Pacific Enviromin Limited

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ASX Code: PEV

Appendix 4E

Preliminary final report

For the year ended 30 June 2008

Current reporting period:	Financial year ended 30 June 2008
Previous corresponding period:	Financial year ended 30 June 2007

Results for announcement to the market

Revenues from ordinary activities	Down	- %	to	**166,288**
Loss from ordinary activities after tax attributable to members	Down	- %	to	**(4,335,706)**
Net loss for the period attributable to members	Down	- %	to	**(4,093,502)**

Note:
Revenues from ordinary activities and Profit from ordinary activities includes:

- Impairment write down of intangible assets 3,479,271

Dividends (distributions)	**Amount per security**	**Franked amount per security**
Current period:		
Final dividend	Nil	Nil
Interim dividend	Nil	Nil
Previous corresponding period:		
Final dividend	Nil	Nil
Interim dividend	Nil	Nil
Record date for determining entitlements to the dividend	N/A	N/A

Brief explanation of any of the figures reported above

Refer to Chairman's Review of Operations in the attached documents

Net tangible asset backing	**Current year**	**Previous year**
Net tangible asset (liabilities) backing per ordinary security	3.3 cents	1.5 cents

Earnings per share	**Current year**	**Previous year**
Basic earnings (loss) per share	(1.36)	0.34
Diluted earnings (loss) per share	(1.36)	0.34
Weighted average number of shares used in calculating basic earnings per share	301,794,601	235,878,948
Weighted average number of shares used in calculating diluted earnings per share	301,794,601	236,051,858
The amount used in the numerator in calculating basic earnings per share is the same as the Loss attributable to members of the parent reported in the Income Statement.		
The calculation of diluted earnings per share involves adjusting basic earnings per share to reflect the existence of dilutive securities. This implies adjustments to increase the denominator to reflect that more shares would be on issue if conversion occurred.		

Change in composition of entity

On 8th February 2008 Mining Investments Four Pty Ltd, a 100% owned subsidiary of Pacific Enviromin Limited, completed its acquisition of Kokstad Mining Pty Ltd.

Details of associates and joint venture entities

The reporting entity does not hold any equity in an associate or joint venture entity.

TABLE OF CONTENTS

CHAIRMAN'S REVIEW OF OPERATIONS

Pacific Enviromin Limited has made significant gains in each of its project sectors during the 2008 financial year.

After considerable delays, on 1 April 2008, the Queensland Government approved the mining lease for the Company's high quality Mantuan Downs calcium bentonite resource in Central Queensland.

Mining started immediately but was impacted by the abnormal rains which flooded much of Central Queensland. Fortunately Mantuan Downs was not directly affected, but major regional road closures and damage delayed mining access, and the continued wet weather slowed the sundrying process.

The Company's domestic strategy of focussing on the beneficial effects of bentonite in the agricultural field appears to be delivering results. We have engaged with a number of high profile agribusinesses to develop calcium bentonite blends for livestock feed, and to blend with manure to produce a natural, highly efficient substitute for high cost inorganic fertilizers. We are also working with groups in utilizing calcium bentonite's known ability to reduce methane emissions in livestock.

We look forward to our bentonite marketing strategy delivering good sales in the forthcomming calendar year. Funds raised in the rights issue at the end of the year were earmarked for earthmoving and processing equipment at Mantuan Downs, and the development of an all weather access road into the resource. Both these activities are proceeding quickly with the new processing plant due to be operational by December and the access road surveyed.

The Grafton Range sodium bicarbonate project, which was acquired on 7 February 2008, is ready to move to the next stage.

This reservoir of sodium bicarbonate was first tapped in the 1960's and 70's during exploration for oil and gas. Our team has now completed the task of conversion and compilation of the previous analog exploration results into digital 2D and 3D geological and hydrological models of the project, which will assist in future activity.

Agreements have been signed with the local landholders, and the Company has engaged a firm of hydro-geologists to assist with the commercial development of the project through data analysis and supervision of the drilling of proving wells

The Company and its subsidiaries have been involved in environmental protection and remediation research for over a decade in cooperation with CSIRO and Australian universities. During that time, we have developed a number of technologies which could assist in improving the quality of air, soil and water.

These technologies include remediation of heavy metal contaminated soils, the removal of carcinogenic toxins from high temperature smoke, the global licence for absorption of oil spills in water, increasing agricultural productivity through bentonite blending for fertilizer, and the reduction of methane emissions in livestock.

The most recent success has been the final report received this year which demonstrated that modified Mantuan Downs calcium bentonite could lock up 98% of lead in contaminated soils.

