

Notice of Annual General Meeting and Explanatory Memorandum

Pacific Enviromin Limited ACN 089 206 986

Date of Meeting: 30 November 2010

Time of Meeting: 1:30pm (Brisbane time)

Place of Meeting: McMahons' Room

Quay West Suites Brisbane

132 Alice Street

Brisbane Qld 4000

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of shareholders of **Pacific Enviromin Limited ACN 089 206 986 (Company)** will be held at McMahons' Room, Quay West Suites Brisbane, 132 Alice Street, Brisbane Qld 4000, on 30 November 2010 at 1:30pm (Brisbane time).

Agenda

Ordinary business

Financial Reports

To receive and consider the Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Statement of Financial Performance, Statement of Financial Position, Statement of Cashflows and notes to and forming part of the accounts for the Company for the financial year ended 30 June 2010.

1. Re-election of Mr Peter Ziegler as a Director

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

"That Peter Ziegler, who retires by rotation in accordance with Rule 18.2 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

2. Re-election of Mr John William Laurie as a Director

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

"That John Laurie, who retires by rotation in accordance with Rule 18.2 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

3. Re-election of Mr John Graham Bovard as a Director

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

"That John Bovard, who retires by rotation in accordance with Rule 15.4 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

4. Remuneration report

To consider and, if thought fit, pass the following Advisory Resolution:

"That, the Remuneration Report for the year ended 30 June 2010 (as set out in the Directors Report) is adopted."

The vote on this Resolution 4 is advisory only and does not bind the Directors of the Company.
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5. Authorise the issue of up to 50 million Shares

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

"That in accordance with the provisions of ASX Listing Rule 7.1, and for all other purposes, the Company and the Directors of the Company are authorised to issue up to 50 million fully paid ordinary shares (**Placement Shares**) at an issue price per Placement Share of not less than 80% of the weighted average trading price of the Company's shares calculated over the last

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five (5) days on which sales in the securities of the Company were recorded before the day on which the Placement Shares are issued, to various sophisticated or professional investors (**Investors**) that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act 2001 (Cth) on the terms and conditions contained in this Notice of Meeting and attached Explanatory Memorandum.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by:

- any Investor; and
- any associate of the Investor.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

6. Approval to issue securities pursuant to an officer, executive, consultants and employee share plan (Share Plan)

To consider and, if thought fit, pass the following Special Resolution of the Company:

“That for the purposes of ASX Listing Rules 7.2 (exception 9), 10.14 and for all other purposes, the Company be authorised to issue securities under the Company’s officer, executive, consultants and employee share plan (**Share Plan**) with such approval effective at the close of this Meeting.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by:

- any director of the Company (except one who is ineligible to participate in the Share Plan; and
- any *associate* of such a director.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

7. Issue of shares to Mr John Graham Bovard

To consider and, if thought fit, pass the following resolution, with or without amendment, as an Ordinary Resolution of the Company:

“That, subject to Resolution 6 being passed and in accordance with the provisions of Listing Rule 10.11 of the Official Listing Rules of the ASX and Chapter 2E of the Corporations Act and for all other purposes, the Company is authorised to issue 2,500,000 Shares to Mr John

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Graham Bovard (Bovard), a Director of the Company, or his nominee, on the terms and conditions set out in the Notice and accompanying Explanatory Memorandum.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by:

- Bovard; and
- any associate of the Bovard.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

8. Issue of Shares to Mr Paul Byrne

To consider and, if thought fit, pass the following Resolution, with or without amendment, as an Ordinary Resolution of the Company:

“That, subject to Resolution 6 being passed and in accordance with the provisions of Listing Rule 10.11 of the Official Listing Rules of the ASX and Chapter 2E of the Corporations Act and for all other purposes, the Company is authorised to issue 6,825,000 Shares to Mr Paul Byrne (**Byrne**), a Director of the Company, or his nominee, on the terms and conditions set out in the Notice and accompanying Explanatory Memorandum.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by:

- Byrne; and
- any associate of the Byrne.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

9. Issue of Shares to Mr John William Laurie

To consider and, if thought fit, pass the following Resolution, with or without amendment, as an Ordinary Resolution of the Company:

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“That, subject to Resolution 6 being passed and in accordance with the provisions of Listing Rule 10.11 of the Official Listing Rules of the ASX and Chapter 2E of the Corporations Act and for all other purposes, the Company is authorised to issue 3,000,000 Shares to Mr John William Laurie (**Laurie**), a Director of the Company, or his nominee, on the terms and conditions set out in the Notice and accompanying Explanatory Memorandum.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by:

- Laurie; and
- any associate of the Laurie.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

10. Issue of Shares to Wellton Holdings Pty Ltd

To consider and, if thought fit, pass the following Resolution, with or without amendment, as an Ordinary Resolution of the Company:

“That, subject to Resolution 6 being passed and in accordance with the provisions of Listing Rule 10.11 of the Official Listing Rules of the ASX and Chapter 2E of the Corporations Act and for all other purposes, the Company is authorised to issue 5,000,000 Shares to Wellton Holdings Pty Ltd (**Wellton**) an entity associated with Mr Peter Ziegler, a Director of the Company, or his nominee, on the terms and conditions set out in the Notice and accompanying Explanatory Memorandum.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by:

- Wellton; and
- any associate of the Wellton.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

11. Ratification of the issue of 33,333,332 Shares

To consider and, if thought fit, pass the following Resolution, with or without amendment, as an Ordinary Resolution of the Company:

“That in accordance with the provisions of ASX Listing Rule 7.4, and for all other purposes, the Shareholders of the Company ratify the issue of 33,333,332 fully paid ordinary shares to various sophisticated or professional investors that fall within one or more of the classes of

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exemptions specified in Section 708 of the *Corporations Act 2001* (Cwlth) (**Placement Participants**).”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by:

- any Placement Participant; and
- any associate of Placement Participant.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Special business

12. Change of Company name

To consider and, if thought fit, pass the following resolution, as a special Resolution of the Company:

“That in accordance with section 157 of the *Corporations Act 2001* (Cth), and for all other purposes, the Company’s name be changed to “Australian Pacific Coal Limited” with effect on the date on which ASIC alters the details of the Company’s registration.”

