

5 March 2009

Company Announcements Office
Australian Securities Exchange

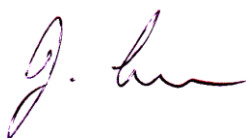
SHAREHOLDER MEETING

A general meeting of the Company's shareholders will be held on 3 April 2009. Please find attached the following documents which have been sent to the Company's shareholders:

1. Notice of General Meeting;
2. Proxy Form.

Yours Faithfully

Pacific Environment Limited

A handwritten signature in purple ink, appearing to read 'J. Lemon', is positioned above the printed name and title of the signatory.

John Lemon
Company Secretary

NOTICE OF GENERAL MEETING

Date of Meeting: Friday, 3 April 2009
Time of Meeting: 2.00 pm (Queensland Time)
Place of Meeting: Offices of AMMA Private Investment Pty Ltd
Level 2, 1 Lawson Street
Southport, Qld 4215

This Notice of General Meeting should be read in its entirety. If you are in doubt as to how to vote at the meeting you should seek advice from your accountant, solicitor or other professional adviser before voting.

PACIFIC ENVIRONMENT LIMITED**ABN 42 122 919 948****NOTICE OF GENERAL MEETING**

A General Meeting of Pacific Environment Limited ("the Company") will be held at the offices of AMMA Private Investment Pty Ltd at Level 2, 1 Lawson Street, Southport, Queensland on Friday, 3 April 2009 at 2.00 pm (Queensland time).

AGENDA**1. RATIFICATION OF ISSUE OF OPTIONS – TJ & RA BUTLER**

To consider and, if thought appropriate, pass the following resolution as an ordinary resolution:

"That the issue of 200,000 options to subscribe for ordinary shares in the Company to TJ & RA Butler as trustees for The Butler Superannuation Fund on 12 December 2008 is hereby approved for the purposes of ASX Listing Rule 7.4 and for all other purposes."

2. RATIFICATION OF ISSUE OF SHARES – COMMERCIAL ENERGY SERVICES VENDORS

To consider and, if thought appropriate, pass the following resolution as an ordinary resolution:

"That the issue of 3,562,364 fully paid ordinary shares in the capital of the Company on 15 January 2009 to the vendors to the Company of the shares in Commercial Energy Services Pty Ltd is hereby approved for the purposes of ASX Listing Rule 7.4 and for all other purposes."

3. RATIFICATION OF ISSUE OF SHARES AND OPTIONS – PRIVATE PLACEMENTS

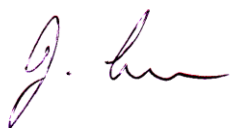
To consider and, if thought appropriate, pass the following resolution as an ordinary resolution:

"That the issue of 1,732,551 fully paid ordinary shares in the capital of the Company and 1,732,551 options to subscribe for ordinary shares in the Company to various investors during the period 12 December 2008 to 27 February 2009 is hereby approved for the purposes of ASX Listing Rule 7.4 and for all other purposes."

4. APPROVAL OF ISSUE OF SHARES AND OPTIONS

To consider and, if thought appropriate, pass the following resolution as an ordinary resolution:

"That for the purposes of ASX Listing Rule 7.1 and for all other purposes the Company is authorised to issue up to 10,000,000 shares in the capital of the Company and 10,000,000 options to subscribe for ordinary shares in the Company on the terms and conditions in the Notice of Meeting."

BY ORDER OF THE BOARD**PACIFIC ENVIRONMENT LIMITED**

John Lemon
Company Secretary

4 March 2009

PACIFIC ENVIRONMENT LIMITED**ABN 42 122 919 948****NOTICE OF ANNUAL GENERAL MEETING****EXPLANATORY STATEMENT****INTRODUCTION**

This Explanatory Statement forms part of the notice convening the Company's General Meeting to be held on Friday, 3 April, 2009. This Explanatory Statement is to assist Shareholders in understanding the background to and implications of the resolutions proposed, and procedural matters concerning the Meeting. Terms used in this Explanatory Statement are defined in Section 9.

