

14 June 2016

**Company Announcements Office
Australian Securities Exchange**

New Executive Structure for Pacific Environment

Further to the announcement on 26 May 2016 Pacific Environment Limited (ASX: PEH) (“the Company” or “the Group”) is pleased to advise of the Company’s new executive structure.

Current Director and Group Co-Founder, Mr Robin Ormerod, has been appointed to the role of Managing Director, effective immediately. Mr Ormerod founded Pacific Air & Environment in the mid-1990s with his partner and current Head of Marketing, Kristin Zeise, and has managed and assisted the Company in various roles over the past two decades.

Mr Ormerod oversaw the development of EnviroSuite, a cloud based software-as-a-service system, from its scientific modelling roots through to the international platform solution that it is today. As well as becoming Managing Director, Mr Ormerod will continue in his existing role as Head of Science and Innovation through which he steers the Group’s technology and knowledge development.

Supporting Mr Ormerod will be the existing Chief Financial Officer, Ketha Mahesan, who was appointed in November 2015, and the General Manager for Australasia, Dr Adrian Zammit, in a newly created role. Dr Zammit has been with the Group since March 2015 and has been instrumental in developing the Queensland and South Australian businesses, as well as expanding the Group into water and land applications.

Company Chairman, Mr Murray d’Almeida, who has been acting in an Executive capacity to support the management team over the past 12 months, will return to Non-Executive Chairman.

Commenting on the new structure, Mr Ormerod said the repositioning of the Executive Team completed a longer term internal succession planning process that will allow the Company to better leverage the strengths of its key people to deliver on Pacific Environment’s stated strategy.

“We are focused on delivering our technology and applied science offering in Australia and our key international markets of Australasia, USA, UK and Europe. I am very pleased and honoured to be taking this leading role at the most exciting time in our Company’s history. The entire team has enormous enthusiasm and energy and we are determined to vigorously pursue our objectives to create value and wealth for all our shareholders” Mr Ormerod said.

“Dr Zammit has an excellent and relevant background for achieving our Company objectives and, importantly, he has already proven himself within the Group as an effective and inspirational leader. We have great confidence in his abilities to lead our people to create stronger alignment between our work in applied science solutions and our focus on technology distribution.”

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About Robin Ormerod

Robin Ormerod is a founder of Pacific Environment and was Chairman of the Group prior to IPO. He has served on the board as an executive director during two periods since listing including from May 2015 to the present. Since a hiatus after the company listing, he has contributed to EnviroSuite development, been active in consulting and mentoring, managed the Queensland business unit, managed R&D, represented the Company at scientific, business, educational and political levels and has maintained relationships relevant to EnviroSuite international sales plans.

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Mr Ormerod has 35 years' professional experience in applied science as a consultant, manager and business owner, following a research engagement at CSIRO. He established the first specialist air quality and meteorology practice in Queensland in 1981, developing a reputation as an expert witness in these fields, before taking up a role as Australian Region Manager of Air & Noise services with US-based consulting firm Dames & Moore (subsequently URS and AECOM).

In 1995, he co-founded Pacific Air & Environment, which maintained a national and international clientele and grew to become the largest specialist consultancy in its field in Australasia. During the mid-2000s, he initiated and led the company's sustained R&D effort that originated the EnviroSuite concept, driven by a long-term view the company needed to adapt to changing technological and skills drivers. Subsequent listing on the ASX was driven by the expectation of developing from the R&D effort a globally relevant product requiring access to capital markets for development and distribution.

About Adrian Zammit

Dr Adrian Zammit has over 24 years' international and domestic experience in environmental management. He has a PhD in Agricultural Science from the University of Sydney, an MBA from the Maastricht School of Management (Netherlands), and is also a certified Project Manager. Adrian's signature accomplishment is growing a start-up environmental management company from a team of two to 340 staff in the space of eight years.

Along with a very strong technical background, Dr Zammit is renowned in the industry for his responsiveness to customers' needs, and for delivering innovative and tailored solutions on time and on budget. He has been engaged on high-profile projects by clients that include Santos GLNG, Origin Energy, Arrow Energy, GVK Hancock, Adani, Dysart, Inpex, Copperchem, United Petroleum, Allens and Ashurst.

Dr Zammit has demonstrated effective and inspirational team leadership at Pacific Environment, and is strongly committed to the Company's strategy of increasing sales of EnviroSuite in Australia and key international markets.

International management

PEH currently has a small number of staff members situated full-time in Europe and the UK who are working with clients and partner groups to advance EnviroSuite in those markets. Similarly several team members have been increasingly active in the USA with existing and potential partners and clients. It is anticipated that a permanent presence will soon be established to exploit the North American market that the Company believes is highly prospective opportunity for EnviroSuite globally. As the international activities grow over the medium term there may be additional key management appointments to oversee and accelerate activities in these territories.