

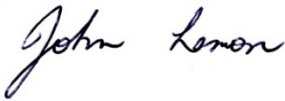
9 November 2011

Company Announcements Office
Australian Securities Exchange

ANNUAL GENERAL MEETING - PRESENTATIONS

Please find attached the Chairman's and CEO's addresses to be delivered at the Company's Annual General Meeting today.

Yours Faithfully
PACIFIC ENVIRONMENT LIMITED



John Lemon
Director/Company Secretary

ABOUT PACIFIC ENVIRONMENT LIMITED

Pacific Environment Limited ("PEL" or "the Company") is an environmental consulting and technology company which is listed on the Australian Securities Exchange under the ASX code "PEH". PEL provides services in the areas of climate change and energy management; air emissions, air quality and environmental noise measurement; air quality and noise impact modelling and assessment; applied meteorology and climatology; toxicology, and real-time environmental management and forecasting systems. The Company's objective is to expand its environmental consultancy capacity through acquisition of specialist environmental companies and commercialisation of its intellectual property. In addition, PEL will increasingly look to broaden its suite of service offerings to deal with water, ecological and marine issues, and to grow internationally.

For further information about Pacific Environment Limited please contact:

David Cassidy,
Chief Executive Officer
(02) 8904 0405

or visit the Company's website at www.pelgroup.com

PACIFIC ENVIRONMENT LIMITED
2011 ANNUAL GENERAL MEETING
CHAIRMAN ADDRESS

Ladies and Gentlemen, I will take this opportunity to summarise what happened during the 2010 to 2011 financial year. Later in the meeting, our CEO, David Cassidy will discuss the year in greater detail and also give you a general view of the outlook for our company.

The last financial year was a turnaround year for Pacific Environment Ltd (PEL), with positive results greatly improving our financial health and setting an excellent foundation for future growth.

Those results included increasing our revenue by 30% from \$7.22m to \$9.38m and realising an EBITDA of \$918,000 (excluding abnormal costs such as legal and share based costs). We also achieved our first positive net profit since listing in 2008. That net profit of \$1.66m was in no small part due to a non-cash benefit (of \$2.2m) arising from the settlement of the dispute with Commercial Energy Services in February 2011. The resolution of that longstanding issue also importantly arrested ongoing legal costs and prospective write downs.

During the 2010 to 2011 financial year we were also able to resolve many balance sheet issues. These included the conversion of a \$4.3m convertible note to shares and cash, such that now there is only \$80k remaining to be paid of that convertible note. The other significant event involved paying aged creditors from a \$1.8m loan provided to the Company under arms-length terms by Robin Ormerod a founder and Director of PEL. The Company is extremely grateful to Robin for providing this debt-funding which emphasises his commitment to the Company and his faith in its future.

One of the other most pleasing financial aspects of the last year was that we had no asset impairments or associated negative impact to our profitability. This is the first year without impairment since listing.

During the year we opened offices in Perth, Adelaide and Gladstone, positioning the Company into wider geographies that will contribute to our overall growth in the current financial year.

There has also been better focus on developing our technologies, such as EnviroSuite. This has seen us start to deliver revenue and build a valuable pipeline of prospects and projects. It is our expectation that our software technology solutions and the provision of managed services associated with the technology will soon contribute strongly to our revenue and ongoing profitability.

In the Annual Report I provided details of some changes to the Board and management team. However, due to the timing of the release of the Annual Report, I was not able to comment upon the resignation of Darren Herft from the PEL Board. Darren was the Company's founding Chairman of Directors and was instrumental in assisting the Company to list on the ASX in early 2008. For a period he also served as the Company's Executive Chairman and more recently as a non-executive director. Darren served the Company with energy and enthusiasm and has played a critical role in helping to position the Company where it is today, that is,

poised for future growth. I would like to take this opportunity at this AGM to personally thank Darren for his service to the Company and on behalf of the Directors and shareholders wish him well in his future pursuits.

It has been my pleasure to be the Chair of Pacific Environment through such a positive period. I would like to conclude by thanking my fellow directors, the executive and management team, all the staff at PEL and our shareholders for their support this last year.

Dr Merv Jones

Chairman, Pacific Environment Limited

PACIFIC ENVIRONMENT LIMITED
2011 ANNUAL GENERAL MEETING
CEO ADDRESS

Ladies and Gentlemen, what I would like to do today is go beyond the summary provided by our Chairman for the 2010 to 2011 financial year and also outline what our outlook might be for the next year or so.