General business

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By order of the board



Kevin Mischewski
Company Secretary

Explanatory Statement

1. Introduction

This Explanatory Memorandum is provided to Shareholders of **Pacific Enviromin Limited ACN 089 206 986 (Company)** to explain the Resolutions to be put to Shareholders at the Annual General Meeting to be held at McMahons' Room, Quay West Suites Brisbane, 132 Alice Street, Brisbane Qld 4000 on 30 November 2010 commencing at 1:30 pm (Brisbane time).

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum are defined in Section 12.

2. Consider the company's annual report

The Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Statement of Financial Performance, Statement of Financial Position, Statement of Cashflows and notes to and forming part of the accounts for the Company for the financial year ended 30 June 2010 were despatched to Shareholders and released to the ASX Limited on 5 October 2010. The Company's Annual Report is placed before the shareholders for discussion. No voting is required for this item.

3. Resolution 1 - Re-election of Mr Peter Ziegler as a Director

Peter Ziegler retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election as a Non-Executive Director.

Mr Ziegler was appointed on 29 November 2005.

Mr. Ziegler is an experienced company director. He was a partner of one of the major international accounting firms, specialising in taxation and corporate structuring. He is also a solicitor of the Supreme Court of Victoria. Director since 29 November 2005. Mr Ziegler is currently the principal of Ziegler Asset Partners, an asset management firm specialising in investments in listed and unlisted equities and special opportunities.

The Directors (with Mr Ziegler abstaining) recommend that you vote in favour of this Ordinary Resolution.

4. Resolution 2 - Re-election of Mr John William Laurie as a Director

John Laurie retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election as a Non-Executive Director.

Mr Laurie was appointed on 20 January 2000.

Mr. Laurie joined the board in January 2000. He has extensive experience in manufacturing and marketing in a wide variety of industries, both domestic and international.

Mr. Laurie is currently the chairman of the Sydney based Twilight Aged Care Group, a number of private companies and was previously the chairman and/or director of several public and private companies.

The Directors (with Mr Laurie abstaining) recommend that you vote in favour of this Ordinary Resolution.

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5. Resolution 3 - Re- election of Mr John Graham Bovard as a Director

John Bovard retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election as a Non-Executive Director.

Mr Bovard was appointed on 30 October 2009.

Mr. Bovard has 41 years experience in the mining industry. He has been involved in several major projects and has held prominent positions with many Australian and international companies including Western Mining Inc, OK Tedi and Placer Pacific.

Mr. Bovard is Non-executive Chairman of Mt Isa Metals Limited and Non-executive Director of Australian Solomons Gold Limited

The Directors (with Mr Bovard abstaining) recommend that you vote in favour of this Ordinary Resolution.

6. Resolution 4 – remuneration report

The Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding Advisory Resolution.

The Remuneration Report is set out in the Directors' Report section of the Annual Report. The Report:

- explains the Board's policy for determining the nature and amount of remuneration of executive directors and senior executives of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each Director and the most highly remunerated senior executive of the Company; and
- details and explains any performance conditions applicable to the remuneration of executive directors and senior executives of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report. A vote on this Resolution is advisory only and does not bind the Directors of the Company.

7. Resolution 5 – Authorise the issue of up to 50 million shares

7.1 Introduction

Resolution 5 seeks shareholder authorisation to issue of up to 50 million fully paid ordinary shares (**Placement Shares**).

7.2 Impact on capital of the Company

The Company currently has on issue 451,793,926 Shares. Upon the issue of 50 million shares, the Placement Shares will represent a total of 9.96% of the share capital of the Company.

7.3 ASX Listing Rule 7.1

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In accordance with Listing Rules 7.1 the Company is seeking Shareholder approval to issue the Placement Shares.

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new shares equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Securities issued with shareholder approval under ASX Listing Rule 7.1 do not count towards the 15% limit. Further, Listing Rule 7.1 can be treated as having been made with that approval if shareholders subsequently approve it.

If Resolution 5 is approved it will have the effect of refreshing the Company's ability to issue up to a further 15% of its capital during the next 12 months without the need to obtain further Shareholder approval.

For the purposes of ASX Listing Rule 7.3, the Company advises:

- The maximum number of Shares to be issued is 50 million Shares (**Placement Shares**).
- The Placement Shares will be issued within three months of the date of the Meeting.
- The Company will issue the Placement Shares to investors who fall within one or more of the exemptions under section 708 of the *Corporations Act*.
- The issue price of the Placement Shares shall not be less than 80% of the weighted average trading price of the Company's shares calculated over the last five (5) days on which sales in the securities of the Company are recorded before the day on which the Placement Shares are issued.
- The Placement Shares shall rank pari passu with all other existing Shares on issue in the Company.
- The total funds that will be raised from the issue of the Placement Shares will be used for tenement maintenance and exploration and general working capital

7.4 Recommendation

The Board recommends that Shareholders vote in favour of this Ordinary Resolution.

8. Resolution 6 Approval for issue of securities pursuant to the officer, executives, consultants and employee share plan (Share Plan)

8.1 Introduction

As previously noted, ASX Listing Rule 7.1 allows the Company to issue up to 15% of its total issued capital without shareholder approval in any 12 month period. ASX Listing Rule 7.2 exemption 9 excludes any securities issued under an officer, executive, consultants and employee share plan where that employee share and option plan has been approved by the company's shareholders.

This Resolution seeks the approval of Shareholders for the issue of securities pursuant to its Share Plan in accordance with ASX Listing Rule 7.2, exception 9, which would enable securities issued under the Share Plan over the next 3 years to be excluded from being any such calculations.

The Board last sought and obtained Shareholder approval for the issue of securities under the Share Plan on 20 November 2007 (**Approval Date**). Since the Approval Date the Company has issued 5,910,714 Shares.

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8.2 Share Plan Terms

The purpose of the Company's Share Plan is to motivate and incentivise officers, executives, employees and consultants by providing them with the opportunity to participate in the growth of the Company via a holding of shares in the Company.

A detailed summary of the Share Plan terms and conditions is set out in attachment A to this Explanatory Memorandum.

9. Resolutions 7, 8, 9 and 10 Issue of Shares to each of Paul Byrne, John Bovard, John Laurie and Wellton Holdings Pty Ltd

9.1 Introduction

The Company has in place an executive, consultants and employee share plan (**Share Plan**). Under the terms of the Share Plan an eligible participant may, at the invitation of the Company, participate in a scheme for the acquisition of Shares in the Company.