This project was run in partnership with the University of South Australia, the Commonwealth Government, and the South Korean Government to develop a cost-effective technology for remediating metal contaminated sites.

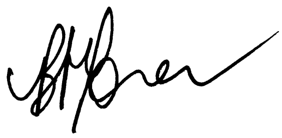
CHAIRMAN'S REVIEW OF OPERATIONS

The project used contaminated soil taken from a shooting range in Korea where lead contamination had built up over years of use as a rifle range, and the results.

In practical terms this technology may have immediate Australian application in places where lead contamination is a topical issue, and should provide a significant opportunity for decontamination of sites worldwide.

Finally, I thank shareholders for their continued support. In particular, we appreciate shareholder's support for the successful equity raising in June this year, which provided the Company with sufficient funds to complete the Mantuan Downs development to provide a quality product ready for the end market, and also to fund commencement of the development of the Grafton Range project.

The Board is confident that the Company will generate good revenue from sales of our calcium bentonite this year.



Brian Jones
Chairman
Brisbane

COMPLIANCE STATEMENT

1 Accounting standards and policies

This report has been prepared in accordance with the requirements of the Corporations Act 2001, and Australian Accounting Standards which include Australian equivalents to International Financial Reporting Standards ('AIFRS).

This report, and the accounts upon which the report is based, use the same accounting policies.

The preliminary report and the accounts upon which the report is based (if separate) use the same accounting policies.

2 Audit

The accounts upon which the preliminary final report is based are in the process of being audited.

Consistent with the half year reporting date the preliminary financial report has been prepared on a going concern basis.

The audit report may be subject to modification regarding the future funding and preparation of the financial report on a going concern basis consistent with previous reporting periods.

3 Annual General Meeting

The day and location of the Annual General Meeting of shareholders of Pacific Enviromin Limited (PEV) ("the Company") is yet to be announced.

Sign here: ______________________________ Date: 29th August 2008

Print name: **Kevin Mischewski**
Company Secretary
Brisbane

CONDENSED INCOME STATEMENTS

For the year ending 30 June 2008

	Notes	Consolidated 2008 $	Consolidated 2007 $	Pacific Enviromin Limited 2008 $	Pacific Enviromin Limited 2007 $
Revenue	4	82,606	14,761	76,650	14,154
Cost of sales		(5,500)	-	-	-
Gross profit		77,106	14,761	76,650	14,154
Gain on debt forgiveness		-	620,616	-	-
Gain on acquisition of subsidiary		-	926,447	-	-
Other income	4	6,576	5,396	-	45
Gains (losses) on disposal of assets	5	(1,456)	-	(545)	-
Employee benefits expense	5	(309,725)	(181,749)	(309,725)	(181,749)
Depreciation and amortisation expenses		(3,502,455)	(4,527)	(7,310)	(3,961)
Impairment of assets	5	688	(2,408)	(3,129,511)	(348,057)
Research and development costs		(6,953)	377,812	-	-
Exploration and evaluation costs		-	(4,216)	-	-
Finance Costs	5	104,386	(118,765)	112,864	(108,358)
Administration expenses	5	(703,873)	(811,559)	(513,191)	(757,057)
PROFIT(LOSS) BEFORE INCOME TAX		(4,335,706)	821,808	(3,770,768)	(1,384,983)
Income tax benefit/(expense)		242,204	-	223,151	-
PROFIT(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		(4,093,502)	821,808	(3,547,617)	(1,384,983)
PROFIT(LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS		-	(20,663)	-	-
PROFIT(LOSS) FOR THE PERIOD		(4,093,502)	801,145	(3,547,617)	(1,384,983)
		cents	cents		
Basic profit(loss) per share		(1.4)	0.3		
Diluted profit(loss) per share		(1.4)	0.3		

The above condensed income statements should be read in conjunction with the accompanying notes

