

Appendix 3Y

Change of 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.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Merv Jones
Date of last notice	3 July 2009

Part 1 - Change of director's relevant interests in securities

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.

Direct or indirect interest	Direct
Nature of indirect interest (including registered holder) <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	Not applicable
Date of change	4 December 2009
No. of securities held prior to change	Nil
Class	Not applicable
Number acquired	200,000 options – 1. 50,000 options exercisable @ \$0.75; expiring 05/02/18 2. 50,000 options exercisable @ \$1.00; vesting 14/01/10; expiring 05/02/18 3. 50,000 options exercisable @ \$1.25; vesting 14/01/11; expiring 05/02/18 4. 50,000 options exercisable @ \$1.50; vesting 14/01/12; expiring 05/02/18
Number disposed	Nil

Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	Nil cash consideration. Issued in accordance with terms of employment contract
No. of securities held after change	200,000 options
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	Issue of options in accordance with shareholder approval obtained at AGM on 17 December 2009

Part 2 – Change of 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	---
Nature of interest	
Name of registered holder (if issued securities)	
Date of change	
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	
Interest acquired	
Interest disposed	
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	
Interest after change	