The Company will provide by way of loan, the subscription moneys required by the eligible participant to subscribe for the Shares under the Plan. The intention is that repayment of the Loan and any interest accrued will be effected from future dividends.

The Directors seek Shareholder approval for the issue of 2,000,000 Shares to Mr John Bovard, 6,825,000 Shares to Mr Paul Byrne, 3,000,000 Shares to Mr John Laurie and 5,000,000 Shares to Wellton Holdings Pty Ltd (an entity associated with Mr Paul Ziegler (**Directors Shares**)).

Approval for the issue of the Directors Shares pursuant to the Share Plan is sought in accordance with Listing Rule 10.11 and Part 2E of the Corporations Act. If approval is given under Listing Rule 10.11 approval will not be required under Listing Rule 7.1.

9.2 Regulatory Requirements

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless the benefit falls within one of the various exceptions to the general prohibition. One of the exceptions includes where the company first obtains the approval of its shareholders in general meeting in circumstances where the requirements of Chapter 2E in relation to the convening of that meeting have been met.

A "related party" for the purposes of the Corporations Act is defined widely and includes a director of a public company.

A "financial benefit" for the purposes of the Corporations Act has a very wide meaning. It includes the public company paying money or issuing securities to the related party. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and effect of what the public company is doing (rather than just the legal form). Any consideration which is given for the financial benefit is to be disregarded, even if it is full or adequate.

The proposed resolutions, if passed, will confer financial benefits on Mr John Bovard, Mr Paul Byrne, Mr John Laurie and Wellton Holdings Pty Ltd (an entity associated with Mr Peter Ziegler) or their respective nominees. The Company seeks to obtain Shareholder approval in accordance with the requirements of Chapter 2E of the Corporations Act and for this reason and for all other purposes the following information is provided to Shareholders.

(a) Details of related parties

The related parties to whom Resolutions 7,8, 9 and 10 would permit the financial benefit to be given:

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- Each of Mr John Bovard, Mr Paul Byrne, John Laurie, Mr Peter Ziegler, being Directors of the Company (or their nominees).

(b) Nature of the financial benefit

The nature of the proposed financial benefit to be given is:

- The issue of 2,500,000 Shares to Mr John Bovard, 6,825,000 Shares to Mr Paul Byrne, 3,000,000 Shares to Mr John Laurie and 5,000,000 Shares to Wellton Holdings Pty Ltd (an entity associated with Mr Peter Ziegler), or their respective nominees, as referred to in Resolutions 7, 8, 9 and 10;
- The Shares shall be issued at a price being the volume weighted average trading price of Shares on ASX five (5) trading days immediately prior to the proposed date of issue of the Directors Shares.

(c) Directors' recommendation

With respect to Resolution 7 Mr Peter Ziegler, Mr Paul Byrne and Mr John Laurie recommend that Shareholders vote in favour of this Resolution. As Mr John Bovard is interested in the outcome of Resolution 7 he accordingly makes no recommendation to Shareholders in respect of this Resolution.

With respect to Resolution 8 Mr John Bovard, Mr Peter Ziegler and Mr John Laurie recommend that Shareholders vote in favour of this Resolution. As Mr Paul Byrne is interested in the outcome of Resolution 8, he accordingly makes no recommendation to Shareholders in respect of this Resolution.

With respect to Resolution 9 Mr John Bovard, Mr Paul Byrne and Mr Peter Ziegler recommend that Shareholders vote in favour of this Resolution. As Mr John Laurie is interested in the outcome of Resolution 9, he accordingly makes no recommendation to Shareholders in respect of this Resolution.

With respect to Resolution 10 Mr John Bovard, Mr Paul Byrne and Mr John Laurie recommend that Shareholders vote in favour of this Resolution. As Mr Peter Ziegler is interested in the outcome of Resolution 10, he accordingly makes no recommendation to Shareholders in respect of this Resolution.

The reasons for the above recommendations include:

- (1) the issue of the Directors Shares will provide the Directors with reward and incentive for services they have provided to the Company to date and will continue to provide to the Company to further the progress of the Company; and
- (2) the Directors Shares are not intended as a substitute for salary or wages.

(d) Recipients' interest and other remuneration

Resolution 7 – Mr John Graham Bovard

Mr John Bovard has a material personal interest in the outcome of Resolution 7, as it is proposed that the 2,500,000 Shares be issued to him (or his nominee) as set out in Resolution 7.

Excluding the 2,500,000, Mr John Bovard (and entities associated with him) holds Nil Shares and Nil options to subscribe for Shares. Other than the 2,500,000 Shares to be issued to Mr John Bovard (or his nominee) pursuant to Resolution 7, Mr John Bovard currently receives director's remuneration of \$50,000 (including statutory superannuation) per annum from the Company for his services as a non-executive director of the Company. Mr John Bovard is entitled to receive additional remuneration

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from the Company at no greater than an arms-length daily rate for specific contracted services provided. These services are not included within the scope of his duties as a director and are billed to the Company as and when incurred.

Resolution 8 – Mr Paul Byrne

Mr Paul Byrne has a material personal interest in the outcome of Resolution 8, as it is proposed that the 6,825,000 Shares be issued to him (or his nominee) as set out in Resolution 8.

Excluding the 6,825,000 Shares, Mr Paul Byrne (and entities associated with him) holds 84,480,267 Shares and Nil options to subscribe for Shares.

Other than the 6,825,000 Shares to be issued to Mr Paul Byrne (or his nominee) pursuant to Resolution 8, Mr Paul Byrne currently receives director's remuneration of \$30,000 (including statutory superannuation) per annum for his services as an executive director of the Company. Mr Paul Byrne is entitled receive additional remuneration from the Company at an arms-length daily rate for specific contracted services provided. These services are not included within the scope of his duties as a director. and are billed to the Company as and when incurred.

Resolution 9 – Mr John William Laurie

Mr John Laurie has a material personal interest in the outcome of Resolution 9, as it is proposed that the 3,000,000 Shares be issued to him (or his nominee) as set out in Resolution 9.

Excluding the 3,000,000 Shares to be issued to Mr John Laurie (and entities associated with him) holds 2,000,000 Shares and Nil options to subscribe for Shares.