The key to our success in the 2010 to 2011 financial year has been the development and successful execution of business plans along with the resolution of balance sheet and other issues that had previously been distracting resources and funds from growth.

Central to our plan was to attract new staff. Where this has happened and with PEL's reputation, good project work has followed. This has been greatly assisted by the opening of new offices in new geographies. To achieve the growth in revenue and profit indicators that we have seen, while investing in organic growth, has been a remarkable change to the business, particularly when compared to the activities and performance of prior years.

It would be reasonable to say that we continue to align with the resources sector and although reliance on a single sector does present risk we do not envisage this to be anything but a hypothetical risk for the foreseeable future.

There are a number of structural changes in the Company that we believe will be the basis for our future growth and success. I will discuss each of these areas in turn.

1. Technology and Managed Services

A major change this year has been the setting up of a dedicated technology group separate from our consulting services. This new group is managed by one of our most experienced engineers, Matt Scholl, whose title is General Manager Products & Services.

We have already announced that we have won a 3-year managed services contract with Queensland Alumina Ltd in Gladstone. I am pleased to say that since then we have also won contracts with Anglo-American in Queensland, Rio Tinto in Western Australia and have recently won a \$230k consulting contract with BHP in Port Headland in Western Australia. We are well positioned for other long term managed services contracts throughout Australia and particularly in Queensland and Western Australia.

Critically these contracts:

- are long term. All are for an initial 3 year period and all are expected to extend beyond this. This will greatly assist with increasing the value in the overall PEL business model to an annuity model with economies of scale, which will with other outcomes improve interest in our stock.

- provide both environmental and operational benefits. We have extended our EnviroSuite platform to include solutions for blasting during mining operations. This change has been fortuitous for the Company with new obligations around management of blast effects by regulatory authorities.

We expect the majority of our future technology related managed services to come from Queensland and Western Australia where the resources boom continues.

2. Expansion with focus on our Consultancy Practices

The opening of our new offices in Gladstone, Perth and Adelaide and the ongoing management of one of our largest offices in Brisbane has been a tremendous effort by Chaim Kolominkas (General Manager, PAEHolmes, Queensland, Western Australia and South Australia). Chaim is already realising good growth in these new offices and also channelling work to our largest offices in Brisbane and Sydney. Our limitation for growth in our consulting practices is finding quality people. Our challenge in Australia is competing with the resources sector for quality people. As such, this year and next we plan to extend active recruitment internationally to Europe and the US.

We are pleased to note that we continue to attract the best talent in Australia having recently had Damon Roddis move from Environ to manage our PAEHolmes businesses in NSW and Victoria.

3. Mergers and Acquisitions

While we will continue to grow and improve our financial results organically, we know that we have to look at more step change initiatives to grow our financial fundamentals and engage interest in our stock. It is too high a risk not to examine such step change options. Such opportunities will be examined carefully to understand all risks and will be assessed on a case by case basis to ensure that there is a clear business case for all shareholders.

As we move forward, we will be much more open to examining merger opportunities with businesses that are similar in size or even larger than us. To initiate this process we have engaged the support of two external advisors who are focussing on our total business and on our EcoVision technology.

4. Carbon

Since it has become clear that the legislation around carbon emissions would be passed, PEL has started to consolidate its competencies in this space into one group. We are developing plans for growth in the carbon area, both organically and through investments. We believe our unique understanding of the science and the law will position us competitively so that this is an important part of our future growth.

5. Communications

You may also notice that we have just recently launched a new www.pelgroup.com site with links to Facebook for your comments and communications back to us. This

is the first of many initiatives that we are considering that will allow us to provide easier ongoing communication with you in the future.

We look forward to providing you with regular updates on our plans and their execution in future shareholder communications.

In closing I would like to comment on the PEL share price. As our Chairman stated in the Annual Report, "With our positive 2010 to 2011 results and the commencement of some long-term technology contracts we can now actively try to influence our share price. We recognise that it is difficult for the market to easily determine our share value and financial ratios from our current revenue and profitability, but the foundation is in place for these outcomes to be realised in the next year or so." It has been critical that my management team and the staff of PEL remained focussed on delivering positive outcomes in the last financial year. That will continue this coming year, but we know that only profitable organic and inorganic growth in the future, along with more active communication to existing shareholders, will be the basis of future growth in our share price.

Thank you for your attention and for your ongoing support of Pacific Environment.

David Cassidy

CEO, Pacific Environment Limited