

12 October 2007

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

### **PEV bentonite approved by Queensland Government**

Calcium bentonite from Pacific Enviromin's ("PEV") high quality Mantuan Downs resource in Central Queensland has been approved by the Queensland Government as a specified product under the State's drought-fighting Waterwise rebate program.

PEV has registered the name Waterwise Home and Garden, and will now distribute the product under the Government's Waterwise program which provides incentive rebates of up to \$50 per residential household for buyers of specified water saving products.

PEV has contracted a packaging plant on the Gold Coast for bagged product, and various sized buckets, which will be distributed initially throughout drought-affected South East Queensland, and subsequently into southern States. There are one million households in the SE Queensland region, plus numerous council parks and gardens, and other sporting fields.

Government approval as a Waterwise specified product was based on detailed trial research carried out by Dr Andrew Noble, previously CSIRO, and now the South East Asian Head of the International Water Management Institute, a World Bank funded program looking at ways to improve soil quality and minimize water usage in agriculture.

The trial research demonstrated significant advantages of using natural calcium bentonite, and Dr Noble's research concluded, *"It has also been noted that the benefits of the calcium bentonite treatment have lasted beyond this two-year trial, implying a persistence in the increased water-holding capacity. The improvements observed are due to increased nutrient- and water-holding capacity of the soil."*

The Company anticipates delivery of calcium bentonite from PEV's Mantuan Downs resource for commercial use, and into the Waterwise product, should commence before the end of November.

Yours Faithfully

A handwritten signature in black ink, appearing to read 'Paul Byrne', is written over a faint, circular stamp or watermark.

Paul Byrne  
Executive Director