

20 October 2016

**Company Announcements Office
Australian Securities Exchange**

2016 Annual General Meeting - Chairman's Address

Please find attached the Chairman's address to be delivered at the Company's Annual General Meeting today.

Faithfully,
Pacific Environment Limited



Adam Gallagher
Director and Company Secretary

Ladies and Gentlemen,

I am very pleased to welcome you to the 2016 Annual General Meeting for Pacific Environment Limited. This is my third meeting as a Director and my first as Chairman and I thank the board, the many shareholders that I have spoken to and our team for their support and confidence. We believe that we have reached the beginning of the most exciting stage in the Company's evolution to date.

The last year has been one of significant investment and change in the business as we evolve to support the sales of EnviroSuite across the globe. Our Consulting business has conceived, nurtured and developed EnviroSuite and is now actively engaged in the sales and support of the SaaS Technology offering through leveraging on their extensive client networks.

Part of the evolution of the business has been the streamlining of the executive management and board to reallocate resources into our development and marketing and sales teams. We now operate more nimbly and with greater focus on our key business objectives.

The loss for the 2016 financial year, reflects the expenditure of funds raised from investors over the last 18 months to prepare the business for launch in the US and European markets, as well as broadening our footprint in Australasia.

The early success of this investment is very pleasing to see the new sales and trials in our biggest markets Europe, US and Asia. What is particularly exciting about these sales is the potential implication for further growth in key industries including government regulators in the US and water infrastructure globally.

Our continued and broadening commercial trial with Thames Water in the UK is an industry benchmark for water authorities globally. With many thousands of water authorities globally this market alone is potentially a company maker for the Group.

Likewise, the trial with South Coast Air Quality Management District in California is a signature trial for EnviroSuite as that particular regulatory body is a key part of the wider regulatory system overseen by the US EPA and is widely regarded as the innovation leader in air quality management by regulatory authorities globally.

Our distribution strategy in Europe and the US is underpinned by our key partner relationships with strong, local incumbent businesses in those regions. Recent sales in Spain, Mexico, Columbia and elsewhere have illustrated the potential for partnerships to speed global sales of EnviroSuite.

We have also had strong partnership interest in EnviroSuite from several other major international groups.

In Europe we have been capitalising on the deep industry contacts and experience held by collaboration partners Odournet who we have been operating with under a broad agreement since August last year. Given the success of this relationship in yielding high-profile client wins we are in discussions to determine how we can further leverage on their European network.

Our early direct activities in the USA have already delivered a strong pipeline of opportunities and the new agreement with HDR promises to expose EnviroSuite to a significant number of prospective clients across multiple sectors.

A motion to change the name of the listed parent company to "EnviroSuite Limited" is being put to shareholders in this meeting. The board believes that the timing is right for this change that will align the market face with the growth story of the Group.

In closing I would like to thank our dedicated team of professionals and our shareholders for their patience and support that has allowed us to reach this exciting point in the journey.

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