Other than the 3,000,000 Shares to be issued to Mr John Laurie (or his nominee) pursuant to Resolution 9, Mr John Laurie currently receives director's remuneration of \$30,000 (including statutory superannuation) per annum for his services as a non-executive director of the Company. Mr John Laurie is entitled to receive additional remuneration from the Company at no greater than an arms-length daily rate for specific contracted services provided. These services are not included within the scope of his duties as a director. and are billed to the Company as and when incurred.

Resolution 10 – Wellton Holdings Pty Ltd

Wellton Holdings Pty Ltd (an entity associated with Mr Peter Ziegler has a material personal interest in the outcome of Resolution 10, as it is proposed that the 5,000,000 Shares be issued to it (or its nominee) as set out in Resolution 10.

Excluding the 5,000,000 Shares to be issued Wellton Holdings Pty Ltd (an entity associated with Mr Peter Ziegler) Mr Peter Ziegler holds 5,233,333 Shares and Nil options to subscribe for Shares.

Other than the 5,000,000 Shares to be issued to Wellton Holdings Pty Ltd (an entity associated with Mr Peter Ziegler (or his nominee) pursuant to Resolution 10, Peter Ziegler & Co Pty Ltd (an entity associated with Mr Peter Ziegler) currently receives director's remuneration of \$30,000 (including statutory superannuation) per annum for his services as a non-executive director of the Company. Mr Peter Ziegler is entitled receive additional remuneration from the Company at no greater than an arms-length daily rate for specific contracted services provided. These services are not included within the scope of his duties as a director. and are billed to the Company as and when incurred.

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(e) Directors' Interests in Shares

If all of the Directors Shares are issued it will have the following effect on their holdings in the Company and the dilutionary impact on current Shareholders of the Company:

Shareholder	Current Share Holding	% of Total Share Capital Shares on issue)	Shares held Upon issue of Directors Shares	% of Total Share Capital Shares on issue) ¹	Shares held upon issue of "Placement" Shares	% of total Capital (shares on issue)
Current Shareholders (other than the relevant Directors)	360,080,326	79.70%	360,080,326	76.76%	410,080,326	79.00%
Mr John Bovard	Nil	0.00%	2,500,000	0.53%	2,500,000	0.48%
Mr Paul Byrne	84,480,267	18.70%	91,305,267	19.46%	91,305,267	17.59%
Mr John Laurie	2,000,000	0.44%	5,000,000	1.07%	5,000,000	0.96%
Wellton Holdings Pty Ltd ²	5,233,333	1.16%	10,233,333	2.18%	10,233,333	1.97%
Total	451,793,926	100.00%	469,118,926	100.00%	519,118,926	100.00%

Notes:

1. Assuming that no other Shares are issued.
2. Including any Shares held by Mr Peter Ziegler (and entities associated with him)

(f) Valuation

As noted above, the Company intends to issue the Director's Shares to each of Mr John Bovard, Mr Paul Byrne, Mr John Laurie and Wellton Holdings Pty Ltd (an entity associated with Mr Peter Ziegler) pursuant to the Company's Share Plan. Under the terms of the Share Plan the issue price of the Director Shares would be the Market Price of the Shares as determined by the volume weighted average trading price of Shares on ASX for a 5 day period up to and including the day on which the Market Price is to be determined.

The Company in assessing the value of any "benefit" accruing to the recipient has not commissioned an independent valuation report since the Director's Shares will be issued at the Market Price for the Shares prior to issue.

As a result, it is reasonable to conclude that the value of the Directors Shares will be the Market Price of the Shares at that time.

To provide Shareholders with some guidance as to the likely Market Price, set out below is a table based on the Company's trading history (as set out in Section 8.2(h)) which provided the indicative value of the Directors Share based on the following range:

Directors Name	Value based on Lowest Share Price	Value based on Highest Share Price	Value based on September VWAP
Mr John Bovard (2,500,000 Shares)	\$20,000	\$100,000	\$49,500
Mr Paul Byrne (6,825,000 Shares)	\$54,600	\$273,000	\$135,135
Mr John Laurie (3,000,000 Shares)	\$24,000	\$120,000	\$59,400
Wellton Holdings Pty Ltd (5,000,000 Shares)	\$40,000	\$200,000	\$99,000

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- (g) Any other information that is reasonably required by Shareholders to make a decision and that is known to the Company or any of its Directors

There is no other information known to the Company or any of its Directors that is reasonably required by Shareholders to make a decision with respect to the Resolutions save and except as follows:

Market Price Movement

The Directors Share value ranges noted above assume market prices of the Shares based respectively on the lowest share price for the last 12 months (\$0.008), the highest share price for the last twelve months (\$0.040) and the volume weighted average price for the month of September 2010 (\$0.0198). The most recent market price of the Shares prior to the date of this report is \$0.020. There is a possibility that the market price of the Shares on the date of issue of the Directors Shares will be different to this and that the market price of the Shares will change up to the date of the Meeting.

Opportunity Costs

The opportunity costs and benefits foregone by the Company issuing the Directors Shares to Mr John Bovard, Mr Paul Byrne, John Laurie and Wellton Holdings Pty Ltd (an entity associated with Mr Peter Ziegler) or their respective nominees, is the potential dilutionary impact on the issued share capital of the Company. To the extent that the dilutionary impact caused by the issue of Directors Shares will be detrimental to the Company or its Shareholders, this is believed to be more than offset by the advantages accruing from the Company securing the services of experienced and skilled Directors on appropriate incentive terms.

Increase in the value of the Directors Shares is dependent upon a concomitant increase in the value of the Company generally.

Taxation Consequences

No stamp duty will be payable in respect of the issue of the Directors Shares. No GST will be payable by the Company in respect of the issue of the Directors Shares (or if it is then it will be recoverable as an input credit).

AASB 2 "Share Based Payments" requires that these payments shall be measured at the more readily determinable fair value of the equity instrument. Under the accounting standards this amount will be expensed in the statement of comprehensive income. Where the issue date and the vesting date are different the total expenditure calculated will be allocated between the two dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management's assumptions about probabilities of payments and compliance with and attainment of the set out terms and conditions.

Save as set out in this Explanatory Memorandum, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to benefits contemplated by Resolutions 7,8, 9 and 10.

