

30 March 2010

Company Announcements Office
Australian Securities Exchange

Appointment of new Chief Executive Officer

Pacific Environment Limited ("PEL" or "the Company") is pleased to announce that it has contracted the services of David Cassidy as its new Chief Executive Officer.

Mr. Cassidy is well known to the PEL Board, having provided different forms of advice and support to the Company for over a year, which has contributed to PEL's recent improvement in performance. He has also been central in developing strategy for the recently completed EcoVision acquisition, which will enable PEL to further develop the market around this important technology.

Mr. Cassidy was educated in Ireland and has an honours degree in mathematics and computer science. At Citicorp he gained wide experience in the financial sector while working for their institutional and investment bank. Since then he has worked in the US, several European and Asian countries, Australia and New Zealand with Executive, Managing Director and Board responsibilities. He has worked for Citicorp, Siemens, Price Waterhouse Coopers, Consolidated Press Holdings Investments and Publishing and Broadcasting Limited. He brings a wealth of experience in finance, investment banking, technology and services. Mr. Cassidy has also experience in building his own businesses.

The PEL Board believes Mr. Cassidy's strengths and experience make him the perfect appointment for the Company's current needs and challenges. With the support of the Board and the current executive team, the Board believes he can develop the PEL business with strong market fundamentals and improve the Company's share price over the coming years.

Mr. Cassidy's initial contract term is for 24 months, with conditions whereby the contract can be extended to a total of 48 months from commencement. His remuneration is structured heavily to incentivise him to develop value in PEL's shares and minimise impact on cash. His salary starts low but can increase following further funding and/or improvements in operating cash performance but not to the detriment of the cash capabilities of PEL. He will be allocated a block of ordinary shares in PEL immediately and further shares after a 3-month period. There are other triggers whereby his shareholding can increase, all resulting from step changes in the Company's fundamentals, performance or change of ownership. Details of Mr Cassidy's remuneration package are attached as an Annexure to this release.

Mr. Cassidy will replace Darren Herft, one of PEL's Directors, who has held the role of Executive Chairman for the last six months while PEL looked for the best available candidate.

PEL is very pleased to have attracted someone of Mr. Cassidy's calibre and talent to this role.

PACIFIC ENVIRONMENT LIMITED



Dr Merv Jones
Chairman

Annexure: Details of Remuneration Package for Mr David Cassidy

<p>Base Payment and Increases</p>	<p>1. Mr Cassidy will be paid a Base Payment of \$120,000 annually.</p> <p>2. If the Company has sufficient surplus cash to increase the Base Payment to \$250,000 annually, then the Company will reasonably agree to do so.</p> <p>If the Company acquires any business where that business has sufficient surplus cash either from its cash-flow performance and/or associated debt, then Mr Cassidy will be paid a further \$60,000 annually. This is in addition to 1 or 2, whichever is applicable at any point in time. This payment can only be made once for the full term of contract.</p>
<p>Shares Payable in Lieu of Sign-on Bonus</p>	<p>On the execution of the CEO agreement, Mr Cassidy will be allocated 2,000,000 ordinary shares in the Company.</p> <p>On the three (3) month anniversary of the execution of the CEO agreement, Mr Cassidy will be allocated 1,000,000 ordinary shares in the Company.</p>
<p>Shares Payable on Pay-Off of Company Creditors</p>	<p>Mr Cassidy will be allocated a further 1,000,000 ordinary shares in the Company when the Company, via funding or surplus cash flow, has sufficient funding to pay-off all Company creditors.</p>
<p>Shares Payable on Acquisition of Business</p>	<p>If the Company acquires any business where that business has a forecast EBIT (for the 12 months post purchase) which is greater than A\$250,000, then the Company will allot to Mr Cassidy 1,000,000 ordinary shares, subject to forecast EBIT being achieved.</p>
<p>Escrow of Shares</p>	<p>Mr Cassidy has agreed in respect of all and any shares that he is issued pursuant to the CEO agreement (Consideration Shares) that during the period commencing on the date of issue of the Consideration Shares, and continuing for a period of:</p> <ol style="list-style-type: none"> 1. 12 months (with respect to 1/3 of Consideration Shares issued); 2. 24 months (with respect to 1/3 of the Consideration Shares issued); and, 3. 36 months (with respect to 1/3 of the Consideration Shares issued), <p>from the day that the Consideration Shares were issued, Mr Cassidy will not trade in the shares.</p>
<p>Acquisition of the Company's Shares</p>	<p>If at any time during the term of the CEO agreement with Mr Cassidy, 50% or greater of the Company's total shares or assets is acquired (Share Acquisition) then, if the Share Acquisition is completed:</p> <ol style="list-style-type: none"> 1. within the first 12 month of the commencement date, and where the total number of shares allocated to Mr Cassidy is less than 5,000,000 then Mr Cassidy's total share allocation will come to a total of 5,000,000 ordinary shares in the Company; or, 2. after the 12 month anniversary of the commencement date and before the 36 month anniversary of the commencement date, and where the total number of shares allocated to Mr Cassidy is less than 8,000,000, then Mr Cassidy's total share allocation will come to a total of 8,000,000 ordinary shares in the Company; or, 3. after the 36 month anniversary of the commencement date, where the total number of shares allocated to Mr Cassidy is less than 10,000,000, then Mr Cassidy's total share allocation will come to a total of 10,000,000 ordinary shares in the Company; and 4. in the event that 1, 2 or 3 occurs then the terms set out in Escrow of Shares will no longer be relevant and all shares will fall out of any escrow or constraint of trade.