CONDENSED BALANCE SHEETS

As at 30 June 2008

	Notes	Consolidated 30 June 2008 $	Consolidated 30 June 2007 $	Pacific Enviromin Limited 30 June 2008 $	Pacific Enviromin Limited 30 June 2007 $
CURRENT ASSETS					
Cash and cash equivalents		1,420,875	1,798,970	1,420,875	1,798,970
Trade and other receivables	6	201,457	18,210	36,105	8,210
Other financial assets		30,733	-	-	-
Inventories		66,119	-	-	-
TOTAL CURRENT ASSETS		1,719,184	1,817,180	1,456,980	1,807,180
NON-CURRENT ASSETS					
Trade and other receivables	6	-	-	641,415	309,745
Other financial assets		-	-	7,000,010	9,485,395
Property, plant and equipment		330,734	29,261	27,675	28,167
Exploration and evaluation expenditure		10,067,084	3,167,818	-	-
Intangible assets		5,000,000	8,165,916	-	-
TOTAL NON-CURRENT ASSETS		15,397,818	11,362,995	7,669,100	9,823,307
TOTAL ASSETS		17,117,002	13,180,175	9,126,080	11,630,487
CURRENT LIABILITIES					
Trade and other payables	7	1,117,391	607,622	573,122	63,927
Other financial liabilities	8	396,121	253,820	66,822	239,574
Provisions	9	-	-	-	-
TOTAL CURRENT LIABILITIES		1,513,512	861,442	639,944	303,501
NON-CURRENT LIABILITIES					
Deferred income tax liabilities		-	-	-	-
Financial liabilities	8	-	727,696	-	727,696
TOTAL NON-CURRENT LIABILITIES		-	727,696	-	727,696
TOTAL LIABILITIES		1,513,512	1,589,138	639,944	1,031,197
NET ASSETS (DEFICIENCY)		15,603,490	11,591,037	8,486,136	10,599,290
EQUITY					
Parent entity interest					
Contributed equity	10	27,230,680	25,796,217	27,230,680	25,796,217
Reserves		6,671,104	-	-	-
Accumulated losses		(18,298,294)	(14,205,180)	(18,744,544)	(15,196,927)
Total parent entity interest		15,603,490	11,591,037	8,486,136	10,599,290
TOTAL EQUITY		15,603,490	11,591,037	8,486,136	10,599,290

The above condensed balance sheets should be read in conjunction with the accompanying notes

CONDENSED STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2008

		Consolidated						Pacific Enviromin Limited		
		Attributable to Equity Holders of the Parent								
	Notes	Ordinary Shares $	Retained Earnings $	Asset Revaluation Reserve $	Total $	Minority Interest $	Total $	Ordinary Shares $	Retained Earnings $	Total $
TOTAL EQUITY AT 1 JULY 2007		25,796,217	(11,207,312)	-	14,588,905	(2,997,868)	11,591,037	25,796,217	(15,196,927)	10,599,290
PROFIT (LOSS) FOR THE PERIOD		-	(4,088,944)	-	(4,088,944)	(4,558)	(4,093,502)	-	(3,547,617)	(3,547,617)
TOTAL RECOGNISED INCOME AND EXPENSE FOR THE PERIOD		-	(4,088,944)	-	(4,088,944)	(4,558)	(4,093,502)	-	(3,547,617)	(3,547,617)
Total changes in minority interest		-	-	-	-	388	388	-	-	-
Revaluation of Mantuan Downs bentonite resource				6,671,104	6,671,104	-	6,671,104	-	-	-
Transactions with equity holders in their capacity as equity holders:										
Shares isssued on acquisition of subsidiary		120,000	-	-	120,000	-	120,000	120,000	-	120,000
Shares isssued on exchange of debt for equity		450,861	-	-	450,861	-	450,861	450,861	-	450,861
Shares issued for cash		1,000,000	-	-	1,000,000	-	1,000,000	1,000,000	-	1,000,000
Transaction costs on share issue		(136,398)	-	-	(136,398)	-	(136,398)	(136,398)	-	(136,398)
		1,434,463	-	6,671,104	8,105,567	388	8,105,955	1,434,463	-	1,434,463
TOTAL EQUITY AT 30 JUNE 2008		27,230,680	(15,296,256)	6,671,104	18,605,528	(3,002,038)	15,603,490	27,230,680	(18,744,544)	8,486,136

The above condensed statements of changes in equity should be read in conjunction with the accompanying notes

CONDENSED STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2008

		Consolidated					Pacific Enviromin Limited		
		Attributable to Equity Holders of the Parent							
	Notes	Ordinary Shares $	Retained Earnings $	Total $	Minority Interest $	Total $	Ordinary Shares $	Retained Earnings $	Total $
TOTAL EQUITY AT 1 JULY 2006		19,976,275	(11,207,312)	8,769,101	(3,798,763)	4,970,338	19,976,275	(13,118,944)	6,164,331
PROFIT (LOSS) FOR THE PERIOD		-	(138)	(138)	801,283	801,145	-	(1,384,983)	(1,384,983)
TOTAL RECOGNISED INCOME AND EXPENSE FOR THE PERIOD		-	(138)	(138)	801,283	801,145	-	(1,384,983)	(1,384,983)
Total changes in minority interest		-	-	-	(388)	(388)	-	-	-
Transactions with equity holders in their capacity as equity holders:									
Shares isssued on acquisition of subsidiary		2,000,000	-	2,000,000	-	2,000,000	2,000,000	-	2,000,000
Shares isssued on exchange of debt for equity		-	-	-	-	-	-	-	-
Shares issued for cash		4,050,300	-	4,050,300	-	4,050,300	4,050,300	-	4,050,300
Transaction costs on share issue		(230,358)	-	(230,358)	-	(230,358)	(230,358)	-	(230,358)
		5,819,942	-	5,819,942	(388)	5,819,554	5,819,942	-	5,819,942
TOTAL EQUITY AT 30 JUNE 2007		25,796,217	(11,207,312)	14,588,905	(2,997,868)	11,591,037	25,796,217	(15,196,927)	10,599,290

