability and has instructed its lawyers to respond accordingly.

Exnox was a foundation participant in CRC Care because the senior researchers of CRC Care, in their previous time at CSIRO, had focussed on bentonite-based environmental remediation research. With that background, directors of Exnox believed that CRC Care would be an ideal research partner for the portfolio of bentonite based projects held by Exnox and its associated companies.

Subsequently, PEV acquired Exnox and its associated companies, and, after a period during which no research applicable to the Group's bentonite-based projects was commenced, it was decided to end the Company's participation.

PEV believes that the demand is opportunistic.

6.8 Privacy

If you apply for New Shares, you will provide personal information to the Company. Company laws and tax laws require some of the information to be collected and kept. The Company will collect, hold and use the information provided by you to process your application and to administer your investment in the Company.

If you do not provide the information requested in the Entitlement and Acceptance Form, the Company and the Share Registry may not be able to process your application.

The Company may disclose your personal information for purposes related to your investment to the Company's agents and service providers. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the shareholder register;

- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- the Underwriters to confirm applications; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising, on the Shares and for associated actions.

The Company complies with its legal obligations under the Privacy Act 1988 (Cth). You may request access to your personal information held by (or on behalf of) the Company. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information. You can request access to your personal information by writing to, or telephoning the Company as shown in the Corporate Directory.

6.9 Interests of Directors

Other than as described in this Prospectus, no Director and no firm in which a Director is a partner, has, or has had in the past 2 years, any interest in the formation or promotion of the Company or in any property held or proposed to be acquired by the Company in connection with its formation or promotion or this rights issue and no amount of any kind has been paid or agreed to be paid to any Director or to any firm in which a Director is a partner, either to induce him to become or qualify as a Director or otherwise for services rendered by him or the firm in connection with the formation or promotion of the Company or this Rights Issue. The Directors have beneficial interests in the Company's securities (including beneficial interests of less than 100%) as follows:-

	Direct	Indirect
Brian Jones	-	8,449,028
Paul Byrne	24,835,242	56,615,219
Chris Dredge	41,816,304	-
Peter Zeigler	-	200,000
John Laurie	-	1,850,000

For the current financial year ending 30 June 2008, the non-executive directors are expected to accrue Directors' fees totaling \$140,000.

A Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

6.10 Consents

The following parties have given (and not before the date of this document withdrawn) their consent to be named in this document in the form and context in which they are named.

- Patersons Securities Limited, in the capacity of Joint Underwriter and Joint Lead Manager;
- Cygnet Capital Pty Ltd, in the capacity of Joint Underwriter and Joint Lead Manager;
- ClarkeKann Lawyers, in the capacity of lawyers for the Company;
- Sothertons in the capacity as auditors of the Company; and
- Link Market Services in the capacity as the share registry.

Each of Patersons Securities Limited, Cygnet Capital Pty Ltd, ClarkeKann Lawyers, Sothertons and Link Market Services:

- has not authorized or caused the issue of this Prospectus;
- has not made any statement in this Prospectus, or any statement on which a statement in this Prospectus is based, except where expressly stated above;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and except where expressly stated above; and
- was not involved in the preparation of the Prospectus or any part of it except where expressly attributed to that person.

Patersons Securities Limited and Cygnet Capital Pty Ltd are acting as Joint Underwriters and Joint Lead Managers and for this are being paid an aggregate corporate advisory/management fee of \$76,076 and an underwriting fee of 5% of the funds underwritten under the Offer. Patersons Securities Limited and Cygnet Capital Pty Ltd are also entitled to reimbursement of out of pocket expenses.

ClarkeKann Lawyers is acting as Solicitor to the Company and for this is being paid a fee of approximately \$25,000 (plus GST) and out of pocket expenses

6.11 Electronic prospectus

Pursuant to class order 00/44 the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus in the basis of a paper Prospectus lodged with ASIC and the issue of shares and options in response to an electronic application, subject to compliance with certain provisions.

If you have received this Prospectus as an Electronic Prospectus please ensure that you have the entire Prospectus accompanied by the Entitlement and Acceptance Form. If you have not, please e-mail the Company at info@pevlttd.com and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Entitlement and Acceptance Form from a person if it has reason to believe that when that person was given access to the Entitlement and Acceptance Form, it was not provided with an entire copy of the Prospectus and any relevant supplementary or replacement material or any of those documents were incomplete or altered. In such case, the Application monies received will be dealt with in accordance with section 722 of the Corporations Act.

