

6 November 2009

Company Announcements Office
Australian Securities Exchange

PRIVATE PLACEMENT TO FUND GROWING ECOVISION BUSINESS

Pacific Environment Limited ("PEL") is pleased to announce that a Private Placement offer open only to sophisticated investors has been launched to fund the increasing pipeline of new contracts for the Company's EcoVision technology.

The private placement offer is for up to \$2.5M. Shares will be issued at a 15% discount to the average market price for the Company's shares calculated over the last 5 days on which sales in the Company's shares were recorded before the date the shares are issued to investors.

Investors will also receive 1 attaching option for each 2 shares acquired. The options vest immediately and have a strike price of \$0.40 and an exercise date of 31 December 2010.

The capital raising comes on the back of establishment of an extended pilot site with ACTEW AGL in Canberra whereby initially a 10 site pilot was secured which has now been extended to 50 residential homes in Canberra with the prospect for further extension of this contract.

Ecovision is the only known holistic Energy & Resources management technology platform in the country built on an open standards platform and scalable to millions of homes and smart meter devices. The software facilitates monitoring, management and optimisation of key utilities such as electricity, water, gas, solar etc.

The faster than anticipated demand for the Ecovision technology in Australia and opportunities now building overseas have led to this current capital raising.

Several other key contracts have also been secured in Australia, including a 108 site installation with the South Australian Government for its Lochiel Park development. Discussions have also been held with energy sector providers in both the China & UAE markets.

In commenting on this current offer, Executive Chairman Darren Herft said:

"We have invested heavily in EcoVision over the last 12 months in getting the product market ready and building distribution. The fact we have now completed successful testing and pilot site installations together with the growing demand both local and international is a sign of the technology opportunities that exist for PEL and underline the company's strategy of developing and distributing scalable environment technology solutions. The company now is ready for full scale growth and the current funding being sought will allow for this growth in revenues and resulting bottom line performance.

Pacific Environment advises that the Private Placement for sophisticated investors is now open and will close on Friday 27 November.

Yours faithfully
PACIFIC ENVIRONMENT LIMITED



Darren Herft
Executive Chairman