

**July 31 2009**

**Company Announcements Office**

**Australian Securities Exchange**

## **APPENDIX 4C - QUARTERLY CASH FLOW STATEMENT**

Please find attached the Company's Appendix 4C "Quarterly report" for the quarter ended 30 June 2009.

The following are additional explanatory notes to be read in conjunction with the report.

1. It is anticipated that the Company's cash flow will be similar in the next quarter, however a combination of small scale capital raisings on a private placement basis, cashflow generated from EmissionsXpert & EcoVision product revenue and steady revenue generated by the operating businesses will improve cashflow over the period.
2. The company continues to execute its business objectives and strategies set out in its prospectus.

The company continues to see consistent revenues and operating profits from the Consultancy arm of the business.

The Product / Technology side has not delivered forecast revenues for the quarter, however the company remains committed to growing the business through distribution of EmissionsXpert & EcoVision technologies and can report pending sales.

3. To the best of the Company's knowledge the Company is in compliance with the ASX Listing Rules, and in particular Listing Rule 3.1

Yours Faithfully



**Darren Herft  
Chairman**

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

Pacific Environment Limited

ABN

42 122 919 948

Quarter ended ("current quarter")

30 June 2009

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	3,304	11,175
1.2 Payments for		
(a) staff costs	(1,559)	(5,279)
(b) advertising and marketing	(6)	(143)
(c) research and development	(100)	(205)
(d) leased assets	(58)	(219)
(e) other working capital	(1,835)	(6,301)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	8
1.5 Interest and other costs of finance paid	(125)	(274)
1.6 Income taxes paid	-	(59)
1.7 Other (provide details if material)	115	115
<b>Net operating cash flows</b>	<b>(263)</b>	<b>(1,182)</b>

+ See chapter 19 for defined terms.

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**Quarterly report for entities**  
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	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	<b>(263)</b>	<b>(1,182)</b>
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:	(250)	(586)
(a) businesses (item 5)	-	(11)
(b) equity investments	-	-
(c) intellectual property	-	(54)
(d) physical non-current assets	(3)	(1)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	5	5
1.11 Loans to other entities	-	(120)
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	4
	<b>(248)</b>	<b>(763)</b>
<b>Net investing cash flows</b>		
<b>1.14 Total operating and investing cash flows</b>	<b>(511)</b>	<b>(1,945)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	1,365	2,291
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	65	460
1.18 Repayment of borrowings	(440)	(1,051)
1.19 Dividends paid	-	-
1.20 Other ( Expenses of the offer)	(160)	(172)
<b>Net financing cash flows</b>	<b>830</b>	<b>1,528</b>
<b>Net increase (decrease) in cash held</b>	<b>319</b>	<b>(417)</b>
1.21 Cash at beginning of quarter/year to date	(353)	383
1.22 Exchange rate adjustments to item 1.20	-	-
<b>1.23 Cash at end of quarter</b>	<b>(34)</b>	<b>(34)</b>

+ See chapter 19 for defined terms.

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	199
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Directors Salary for the quarter \$31,000;  
 \$163,000 to AMMA Private Investment Pty Ltd for Commission on Private Placement, and reimbursement of roadshow expenses.  
 \$5,000 to Mr R King for Media Monitoring Services.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

**Financing facilities available**

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	2,322	1,744
3.2	Credit standby arrangements	-	-

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**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	551	230
4.2 Deposits at call		-
4.3 Bank overdraft	(581)	(584)
4.4 Other (provide details)	(4)	-
<b>Total: cash at end of quarter</b> (item 1.23)	(34)	(354)

**Acquisitions and disposals of business entities**

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity	EcoVision Solutions Pty Ltd	
5.2 Place of incorporation or registration	Queensland, Australia	
5.3 Consideration for acquisition or disposal	\$250,000.00	
5.4 Total net assets	\$4,844.00	
5.5 Nature of business	Environmental Technology Services	

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



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(Director)

Date: July 31 2009

Print name: Darren Herft

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+ See chapter 19 for defined terms.

## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
  - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
  - 9.2 - itemised disclosure relating to acquisitions
  - 9.4 - itemised disclosure relating to disposals
  - 12.1(a) - policy for classification of cash items
  - 12.3 - disclosure of restrictions on use of cash
  - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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