6.12 Directors' authorisation

Each Director of Pacific Enviromin Limited has given, and has not withdrawn, their consent to the lodgement of this Prospectus with ASIC.

A handwritten signature in black ink, appearing to read 'B. P. Jones'.

Brian P Jones
Chairman
Dated: 6 June 2008

Section 7 KEY DEFINITIONS

“Additional Shares” means Additional Shares applied for in addition to a Shareholder's Entitlement.

“Applicant” means a person who submits an Application.

“Application” means a valid application made to subscribe for New Shares in accordance with the Offer.

“Entitlement and Acceptance Form” means the Entitlement and Acceptance Form attached to or accompanying this Prospectus that sets out the Entitlement of Shareholders to subscribe for New Shares pursuant to the Rights Issue.

“Application Money” means monies received from persons applying for New Shares pursuant to the terms of this Prospectus.

“Application Price” means 6 cents per Share.

“ASIC” means Australian Securities and Investments Commission.

“ASTC” means ASX Settlement and Transfer Corporation Pty Ltd.

“ASX” means ASX Limited ACN 008 624 691

“Business Day” means a day on which trading takes place on the stock market of ASX.

“CEC” means Cation Exchange Capacity.

“CHESS” means ASX Clearing House Electronic Sub-registry System.

“Closing Date” means 4 July 2008 or such other date as may be determined by the Directors and the Underwriters under this Prospectus.

“Company” and **“PEV”** means Pacific Environmin Ltd ABN 49 089 206 986 and where relevant, its subsidiary companies.

“Constitution” means the Company's Constitution as at the date of this Prospectus.

“Corporations Act” means the Corporations Act 2001 (Commonwealth).

“Directors” means the directors of the Company.

“Dollar” or **\$** means Australian dollars.

“Eligible Shareholder” means a Shareholder other than a Non-Qualifying Foreign Shareholder.

“Entitlement” means a Shareholder's entitlement to subscribe for Securities offered by this Prospectus.

“Issue” means the issue of New Shares under this Prospectus.

“Listing Rules” means the Listing Rules of the ASX.

“New Share” means a fully paid ordinary share in the capital of the Company to be issued under this Prospectus.

“Non-qualifying Foreign Shareholder” means a Shareholder, whose registered address is not in Australia or New Zealand.

“Offer” means the offer of 1 New Share for every 6 existing Shares held at the Record Date at an issue price of 6 cents per New Share.

“Official List” means the official list of the ASX.

“Price” means six (6) cents per New Share

“Prospectus” means the prospectus constituted by this document.

“Record Date” means 18 June 2008.

“Rights” means the right to subscribe for New Shares under this Prospectus.

“Rights Issue” has the same meaning as the Offer.

“SCH Business Rules” means the business rules of the securities clearing house which operates CHESS.

“Share” means a fully paid ordinary share in the capital of the Company.

“Shareholder” means the holder of a Share registered on the Record Date.

“Shortfall Shares” means New Shares for which successful valid applications have not been received by the Closing Date.

“Underwriters” means Paterson Securities Limited (ACN 008 896 311) and Cygnet Capital Pty Ltd (ACN 103 488 606)

“Underwriting Agreement” means the underwriting agreement dated on or about the same date as this Prospectus, between the Underwriters and the Company.

Corporate Directory

Directors:	Brian Jones (Non-Executive Chairman) Paul Byrne (Executive Director) Chris Dredge (Executive Director) Peter Zeigler (Non-Executive Director) John Laurie (Non-Executive Director)
Company Secretaries:	Kevin Mischewski Michael Ilett
Registered Office:	Level 37, 123 Eagle Street Brisbane Qld 4000
Auditors:	Southerntons Level 8, 10 Market Street Brisbane Qld 4000
Lawyers for the Company:	ClarkeKann Level 7, 300 Queen Street Brisbane Qld 4000
Joint Lead Managers and Underwriters	Patersons Securities Limited Level 23, Exchange Plaza 2 The Esplanade Perth 6000 Cygnet Capital Pty Ltd Level 10, 63 Exhibition Street Melbourne 3000
Share Registry:	Link Market Services Level 12, 300 Queen Street Brisbane Qld 4000
Stock Exchange Listing:	Australian Securities Exchange Home Exchange – Brisbane ASX Code – PEV
Email address:	info@pev ltd.com
Website address:	http://www.pev ltd.com