- (h) Trading history

Details of the Company's trading history of the previous 12 months is set out below:

Highest Share Price: \$0.040

Lowest Share Price: \$0.008

VWAP for the month of September: 1.98 cents

Explanatory Statement

(i) Listing Rule 10.11

Listing Rule 10.11 requires an entity to obtain the approval of Shareholders to an issue of securities to a related party. Each of Mr John Bovard, Mr Paul Byrne and Mr John Laurie and Wellton Holdings Pty Ltd (an entity associated with Mr Peter Ziegler), being a Director of the Company (or an entity associated with a Director), is a related party of the Company. Accordingly, because the issue of the Shares will result in the Company issuing securities to a related party, approval under Listing Rule 10.11 is required.

For the purposes of Listing Rule 10.13, the Company advises as follows:

- The maximum total number of Directors Shares to be issued to Mr John Bovard, Mr Paul Byrne and Mr John Laurie and Wellton Holdings Pty Ltd (an entity associated with Mr Peter Ziegler), or their respective nominees, is 17,325,000 Shares (being 2,500,000 Shares to Mr John Bovard, 6,825,000 Shares to Mr Paul Byrne, 3,000,000 Shares to Mr John Laurie and 5,000,000 Shares to Wellton Holdings Pty Ltd (an entity associated with Mr Peter Ziegler), or their nominees).
- Subject to Shareholder approval being obtained, Directors Shares are intended to be issued as soon as possible following the Meeting, but in any event, no later than one (1) month after the date of the Meeting.
- The Director Shares are being issued for market value in accordance with the Share Plan funded by a loan from the Company for their issue price. This loan is of a limited recourse nature and is only secured by the Director Shares acquired by the Directors. No funds will be directly raised from the issue of the Directors Shares.

10. Resolution 11 – Ratification of the issue of 33,333,332 Shares

10.1 Introduction

The Company undertook two placements during 2010 to sophisticated and professional investors (as these terms are defined in the *Corporations Act*). The placements were completed on 15 April 2010 and 8 June 2010 (respectively) and were undertaken to provide additional working capital.

The details of the placements are set out below:

	Date of Placement	Investor Name	Number of Shares	Total Amount Paid \$
	15 April 2010	AS Wall & RK Wall	1,500,000	22,500
	15 April 2010	Beumy Pty Ltd	1,500,000	22,500
	15 April 2010	Rosevale Nominees	1,500,000	22,500
	15 April 2010	Mrs Emma Morrison	6,666,666	100,000
	15 April 2010	Horizon Manor	2,166,666	32,499.99
	15 April 2010	Westpearl Pty Ltd	3,333,333	50,000
	8 June 2010	Westpearl Pty Ltd	6,666,666	100,000
	8 June 2010	Westpearl Pty Ltd	10,000,001	150,000
Total			33,333,332	499,949.99

10.2 ASX Listing Rule 7.4

ASX Listing Rule 7.4 allows a Company to seek shareholder approval to ratify the issue of securities made by the Company for which Shareholder approval has not been obtained.

Explanatory Statement

The effect of ratifying previous issues of securities is that it refreshes the Company's ability to issue up to a further 15% of its capital during the next 12 months without the need to obtain further Shareholder approval.

In accordance with ASX Listing Rule 7.4, Shareholder approval is sought to ratify the issue of the 33,333,332 Shares.

For the purposes of ASX Listing Rule 7.5, the Company advises:

- The maximum number of Shares issued was 33,333,332 Shares (**2010 Placement Shares**).
- The 2010 Placement Shares were issued to the investors set out in Section 10.1 of this Explanatory Memorandum.
- The issue price of the 2010 Placement Shares was \$0.015.
- The 2010 Placement Shares rank pari passu with all other existing Shares on issue in the Company.
- The total amount of funds that were raised from the issue of the 2010 Placement Shares was \$499,949.99.
- The funds raised from the issue of the 2010 Placement Shares were used to provide additional working capital.

11. Resolution 12 – Change of Company name

11.1 Introduction

The Company proposes to change its name to "Australian Pacific Coal Limited". The Board believes that this name will more accurately reflect the Company's focus on discovering and exploiting coal resources in Queensland and better aligns with the Company's activities, objectives and corporate strategy.

Resolution 12 seeks Shareholder approval to this change pursuant to section 157 of the Corporations Act, which provides that if a company wants to change its name it must pass a special resolution adopting a new name and lodge an application in the prescribed form with ASIC.

In the event that Resolution 12 is passed as a special resolution, the Company's name will be changed to "Australian Pacific Coal Limited" with effect on the date on which ASIC alters the details of Company's registration.

As this Resolution is a special resolution, it must be passed by at least 75% of the votes cast by members entitled to vote on the Resolution and present at the Meeting (in person or by proxy).

11.2 Recommendation

Shareholders vote in favour of this Special Resolution.

Explanatory Statement

12. Interpretation

ASIC means the Australian Securities and Investments Commission.

ASX means the ASX Limited ACN 008 624 691.

Board means the board of directors of the Company.

Company means Pacific Enviromin Limited ACN 089 206 896.

Corporations Act means the Corporations Act 2001 (Commonwealth).

Director means director of the Company.

Listing Rules means the listing rules of the ASX.

Market Price Shares means the volume weighted average trading price of Shares on ASX for the five (5) trading day period up to and including the day on which the Market Price is to be determined.

Meeting means the Annual General Meeting of the Company to be held on 30 November 2010.

Notice means this notice of meeting.

Resolution means a resolution to be proposed at the Meeting.

Shareholder means a person who holds ordinary shares in the Company.

Shares means fully paid ordinary shares in the Company.

Share Plan means the officer, executives, consultants and employees share plan.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Kevin Mischewski (Company Secretary):

Level 7, 10 Felix Street, Brisbane Qld 4000

+61 7 3221 0679

Proxy Form

Proxy, representative and voting entitlement instructions

Proxies and representatives

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a shareholder of the Company.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under Section 250D of the *Corporations Act 2001* (Cth).

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the *Corporations Act*.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be **deposited at, posted to, or sent by facsimile transmission to the address listed below**, not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

Pacific Enviromin Limited
Level 7, Felix Street, Brisbane Qld 4000
Telephone Phone: +61 7 3221 0679

Pacific Enviromin Limited
PO Box 16330, City East, Qld 4001
Facsimile No: +61 7 3252 2111

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

A proxy form is attached to this Notice.