CONDENSED CASH FLOW STATEMENTS

For the year ended 30 June 2008

	Notes	Consolidated 2008 $	Consolidated 2007 $	Pacific Enviromin Limited 2008 $	Pacific Enviromin Limited 2007 $
NET CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		6,482	7,195	-	45
Payments to suppliers and employees		(1,005,274)	(1,436,918)	(986,287)	(1,246,507)
Interest received		76,650	14,761	76,650	14,154
Borrowing costs		(31,545)	(32,092)	(23,067)	(21,685)
Research and development expenditure		(6,953)	(316,241)	-	(316,241)
Tax refund		242,204	-	223,151	-
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES		(718,436)	(1,763,295)	(709,553)	(1,570,234)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of plant, equipment and financial assets		-	-	-	-
Acquisition of plant and equipment		(324,658)	(24,548)	(6,818)	(24,548)
Acquisition of subsidiaries		(200,000)	-	-	-
Loans to associates		-	-	(211,670)	(283,933)
NET CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		(524,658)	(24,548)	(218,488)	(308,481)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		863,602	3,819,942	863,602	3,819,942
Proceeds from borrowings		242,443	49,539	-	49,540
Repayment of borrowings		(241,046)	(383,518)	(313,656)	(291,851)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		864,999	3,485,963	549,946	3,577,631
NET INCREASE/(DECREASE) IN CASH HELD		(378,095)	1,698,120	(378,095)	1,698,916
Add opening cash brought forward		1,798,970	100,850	1,798,970	100,054
CLOSING CASH CARRIED FORWARD		1,420,875	1,798,970	1,420,875	1,798,970

The above condensed cash flow statements should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The preliminary financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, and Australian Accounting Standards.

The preliminary financial report has been prepared on a historical cost basis. The carrying values of recognised assets and liabilities that are hedged with fair value hedges are adjusted to record changes in the fair values attributable to the risks that are being hedged.

(b) Statement of compliance

The preliminary financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the preliminary financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

Australian Accounting Standards include AIFRS. Compliance with AIFRS ensures that the consolidated financial statements and notes of Pacific Enviromin Limited comply with International Reporting Standards (IFRS). The parent entity financial statements and notes also comply with IFRS except that it has elected to apply the relief provided to parent entities in respect of certain disclosure requirements contained in AASB 132 Financial Instruments: Presentation and Disclosures.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

A summary of the significant accounting policies of the group under AIFRS are disclosed in Note 1(d) below.

(c) Going Concern

This preliminary financial report has been prepared on a going concern basis as the Directors believe that the company and the consolidated entity will be able to realise its assets and settle its liabilities in the normal course of business and at the amounts stated in the preliminary financial report. Sufficient cash reserves are available to ensure the the continuation of the company and the consolidated entity as a going concern. In the longer term the company is dependent upon their ability to achieve the following objectives:

- Continued exploration of options for the sale of the intellectual property and income generated from the commercialisation of the Ipoh Pacific Limited and Exnox Technologies Limited projects.
- Development and exploitation of the Mantuan Downs bentonite resource.

(d) Intangible assets

The directors have reviewed the carrying value of the intellectual property at 30 June 2007 based on projections of future cash flows expected to be received from the projects and have concluded that the recoverable amount of the intellectual property should be reduced to $5,000,000. The directors acknowledge that good progress has been made in commercialisation of the projects, however, due to the early stage of development of the projects and the absence of established markets, there remains a significant degree of inherent uncertainty in relation to the ultimate recovery of the intellectual property. This report does not include any adjustment of the value of the intellectual property that might be necessary should the consolidated entity not recover the carrying value of the intellectual property as stated in the preliminary financial report.

