

Appendix 3X

Initial Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity	Pacific Environment Limited
ABN	42 122 919 948

We (the entity) give ASX the following information under listing rule 3.19A.1 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Mervyn Jones
Date of appointment	3 July 2009

Part 1 - Director's relevant interests in securities of which the director is the registered holder

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Number & class of securities
Nil

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Part 2 – Director's relevant interests in securities of which the director is not the registered holder

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Name of holder & nature of interest	Number & class of Securities
Note: Provide details of the circumstances giving rise to the relevant interest.	Nil

Part 3 – Director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	Contract of Appointment as Director dated 2 July 2009
Nature of interest	Right, subject to shareholder approval, to receive issue of 200,000 incentive options to subscribe for ordinary shares in the Company
Name of registered holder (if issued securities)	N/A
No. and class of securities to which interest relates	(i) 50,000 options expiring 5 February 2018; exercise price - \$0.75 per option (ii) 50,000 options expiring 5 February 2018; vesting 14/01/10; exercise price - \$1.00 per option (iii) 50,000 options expiring 5 February 2018; vesting 14/01/11; exercise price - \$1.25 per option (iv) 50,000 options expiring 5 February 2018; vesting 14/01/12; exercise price - \$1.50 per option

+ See chapter 19 for defined terms.