Voting entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm 26th November 2010. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Signing instructions

You must sign the proxy form as follows in the spaces provided:

- Individual: Where the holding is in one name, the holder must sign.
- Joint Holding: Where the holding is in more than one name, all of the security holders should sign.
- Power of Attorney: To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone.

Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.

Please indicate the office held by signing in the appropriate place.

Proxy Form

I / We

of

being shareholder(s) of Pacific Enviromin Limited (**Company**)

hereby appoint:

of:

or failing him/her:

of:

or failing him/her the Chairman as my/our proxy to vote for me/us and on my/our behalf at the annual general meeting of the Company to be held at Quay West Suites Brisbane, 132 Alice Street Brisbane Queensland , on 30 November 2010 at 1:30pm and at any adjournment thereof in respect of all of my/our shares in the Company unless otherwise specified below.

Use of Proxy

Direction on how to vote

If you wish to direct the Proxy how to vote, ***please place a mark in the appropriate boxes below.***

I/we direct my/our proxy to vote as indicated below:

Resolution	For	Against	Abstain
Re-election of Peter Ziegler	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Re-election of John Laurie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Re-election of John Bovard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Authorise the issue of 50 million shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Approval of Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Issue of Shares to Mr John Bovard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Issue of Shares to Mr Paul Byrne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Issue of Shares to Mr John Laurie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Issue of Shares to Wellton Holdings Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ratification of issue of 33,333,332 Share issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

No direction on how to vote - Chairman as Proxy (Excluded Resolutions)

If the Chair of the meeting is appointed as your proxy, or may be appointed by default, and you do **NOT** wish to direct your proxy how to vote as your proxy in respect of the resolution/s, ***please place a mark in the box opposite.***

By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of resolution/s (**Relevant Resolution/s**) and that votes cast by the Chair of the meeting for the Relevant Resolution/s other than as proxy holder will be disregarded because of that interest.

If the Chair of the meeting is your proxy and you do not mark this box or direct the Chair of the meeting how to vote above, the Chair of the meeting will not cast your votes on the Relevant Resolution/s and your votes will not be counted in calculating the required majority if a poll is called on the Relevant Resolution/s.

Proxy Form

The Chair intends on voting all undirected proxies in favour of all Relevant Resolutions.

No Direction on how to vote - General

If you do **not** direct your proxy on how to vote as your proxy in respect of the resolution/s, the Proxy may cast your vote as the Proxy thinks fit or may abstain from voting. By signing this appointment you acknowledge that, subject to the *Corporations Act 2001* (Cth), the Proxy may exercise your proxy even if he/she has an interest in the outcome of the resolution/s and even if votes cast by him/her other than as proxy holder will be disregarded because of that interest (subject to the section above in relation to voting on Relevant Resolutions by the Chair of the meeting).

Apportionment - Multiple Proxies

If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is % . (An additional proxy form will be supplied by the Company on request)

Apportionment – Multiple Shares

If you wish to appoint the proxy to exercise voting power over only some of your shares, the number of shares in respect of which this proxy is to operate is shares. (Note: proxy will be over all shares if left blank)

Individual or Security holder 1

**Sole Director and
Sole Company Secretary (If appointed)**

Security holder 2

Director

Security holder 3

Director/Company Secretary

_____ **Contact Name**

_____ **Contact Daytime Telephone**

_____ **Date**

PACIFIC ENVIROMIN LIMITED OFFICERS , EXECUTIVES , CONSULTANTS AND EMPLOYEE SHARE PLAN

PLAN RULES

1. INTRODUCTION

1.1 Overview

The purpose of the Pacific Enviromin Limited (**Company**) Officers, Executives, Consultants and Employee Share Plan ("**the Share Plan**") is to motivate and incentivise officers, executives, employees and consultants (**Eligible Participants**) by providing them with the opportunity to participate in the growth of the Company via a holding of shares in the Company.

1.2 Share Plan

General

The Share Plan allows Eligible Participants to participate, at the invitation of the Company, in a scheme for the acquisition of Shares in the Company. Shares provided to Eligible Participants under the Share Plan will be new Shares.

New Shares to be provided

Where new Shares are issued to an Eligible Participant under the Share Plan, the Company will issue the Shares at the Market Price of Shares over a 5 day period on ASX prior to the issue..

Loan

The Company will provide by way of loan, the subscription moneys required by the Eligible Participant to subscribe for the Shares under the Plan. The intention is that repayment of the Loan and interest thereon, will be effected from future dividends.

Participation in the Plan

The Plan will be conducted as a non-discriminatory officers, executives, employee and consultants share scheme open to:

- officers and executives of the Company;
- those permanent full-time and part-time employees selected by the Company; and
- consultants to the Company selected by the Company .

Security

The Company will have the right to require security to be given for repayment of any loan made to an Eligible Participant.

Limited Recourse

The liability of an Eligible Participant is limited, with the rights of the Company in respect of repayment of any loan made limited to security held and the Shares held whilst under the Plan by an Eligible Participant.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

In these Rules:

ASX means the ASX Limited.

Board means the board of directors of the Company or a committee appointed by the Board.

Consultant means a person who consistently provides services to a Group.

Control has the meaning ascribed to that term in s 9 of the Corporations Act and references to **Controlled** shall have a corresponding meaning.

Company means Pacific Enviromin Limited ABN 49 089 206 986.

Corporations Act means the *Corporations Act 2001 (Cwlth)* as may be amended or replaced from time to time.

Director means a member of the Board.

Dividend means;

(a) Franked Dividends; and/or

(b) Unfranked Dividends.

Dispose has the meaning ascribed to it in the Listing Rules and **Disposed** shall have a corresponding meaning.

Employee means a person employed, whether on a full or part time basis, by a Group Company or other person the Board in its absolute discretion determines to be an Employee for the purposes of the Plan.

Executive means an executive or other senior manager of the Company.

Franked Dividends means dividends the whole or part of which have been franked in accordance with Division 202 of the Tax Act.

Group Company means the Company and each Subsidiary of the Company.

Holding Lock has the meaning given to the term "holding lock" in the Listing Rules.

Interest means the interest to be paid by an Eligible Participant on any Loan made to an Eligible Participant.

Interest Rate means the benchmark interest rate as defined in s. 109N(2) of the Tax Act , from time to time;

Issue Price means the issue price payable for a Share;

Listing Rules means the official listing rules of the ASX from time to time in force as they apply to the Company.