(e) Summary of significant accounting policies

(i) Basis of consolidation

The consolidated financial statements comprise the financial statements of Pacific Enviromin Limited and its subsidiaries ('the Group'). The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which Pacific Enviromin Limited has control. Subsidiary acquisitions are included in the consolidated financial statements using the purchase method of accounting, which measures the acquiree's assets and liabilities at their fair value at acquisition date.

(ii) Investment in associate

Where the group has an investment in its associate it is accounted for under the equity method of accounting in the consolidated financial statements. This is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture.

The financial statements of the associate are used by the Group to apply the equity method. The reporting dates of the associate and the Group are identical and both use consistent accounting policies. The investment in the associate is carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate, less any impairment in value. The consolidated income statement reflects the Group's share of the results of operations of the associate. Where there has been a change recognised directly in the associate's equity, the Group recognises its share of any changes and discloses this, when applicable in the consolidated statement of changes in equity.

(iii) Interest in joint venture operation

Where the group has an interest in a joint venture operation it is accounted for by recognising the Group's assets and liabilities from the joint venture, as well as expenses incurred by the Group and the Group's share of income earned from the joint venture, in the consolidated financial statements.

(iv) Foreign currency translation

Both the functional and presentation currency of Pacific Enviromin Limited and its Australian subsidiaries is Australian dollars (A$).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences in the consolidated preliminary financial report are taken to the income statement with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in the income statement. Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(v) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Land and buildings are measured at fair value less accumulated depreciation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment – over 3 to 5 years

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Revaluations

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses.

Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the balance sheet unless it reverses a revaluation decrease of the same asset previously recognised in the income statement.

Any revaluation deficit is recognised in the income statement unless it directly offsets a previous surplus of the same asset in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve is made to retained earnings for the depreciation relating to the revaluation surplus.

In addition, any accumulated depreciation as at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Independent valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance sheet date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

(vi) Borrowing costs

Borrowing costs are recognised as an expense when incurred.

(vii) Investment properties

Initially, investment properties are measured at cost including transaction costs.

Subsequent to initial recognition investment properties are stated at fair value.

Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the period in which they arise.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

Any gains or losses on the derecognition of an investment property are recognised in the income statement in the period of derecognition.

(viii) Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.
Goodwill is not amortised.
Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.
As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies.
Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates.
Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.
Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.
Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(ix) Intangible assets
Acquired both separately and from a business combination
Intangible assets acquired separately are capitalised at cost and from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets. The useful lives of these intangible assets are assessed to be either finite or indefinite.
Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.
Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.
Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the period in which the expenditure is incurred.
Intangible assets are tested for impairment where an indicator of impairment exists, and in the case of indefinite lived intangibles annually, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.
Research and development costs
Research costs are expensed as incurred.
Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured.
Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.
Any expenditure carried forward is amortised over the period of expected future sales from the related project.
The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.
A summary of the policies applied to the Group's intangible assets is as follows:
Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

(x) Recoverable amount of assets
At each reporting date, the Group assesses whether there is any indication that an asset may be impaired.
Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount.

Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.
Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.
In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(xi) Investments
All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.
After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the income statement.
Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.
Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.
Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method.
Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity.
For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process.
For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date.
For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.
Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date i.e. the date that the Group commits to purchase the asset.

(xii) Inventories
Inventories are valued at the lower of cost and net realisable value.
Costs incurred in bringing each product to its present location and condition are accounted for as follows:
Raw materials – purchase cost on a first-in, first-out basis;
Finished goods and work-in-progress – cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.
Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(xiii) Trade and other receivables
Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.
An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(xiv) Cash and cash equivalents
Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.
For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(xv) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in the income statement when the liabilities are derecognised and as well as through the amortisation process.

(xvi) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(xvii) Leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as the lease income.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

(xviii) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Dividends

Revenue is recognised when the shareholders' right to receive the payment is established.

(xix) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments.

(xx) Income tax

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

(xxi) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(xxii) Derecognition of financial instruments

The derecognition of a financial instrument takes place when the Group no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

(xxiii) Derivative financial instruments

The Group may use derivative financial instruments such as foreign currency contracts and interest rate swaps to hedge its risks associated with interest rate and foreign currency fluctuations. Such derivative financial instruments are stated at fair value.

The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

For the purposes of hedge accounting, hedges are classified as either fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability; or cash flow hedges where they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecasted transaction.

In relation to fair value hedges (interest rate swaps) which meet the conditions for special hedge accounting, any gain or loss from remeasuring the hedging instrument at fair value is recognised immediately in the income statement.

Any gain or loss attributable to the hedged risk on remeasurement of the hedged item is adjusted against the carrying amount of the hedged item and recognised in the income statement. Where the adjustment is to the carrying amount of a hedged interest-bearing financial instrument, the adjustment is amortised to the income statement such that it is fully amortised by maturity.

