



9th May 2007

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

Dear Sir

RE: Pacific Enviromin engages marketing experts

Pacific Enviromin Limited ("PEV") has signed a conditional preliminary agreement with the industrial minerals marketing company, PenX Pty Ltd, whereby PenX will be engaged as the Marketing Agent to develop markets and sell PEV's superior grade bentonite produced at its Mantuan Downs mine currently under development.

PenX is the operational subsidiary of Penfold Developments Pty Ltd, which will provide immediate market knowledge and expertise in mineral trading and marketing, with offices in China and Australia, and an active business in Asian markets since 1996.

PenX will provide global marketing services with a particular focus on the Asia-Pacific region.

The PenX directors responsible for the PEV account are two high profile executives with a long history in successfully trading mineral products.

Mr John Nyvlt has spent all his working life in the resources sector. Prior to joining Penfold in 2000, Mr Nyvlt worked with Normandy Mining Group for eight years, where he was responsible for sales and marketing of the group's mineral production, and for supplying services and materials to the group's operations. Mr Nyvlt had also worked as a geologist and in various commercial roles with EZ Co A/Asia Ltd, North Broken Hill Ltd, and Pasmaenco.

Mr David Turvey is a geologist and founding director of Equant Resources Pty Ltd, a resource consulting company that provides technical evaluation and business development studies for global industrial mineral projects. Prior to 1998, Mr Turvey worked with companies including Normandy Mining Ltd, Chevron Corporation, and CSR Ltd managing mineral exploration programs and business development teams. His 24 years experience in the mineral industry included seven years in management roles in South East Asia.

Both Mr Nyvlt and Mr Turvey are based in Australia. They will be supported by Penfold director, Mr Joe Singer, based in Shanghai.

PenX will initially conduct a 90 day review of technical, marketing, logistics, and commercial aspects of the Mantuan Downs Project. Once this review is completed to PenX's satisfaction, the marketing agency agreement terms and conditions will be finalised, and, as part of the transaction, an unincorporated joint venture will be formalised over the Mantuan Downs resource, whereby PenX will provide \$625,000 in funding directly into the resource for a 12.5% holding in the resource.

The Mantuan Downs resource has an expected mine life in excess of 50 years, and it is expected that the first commercial shipments of bentonite will be available in September this year, with PEV targeting sales of 100,000 tonnes in the first full year of operation.

In addition to the Mantuan Downs bentonite resource, PEV continues the extension of its business into other sought-after industrial minerals with new tenements covering Nepheline Syenite, Dolomite, and Rare Earths being granted. Other tenements are under consideration.

The Company is also continuing the development of its portfolio of environmental remediation technologies.

Yours faithfully

PACIFIC ENVIROMIN LIMITED



Mr. Paul Byrne
Executive Director

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