Loan means the provision of financial accommodation by the Company to an Eligible Participant for the purposes of paying the Subscription Price for Shares by the Eligible Participant.

Officer has the meaning ascribed to that term in s 9 of the Corporations Act.

Market Value of Shares means the volume weighted average trading price of Shares on ASX for five (5) trading day period up to and including the day upon which the Market Value is to be determined.

Participant means an Officer, Executive, Employee or Consultant who acquires Shares under the Plan.

Plan means the Pacific Enviromin Limited Officers, Executives, Consultants and Employee Share Plan as set out in these Rules as altered or added to under these Rules from time to time.

Restriction Period has the meaning ascribed to that term in Rule 7.2.

Restricted Share means a Share acquired under the Plan subject to restrictions under Rule 7.

Share means a fully paid ordinary share in the capital of the Company and **Shares** shall have a corresponding meaning.

Subscription Price means the aggregate of the number of Shares multiplied by the Issue Price.

Subscription and Restriction Deed means a deed to be prepared by the Company to give effect to participation by an Eligible Participant in the Plan and to contain all such terms as the Company may in its absolute discretion require.

Security means a first ranking share mortgage.

Subsidiary has the meaning ascribed to that term in the *Corporations Act*.

Tax Act means the *Income Tax Assessment Act 1936* (as amended) and/or the *Income Tax Assessment Act 1997* (as amended) as the case requires or permits.

Termination Date means the first to occur of;

- (a) 5 years from the Commencement Date;
- (b) the Grantee retires or resigns; or
- (c) the Grantee ceases to be employed by the Company or the Group for any reason whatsoever.

2.2 Interpretation

In these Rules:

- (a) Terms not defined in these Rules which are defined in the *Corporations Act*, shall have the meanings ascribed to those terms in the *Corporations Act*.
- (b) headings are only for convenience and do not affect interpretation;
- (c) The singular number includes the plural and vice versa;

- (d) Words of one gender include the other genders;
- (e) A reference to any legislation includes any amendment to that legislation, any consolidation or replacement of it, and any subordinate legislation made under it;
- (f) A reference to a provision in any legislation includes a reference to a provision in any amendment, consolidation or replacement of that legislation which, in the opinion of the Board, corresponds with the first mentioned provision;
- (g) If any provision in these Rules is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions is not affected or impaired; and
- (h) If the day on or by which something must be done is not a business day in the place where it must be done, it may be done on the next business day.

3. ELIGIBILITY

3.1 Who is eligible?

Subject to Rule 3.2, a person is only eligible to acquire Shares under the Plan if he or she is:

- (a) An Officer, Executive, Employee or Consultant at the date of allotment of those Shares; and
- (b) Has satisfied the criteria the Board from time to time and in its sole discretion decides for participation in the Plan.

3.2 Changing eligibility status

The determination by the Board of the eligibility of a particular Employee or group of Employees for participation in the Plan, may be revoked or amended at any time and in any event, lapses after the acquisition of Shares by the Employee under this Plan. The Board may change the eligibility status of any individual Employee or group of Employees for the purposes of this Plan.

3.3 Board Discretion

Participation in the Plan is in the Board's sole discretion. The Company reserves the right to refuse participation in the Plan in whole or in part for any particular Officer, Executive, Employee or Consultant or group of Officers, Executives, Employees or Consultants, even if the eligibility criteria and other steps have been satisfied for participation.

4. INVITATION AND APPLICATION

4.1 Invitation

An invitation to participate in the Plan may:

- (a) be made by the Company at any time;
- (b) be in any form;
- (c) provide the Issue Price for the Shares ;
- (d) provide the Subscription Price payable for the Shares;
- (e) relate to a specified number or specified value of Shares;

- (f) provide for the terms and conditions upon which the Company will provide a Loan to finance the Subscription Price;
- (g) specify the amount of the Loan;
- (h) specify the Termination Date for the Loan;
- (i) specify the Interest to be paid on any Loan and the manner in which it shall be paid;
- (j) specify whether the Company requires Security over the Shares to secure repayment of the Loan;
- (k) require the establishment of a account into which Dividends in respect of the Shares shall be paid and applied to payment of Interest and repayment of the Loan;
- (l) require execution of a Subscription and Restriction Deed;
- (m) impose events which must arise in respect of Shares before they may be Dispose of ;
- (n) place restrictions on the right to Dispose of the Shares by the Participant and any other person who may control the Participant; and
- (o) be on any conditions (including performance conditions) or subject to any restrictions, as the Board decides.

4.2 **Application**

An application to join the Plan must be made in accordance with the instructions which accompany the invitation or in any other way the Board decides.

4.3 **Nominees**

An Eligible Participant may be entitled to nominate that the Shares be held by another person (**Nominee**) so long as that person is an associate of the Eligible Participant and the Nominee agrees to be bound by the Plan.

4.4 **Legal constraints**

Despite any other Rule, the Board may exclude a person from acquiring Shares under the Plan if it appears to the Board that doing so would contravene:

- (a) these Rules;
- (b) the Listing Rules; or
- (c) any law of a jurisdiction in which an Employee resides at the time of the issue of an invitation to participate in the Plan

or would give rise to unreasonable regulatory or administrative requirements for the Company determined by the Board in its sole discretion.

5. **ALLOCATIONS OF SHARES**

5.1 **Shares acquired by a Participant**

- (a) Shares will be acquired by the Company issuing Shares.
- (b) Shares acquired by the Participant under the Plan will:

- (i) be ordinary shares;
- (ii) be acquired as fully paid;
- (iii) be registered on the register nominated by the Company;
- (iv) rank equally with all existing Shares from the date of acquisition in respect of all rights issues, bonus share issues and dividends
- (v) have such other rights and entitlements as may be determined by the Board;
and
- (vi) be subject to any restrictions or other conditions as determined by the Board.

5.2 **Transaction costs**

The Company is authorised, but not required to bear all brokerage, commission, stamp duty or other transaction costs payable in relation to the acquisition of Shares under the Plan.

5.3 **Listing**

The Company must, at its expense, apply for official quotation on the ASX of any Shares acquired under the Plan which are not already quoted on the ASX within the time required by the Listing Rules.

6. **SHARES - HOLDING LOCK**

6.1 **Restrictions**

The Company may implement any procedure it considers appropriate to restrict the Participant from dealing with any Shares acquired by a Participant for as long as those Shares are Restricted Shares.