In relation to cash flow hedges (forward foreign currency contracts) to hedge firm commitments which meet the conditions for special hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity and the ineffective portion is recognised in the income statement.

When the hedged firm commitment results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses that had previously been recognised in equity are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability.

For all other cash flow hedges, the gains or losses that are recognised in equity are transferred to the income statement in the same year in which the hedged firm commitment affects the net profit and loss, for example when the future sale actually occurs.

For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are taken directly to the income statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting.

At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity is kept in equity until the forecasted transaction occurs.

If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the income statement.

(xxiv) Exploration and evaluation expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology in an undiscounted basis.

Any changes in estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly these costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

2. FINANCIAL RISK MANAGMENT

The Group's activities exposes it to a variety of financial risks; market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out under policies set by the Senior Management and approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas.

(a) Market Risk

(i) Price risk

The Group is exposed to bentonite commodity price risk. As it develops the Mantuan Downs project the Group's capacity to raise additional funds is dependent upon commodity prices.

(ii) Fair value interest rate risk

Refer to (d) below

(b) Credit risk

The Group has no significant concentrations of credit risk.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability of the Group to raise funds on the capital markets. The Senior Management and the Board continue to monitor the Group's financial position to ensure that it has available funds to meet its ongoing commitments.

(d) Cash flow and fair value interest rate risk

There are no interest-bearing assets or liabilities that are materially exposed to changes in market interest rates.

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The Group does not have long term borrowings as and consequently does not have an interest-rate risk arising from long-term borrowings.

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Intangible Assets

Intangible assets acquired separately are capitalised at cost and from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

The useful lives of these intangible assets are assessed to be either finite or indefinite. Where amortisation is charged on assets with finite lives, this expense is taken to the income statement through the 'amortisation expenses' line item.

(ii) Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised for the half year ended 31 December 2006 in respect of the intangible assets acquired with Ipoh Pacific Limited and Exnox Technologies Limited. No impairment has been recognized in respect of the value of the mining tenement acquired with Ipoh Pacific Resources Pty Ltd. Should the projected turnover figures vary significantly from the budgeted figures incorporated in the value-in-use calculations an impairment loss would be recognised up to the maximum carrying value of the relevant assets as at 31 December 2006.

(b) Critical judgments in applying the entity's accounting policies

(i) Recovery of deferred tax assets

Deferred tax assets have not been recognised for deductible temporary differences as management considers that it is not probable that taxable profits will be available in the immediate future in sufficient quantities to utilise those temporary differences.

	Notes	Consolidated 2008 $	Consolidated 2007 $	Pacific Enviromin Limited 2008 $	Pacific Enviromin Limited 2007 $
4 REVENUE					
Revenue					
Sale of goods		5,500	-	-	-
Interest		77,106	14,761	76,650	14,154
		82,606	14,761	76,650	14,154
Other income					
Royalties		6,576	5,351	-	-
Other		-	45	-	45
		6,576	5,396	-	45
5 ITEMS INCLUDED IN PROFIT (LOSS)					
Gains(losses) on disposal of assets					
Property, plant and equipment		(1,456)	-	(545)	-
		(1,456)	-	(545)	-
Employee benefits expense					
Wages and salaries		22,140	36,201	22,140	36,201
Directors remuneration		185,500	90,000	185,500	90,000
Defined contribution plans		102,085	55,548	102,085	55,548
		309,725	181,749	309,725	181,749
Impairment of assets					
Impairment losses recognised in profit or loss:					
- diminution in value of investments		(9)	-	2,485,385	62
- diminution in value of loans receivable		(679)	2,408	644,126	347,995
		(688)	2,408	3,129,511	348,057
Finance Costs					
Interest expense(recovery)		(106,399)	116,938	(113,207)	106,531
Other borrowing costs		2,013	1,827	343	1,827
		(104,386)	118,765	(112,864)	108,358
Other expenses					
Bad debts written off		-	863	-	363
Foreign currency exchange differences		-	(4)	-	-
Administration expenses		703,873	810,700	513,191	756,694
		703,873	811,559	513,191	757,057
Specified directors and specified executives					
Interest expense from transactions with directors			98,936		92,141

