

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*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 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Pacific Environment Limited

ABN

42 122 919 948

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |  |
|---|--|--|
| 1 | +Class of +securities issued or to be issued   | 1. Ordinary shares<br>2. Options   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 1. 2,585,000 shares<br>2. 342,500 options  |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 1. Shares - fully paid ordinary shares<br>2. Options – exercisable @ \$0.40; expiring 31/12/11 |

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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>1. Shares – 1. 585,000 do. 2. 2,000,000 do, except that they are subject to varying periods of voluntary escrow as follows:</p> <p>(i) 666,666 shares subject to voluntary escrow 06/05/10 – 05/05/11;</p> <p>(ii) 666,666 shares subject to voluntary escrow 06/05/10 – 05/05/12;</p> <p>(iii) 666,668 shares subject to voluntary escrow 06/05/10 – 05/05/13.</p> <p>2. Options – no. Unquoted securities.</p>				
<p>5 Issue price or consideration</p>	<p>1. Shares – (i) 585,000 @ \$0.20 per share (total:\$117,000)  (ii) 2,000,000 – nil cash consideration (issued as partial consideration for provision of CEO services)</p> <p>2. Options – (i) 292,500 options - nil cash consideration (free attaching options)  (ii) 50,000 options - nil cash consideration (commission for assisting in capital raising)</p>				
<p>6 Purpose of the issue  (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>1. 585,500 shares - private placements to raise funds for use in association with the Company's EcoVision technology and for working capital generally;</p> <p>2. 2,000,000 shares - issued as partial consideration for provision of CEO services;</p> <p>3. 292,500 options – free attaching options</p> <p>4. 50,000 options - commission for assisting in capital raising</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>6 May 2010</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="740 1563 1072 1592">Number</th> <th data-bbox="1072 1563 1366 1592">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="740 1592 1072 1774">86,960,299</td> <td data-bbox="1072 1592 1366 1774">Ordinary shares</td> </tr> </tbody> </table>	Number	+Class	86,960,299	Ordinary shares
Number	+Class				
86,960,299	Ordinary shares				

+ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX ( <i>including</i> the securities in clause 2 if applicable)	
	2,000,000	Options to acquire ordinary shares – 1,000,000 exercisable at \$0.75; 400,000 exercisable at \$1.00; 300,000 exercisable at \$1.25; 300,000 exercisable at \$1.50 each – exercisable on or before 10/02/18; issued under Employee Share Option Plan
	700,000	Options to acquire ordinary shares: 250,000 exercisable at \$0.75; 150,000 exercisable at \$1.00, \$1.25 and \$1.50 each on or before 05/02/18 (Directors/former Directors & Company Secretary)
	100,000	Options to acquire ordinary shares; exercisable at \$0.75 each on or before 10/02/18
	100,000	Options to acquire ordinary shares; exercisable at \$0.75 each on or before 10/02/18
	111,112	Options to acquire ordinary shares; exercisable at \$0.45 each on or before 31/12/10
	6,457,149	Options to acquire ordinary shares; exercisable at \$0.55 each on or before 31/12/10
	3,475,000	Options to acquire ordinary shares; exercisable at \$0.40 each on or before 31/12/11
	1,500,000	Options to acquire ordinary shares; exercisable at \$0.40 each on or before 19/08/14
	150,000	Options to acquire ordinary shares; exercisable at \$0.40 each on or before 31/12/13

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10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

**Part 2 - Bonus issue or pro rata issue**

11 Is security holder approval required?

12 Is the issue renounceable or non-renounceable?

13 Ratio in which the +securities will be offered

14 +Class of +securities to which the offer relates

15 +Record date to determine entitlements

16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

17 Policy for deciding entitlements in relation to fractions

18 Names of countries in which the entity has +security holders who will not be sent new issue documents  
Note: Security holders must be told how their entitlements are to be dealt with.  
Cross reference: rule 7.7.

19 Closing date for receipt of acceptances or renunciations

20 Names of any underwriters

21 Amount of any underwriting fee or commission

22 Names of any brokers to the issue

23 Fee or commission payable to the broker to the issue

24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders

25 If the issue is contingent on +security holders' approval, the date of the meeting

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+ See chapter 19 for defined terms.

26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	
33	+Despatch date	

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a)  Securities described in Part 1

(b)  All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

+ See chapter 19 for defined terms.

**Entities that have ticked box 34(a)**

**Additional securities forming a new class of securities**

*Tick to indicate you are providing the information or documents*

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
 1 - 1,000  
 1,001 - 5,000  
 5,001 - 10,000  
 10,001 - 100,000  
 100,001 and over
- 37  A copy of any trust deed for the additional +securities

**Entities that have ticked box 34(b)**

- 38 Number of securities for which +quotation is sought
- 39 Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?  
 If the additional securities do not rank equally, please state:  
 • the date from which they do  
 • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment  
 • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
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- 41 Reason for request for quotation now  
 Example: In the case of restricted securities, end of restriction period  
 (if issued upon conversion of another security, clearly identify that other security)
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- |   | Number | +Class |
|---|--------|--------|
| 42 Number and +class of all +securities quoted on ASX ( <i>including</i> the securities in clause 38) |        |        |

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+ See chapter 19 for defined terms.