6.2 **Holding Lock**

Without limiting Rule 6.1, for as long as a Share is a Restricted Share, each Participant:

- (a) Agrees that the Share will be subject to a Holding Lock; and
- (b) Undertakes not to request (or allow another person to request) removal of the Holding Lock.

7. **RESTRICTION ON DISPOSAL OF SHARES**

7.1 **No disposal**

A Participant must not dispose of any Shares acquired under the Plan while they are Restricted Shares.

7.2 **Restriction Period**

A Share acquired by a Participant under the Plan will be a Restricted Share until the end of the such period as the Board decides, having regard to the implications of such restrictions under the Tax Act and otherwise, commencing at the time the Participant acquires the Share (**Restriction Period**).

7.3 **Takeovers**

Despite anything else in this Rule 7, if a takeover bid is made or other formal scheme is proposed for the acquisition of some or all of the Shares in the Company, a Participant may, if:

- (a) Acceptance of the take-over bid or scheme is recommended by the directors of the Company; and
- (b) The directors of the Company resolve to end the restriction on sale of the Shares under the Plan for the purpose of transfer to the bidder,

and the Board consents to the same, accept the offer on such terms the Participant decides in respect of some or all of the Shares registered in his or her name.

8. **APPLICATION OF DIVIDENDS AND SALES PROCEEDS**

8.1 The Board may determine;

- (a) When Interest is payable;
- (b) How Interest will be paid from Dividends received in respect of the Shares;
- (c) Whether unpaid Interest shall be capitalized.

8.2 The Board may determine;

- (a) The term of the Loan;
- (b) When repayments of the Loan shall be made;
- (c) How repayments of the Loan shall be paid from Dividends received in respect of the Shares;
- (d) How repayments of the Loan shall be paid from the sale proceeds arising from the sale of Shares and/or Restricted Shares;
- (e) Whether the liability of a Participant in respect of repayment of the Loan shall be limited in recourse in any way;
- (f) The rights of the Company to Dispose of Restricted Shares for the purposes of repayment of the Loan

9. **PARTICIPANTS BOUND BY RULES**

Participants who purchase Shares under the Plan are bound by these Rules.

10. **ADMINISTRATION OF THE PLAN**

10.1 **Board administration**

The Board will administer the Plan.

10.2 **Board powers**

The Board may:

- (a) Delegate to any person for the period and on the terms it decides the exercise of any of its powers or discretions under the Plan;
- (b) Decide on appropriate procedures for administering the Plan, including the form of application forms and other forms and notices to be issued under the Plan;
- (c) Resolve conclusively all questions of fact or interpretation concerning the Plan and these Rules and any dispute of any kind that arises under the Plan;
- (d) Subject to the Listing Rules and Rule 10.4, amend, add to or waive any provision of the Plan (including this Rule 10.2), or any restriction or other condition relating to any Shares allocated under the Plan; and
- (e) Waive any breach of a provision of the Plan.

10.3 **Non-residents of Australia**

The Board may adopt additional rules of the Plan applicable in any jurisdiction outside Australia under which Shares allocated under the Plan may be subject to additional or modified terms, having regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to the Participant or to the Group in relation to the Shares.

10.4 **Limitation on amendments**

The Board must not make any amendment to the provisions of the Plan, or to any restriction or other condition relating to any Shares allocated under the Plan, which reduces the rights of Participants in respect of Shares allocated to them before the date of the amendment. However, this Rule 10.4 does not apply to an amendment made primarily:

- (a) To comply with present or future State or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or similar plans;
- (b) To comply with the Listing Rules;
- (c) To correct any manifest error; or
- (d) To take into consideration possible adverse tax implications in respect of the Plan arising from, among other things:
 - (i) adverse rulings from the Commissioner of Taxation;
 - (ii) changes to tax legislation (including an official announcement by the Commonwealth of Australia); or
 - (iii) changes in the interpretation of tax legislation by a court or tribunal of competent jurisdiction.

10.5 **Board's Discretion**

The Board has absolute and unfettered discretion:

- (a) To act or refrain from acting under these Rules or concerning the Plan or any Shares allocated under the Plan; and
- (b) In exercising any power or discretion concerning the Plan or any Shares allocated under the Plan.

11. DUTIES AND TAXES

The Company:

- (a) Is not responsible for any duties or taxes which are or may become payable on the transfer, allotment or issue of Shares under the Plan or any other dealing with the Shares (except to the degree it accepts those costs in accordance with Rule 5.3); and
- (b) May make any withholding or payment which it is required by law to make in connection with the Plan or the Shares.

12. NO COMPENSATION OR DAMAGES

12.1 Terms of employment not affected

- (a) The rights and obligations of a Participant under the terms of his or her employment by a Group Company are not affected by his or her participation in the Plan.
- (b) These Rules do not form part of, and will not be incorporated into, any contract of engagement or employment between a Participant and an Eligible Participant .

12.2 No right to compensation

No Participant has any right to compensation or damages as a result of the termination of his or her employment by a Group Company for any reason, so far as those rights arise or may arise from the Participant ceasing to have rights under the Plan as a result of the termination.

13. MAXIMUM NUMBER OF SHARES

13.1 Total maximum number of Shares

The aggregate number of Shares provided to Participants under this Plan must not exceed 5.0% of the issued Shares of all classes of the Company.

13.2 Individual's maximum number of Shares

The total number of Shares acquired by a Participant under this Plan together with other holdings of Shares of all other Participants and Employees and Executives under any other employee or executive share or option plan of the Company must not exceed 5% of the issued share capital of the Company.

14. NOTICES

A notice or other communication under or concerning the Plan is validly given:

- (a) By an employer to a Participant, if delivered personally to the addressee or sent by prepaid post to his or her last known residential address, or sent to him or her by facsimile at his or her place of work or sent electronically to the addressee's nominated email address; and
- (b) By a Participant to his or her employer if delivered or sent by prepaid post addressed to the company secretary at the employer's registered office (or any other address the Board specifies).

A notice or other communication sent by post from within Australia will be treated as received 48 hours after it was posted. A notice or other communication sent by post from outside Australia will be treated as received 7 days after it was posted.

15. **GOVERNING LAW**

The Plan is governed by the laws of Queensland and the Commonwealth of Australia.