	Notes	Consolidated 2008 $	Consolidated 2007 $	Pacific Enviromin Limited 2008 $	Pacific Enviromin Limited 2007 $
6 TRADE AND OTHER RECEIVABLES					
Current					
Trade accounts receivable		6,050	-	-	-
Less: Provision for doubtful debts		-	-	-	-
		6,050	-	-	-
Amounts receivable from related parties:					
- loans to director related entities		-	-	-	-
Other receivables		179,793	10,000	20,491	-
Prepayments		15,614	8,210	15,614	8,210
		201,457	18,210	36,105	8,210
Non-current					
Amounts receivable from related parties:					
- loans to controlled entities		-	-	641,415	309,745
		-	-	641,415	309,745

	Notes	Consolidated 2008 $	Consolidated 2007 $	Pacific Enviromin Limited 2008 $	Pacific Enviromin Limited 2007 $
7 TRADE AND OTHER PAYABLES					
Current					
Trade accounts payable		1,071,841	607,622	527,572	63,927
Amounts payable to related parties - directors		45,550	-	45,550	-
		1,117,391	607,622	573,122	63,927
Aggregate amounts payable to related parties:					
- directors		45,550	-	45,550	-
		45,550	-	45,550	-
8 OTHER FINANCIAL LIABILITIES					
Current					
Unsecured borrowings					
- director related entities		5,579	241,578	-	155,847
- controlled entities		-	-	1	71,484
- other entities		148,582	5,394	52,168	5,394
Secured borrowings					
- other entities		241,960	6,848	14,653	6,849
		396,121	253,820	66,822	239,574
Non-current					
Unsecured borrowings					
- director related entities		-	-	-	-
Secured borrowings					
- director related entities		-	713,044	-	713,044
- other entities		-	14,652	-	14,652
		-	727,696	-	727,696

	Notes	Consolidated 2008 $	Consolidated 2007 $	Pacific Enviromin Limited 2008 $	Pacific Enviromin Limited 2007 $
9 PROVISIONS					
Current					
Employee benefits		-	-	-	-
Warranty provision		-	-	-	-
		-	-	-	-

The average number of employees during the year was one.

The consolidated entity contributes 9% of the employees' wages and salaries to various superannuation funds

	Notes	Consolidated 2008 $	Consolidated 2007 $	Pacific Enviromin Limited 2008 $	Pacific Enviromin Limited 2007 $
10 CONTRIBUTED EQUITY					
(a) Issued and paid up capital					
Ordinary shares fully paid		28,197,546	26,626,685	28,197,546	26,626,685
Less: Equity raising costs		(966,866)	(830,468)	(966,866)	(830,468)
		27,230,680	25,796,217	27,230,680	25,796,217

(b) Movements in shares on issue (parent)

	30 June 2008 Number of shares	30 June 2008 $	30 June 2007 Number of shares	30 June 2007 $
Beginning of financial period	298,853,935	26,626,685	192,751,606	20,576,385
Issued during year				
- shares issued to other parties including employees	22,675,279	1,570,861	106,102,329	6,050,300
End of the financial period	321,529,214	28,197,546	298,853,935	26,626,685

11 SEGMENT INFORMATION

The consolidated entity comprises of the following business segments:
- Environmental remediation projects - research and development, commercialisation and intellectual property ownership.
- Mantuan Downs bentonite resource

Business Segments

The following table represents revenue and profit information regarding the business segments for the financial years ended 30 June 2008 and 30 June 2007

30 June 2008	Technology Development	Resource Development	Corporate	Eliminations	Consolidated Entity (Continuing Operations)
REVENUE					
Sales to external customers	-	5,500	`	-	5,500
Total Sales Revenue	-	5,500	-	-	5,500
RESULTS					
Continuing operations					
Segment result	(489,733)	(49,801)	(3,737,131)	-	(4,276,665)
Unallocated expenses					-
Profit/(loss)					(4,276,665)
Interest Expense	(2,036)	(4,771)	112,864	-	106,057
Interest Income	456	-	76,650	-	77,106
Income tax expense	-	-	-	-	-
Profit/(loss) from continuing operations	-	-	-	-	(4,093,502)
ASSETS					
Segment Assets	8,249,193	10,597,594	1,640,685	(3,370,461)	17,117,011
Consolidated total assets					17,117,011
LIABILITIES					
Segment liabilities	8,978,228	1,455,096	639,943	(9,559,754)	1,513,513
Consolidated total liabilities					1,513,513
OTHER INFORMATION					
Depreciation and amortisation	182	3,337	7,310		

11 SEGMENT INFORMATION (Continued)

30 June 2007	Technology Development	Resource Development	Corporate	Eliminations	Consolidated Entity (Continuing Operations)	Discontinuing Operation (SportzWhistle Technologies)
REVENUE						
Sales to external customers	-	-	`	-	-	-
Total Sales Revenue	-	-	-	-	-	-
RESULTS						
Continuing operations						
Segment result	660,090	6,127	238,932	-	925,812	(20,663)
Unallocated expenses					-	-
Profit/(loss)					925,812	(20,663)
Interest Expense	(10,405)	(2)	(108,358)	-	(118,765)	-
Interest Income	605	2	14,154	-	14,761	-
Profit/(loss) from continuing operations	-	-	-	-	821,808	(20,663)
ASSETS						
Segment Assets	8,288,277	3,177,818	4,073,607	(2,359,528)	13,180,174	-
Consolidated total assets					13,180,174	
LIABILITIES						
Segment liabilities	8,946,679	266,705	959,712	(8,583,958)	1,589,138	-
Consolidated total liabilities					1,589,138	
OTHER INFORMATION						
Capital expenditure (property, plant, equipment and intangibles)	-	24,548	-			
Depreciation and amortisation	566	-	3,381			
Impairment losses recognised in profit and loss and directly in equity	-	-	2,408			

12 CHANGE IN COMPOSITION OF ENTITY

Acquisition of Kokstad Mining Pty Ltd

On 8 February 2008, Mining Investments Four Pty Ltd, a 100% owned subsidiary of Pacific Enviromin Limited acquired 100% of the voting shares of Kokstad Mining Pty Ltd.

In connection with the acquisition, Mining Investments Four paid cash consideration and Pacific Enviromin Limited issued 1,500,000 ordinary shares with a fair value of $0.08 each.

The cost of the business combination exceeded the net fair value of the identifiable assets , liabilities and contingent liabilities by $313,355 which amount has been included goodwill. An impairment write down of $313,355 was subsequently recorded to reduce the goodwill to $nil.

From the date of acquisition, Kokstad Mining Pty Ltd contributed a loss of $267 to the net profit or loss of the Group.

Amounts of classes of acquiree's assets, liabilities and contingent liabilities recognised at acquisition date:

	Carrying value immediately before acquisition	Amounts recognised at acquisition date
	$	$
Cash and cash equivalents	594	594
Trade and other receivables	1,043	1,043
TOTAL CURRENT ASSETS	1,637	1,637
Receivables	96,414	96,414
Other financial assets	-	-
Property, plant and equipment	-	-
Exploration and evaluation expenditure	13,870	13,870
TOTAL NON-CURRENT ASSETS	110,284	110,284
TOTAL ASSETS	111,921	111,921
Trade and other payables	8,862	8,862
Unsecured Loans	96,414	96,414
TOTAL CURRENT LIABILITIES	105,276	105,276
Secured Loans	-	-
Unsecured Loans	-	-
Lease Liabilities	-	-
Provision for employee benefits	-	-
TOTAL NON-CURRENT LIABILITIES	-	-
TOTAL LIABLITIES	105,276	105,276
NET ASSETS	6,645	6,645
Cost of Combination/Consideration:		
Cash and cash equivalents		200,000
Pacific Enviromin Limited ordinary shares issued at fair value		120,000
Costs directly attributable to acquisition:		
Professional fees		-
Total consideration		320,000
Cashflow on acquisition is as follows:		
Net cash acquired with subsidiary		594
Cash paid		(200,000)
Net cashflow		(199,406)

13 DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

No dividends of the parent entity or any entity within the consolidated entity have been declared or recommended since the end of the preceding year. The Directors do not recommend the payment of any dividend for the year ended 30 June 2007.

14 CONTINGENT ASSETS AND LIABILITES

There are unrecorded contingnet assets and liabilities as at the date of signing this report.

15 EVENTS AFTER THE BALANCE SHEET DATE

Following the end of the financil year, the company raised $3.24 million via fully underwritten rights issue.

The financial effects and implications of the above transactions have not been brought to account at 30 June 2008
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CORPORATE DIRECTORY

DIRECTORS

Brian Peter Jones
Paul James Byrne
Christopher Paul Dredge
John William Laurie
Peter Alexander Ziegler

LAWYERS

Clarke & Kann
Level 7, 300 Queen Street
Brisbane Q 4000

Hopgood Ganim
Level 8, Waterfront Place
1 Eagle Street
Brisbane Q 4000

COMPANY SECRETARY

Kevin Mischewski

AUDITORS

Sothertons Chartered Accountants
10 Market Street
Brisbane Q 4000

BANKERS

National Australia Bank Limited
100 Creek Street
Brisbane Q 4000

SHARE REGISTRY

Link Market Services Limited
Level 12, 300 Queen Street
Brisbane Q 4000

REGISTERED OFFICE

Pacific Enviromin Limited
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