1 AGENDA ITEM 1 - RATIFICATION OF ISSUE OF OPTIONS – TJ & RA BUTLER

- 1.1 Subject to a number of exceptions, ASX Listing Rule 7.1 provides that a company must not issue equity securities (shares, options, etc) without shareholder approval if the number of securities issued would, of itself or when added to the number of other equity securities issued by the company in the previous 12 months, exceed 15% of the number of ordinary shares of the Company on issue at the commencement of the 12 month period. ASX Listing Rule 7.4.2 provides that shareholders may approve an issue of securities after the fact (provided the issue did not breach the 15% limit) so that the securities which were issued are regarded as having been issued with shareholder approval for the purpose of Listing Rule 7.1.
- 1.2 Accordingly, the proposed resolution in Agenda item 1 is seeking approval for the issue of 200,000 options which were issued on 12 December 2008 to TJ & RA Butler as trustees for The Butler Superannuation Fund. The issue of the options was within the 15% limit permitted by ASX Listing Rule 7.1. Nevertheless, the Company is requesting that Shareholders ratify the issue of the options for the purpose of ASX Listing Rule 7.4 so that the Company will have the flexibility to issue further securities under ASX Listing Rule 7.1 if the need or opportunity arises.
- 1.3 As required by ASX Listing Rule 7.5, the following information is provided:
- (i) 200,000 options were issued.
 - (ii) The options were issued for nil cash consideration as they were issued to the nominee of a former employee of the Company as part of the former employee's severance package following the employee's resignation from the Company.
 - (iii) The terms of the options are as follows:
 - The options are options to subscribe for fully paid ordinary shares in the capital of the Company and each option gives the option holder the right to subscribe for one share;
 - 100,000 of the options vest on 12 December 2009 and the other 100,000 options vest on 12 December 2010;
 - The 100,000 options which vest on 12 December 2009 are exercisable at \$0.55 per option and the 100,000 options which vest on 12 December 2010 are exercisable at \$0.75 per option;
 - Shares issued on exercise of the options will rank *pari passu* with all existing ordinary shares of the Company from the date of issue;
 - The options may be exercised wholly or in part by notice in writing to the Company received at any time on or before 5.00 pm (EST) on 10 February 2018 ("the Expiry Date") together with payment for the exercise price for the number of options being exercised and the options certificate (if any) for those options for cancellation by the Company. Any option not exercised before the Expiry Date will automatically lapse on the Expiry Date;
 - The options held by the option holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion. In the event the option holder holds less than 1,000 options the options must be exercised in whole if exercised;

- The option holder will be permitted to participate in new issues of securities of the Company on the prior exercise of the options, in which case the option holder will be afforded the period of at least 6 Business Days notice prior to and inclusive of the books record date (to determine entitlements to the issue) to exercise the options.
 - In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
 - the number of options, the exercise price of the options, or both will be reconstructed (as appropriate) in a manner consistent with the ASX Listing Rules, but with the intention that such reconstruction will not result in any benefits being conferred on the option holder which are not conferred on Shareholders; and
 - subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of Shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the options will remain unchanged.
 - In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the options, the exercise price of the options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2;
 - If there is a bonus issue to Shareholders, the number of shares over which an option is exercisable may be increased by the number of shares which the option holder would have received if the option had been exercised before the record date for the bonus issue.
 - The terms of the options shall only be changed if Shareholders (whose votes are not to be disregarded) approve of such a change. However, the terms of the options shall not be changed to reduce the exercise price, increase the number of options, or change any period for exercise of the options.
- (iv) The options were issued to TJ & RA Butler as trustees for The Butler Superannuation Fund.
- (v) No funds were raised from the issue of the options.
- (vi) **Voting Exclusion Statement**
- As required by the ASX Listing Rules, the Company will disregard any votes cast on this resolution by:
- TJ Butler and RA Butler; and
 - an associate (as defined in the ASX Listing Rules) of each of TJ Butler and RA Butler.
- However, the Company need not disregard a vote if:
- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

1.4 The Company's directors recommend that Shareholders vote in favour of the resolution proposed in agenda item 1.

2 AGENDA ITEM 2 - RATIFICATION OF ISSUE OF SHARES – COMMERCIAL ENERGY SERVICES VENDORS

- 2.1 Please see Section 1.1 (above) for details of ASX Listing Rule 7.1.
- 2.2 On 23 December 2008 the Company acquired all the issued shares in Commercial Energy Services Pty Ltd ("CES"), with CES thereby becoming a wholly owned subsidiary company of the Company. Details of the acquisition were announced to the Australian Securities Exchange on 23 December 2008.
- 2.3 The proposed resolution in agenda item 2 is seeking approval for the issue of 3,562,364 shares which were issued on 15 January 2009 to the former owners of the issued shares in CES as partial consideration for the acquisition by the Company of CES. The issue of the shares was within the 15% limit permitted by ASX Listing Rule 7.1. Nevertheless, the Company is requesting Shareholders ratify the issue of the shares for the purpose of ASX Listing Rule 7.4 so that the Company will have the flexibility to issue further securities under ASX Listing Rule 7.1 if the need or opportunity arises.
- 2.4 As required by ASX Listing Rule 7.5, the following information is provided:
- i) 3,562,364 shares were issued.

- ii) The shares were issued for nil cash consideration, their issue being as partial consideration for the sale to the Company by the vendors of their shares in CES.
- iii) The shares are fully paid ordinary shares and are subject to the same rights and obligations and rank equally with all existing fully paid ordinary shares in the capital of the Company.
- iv) The shares were issued to the thirteen former shareholders in CES or their nominee companies in two cases.
- v) No funds were raised from the issue of the shares.

vi) **Voting Exclusion Statement**

As required by the ASX Listing Rules, the Company will disregard any votes cast on this resolution by:

- The issuees of the shares ; and
- an associate (as defined in the ASX Listing Rules) of any of the issuees of the shares.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

2.5 The Company's directors recommend that Shareholders vote in favour of the resolution proposed in agenda item 2.

3 AGENDA ITEM 3 - RATIFICATION OF ISSUE OF SHARES AND OPTIONS – PRIVATE PLACEMENTS

3.1 Please see Section 1.1 (above) for details of ASX Listing Rule 7.1.

3.2 From 12 December 2008 to 27 February 2009 the Company issued 1,732,551 shares in the capital of the Company and 1,732,551 free attaching options to sophisticated investors and other investors to whom under the *Corporations Act 2001* (Cwth) a prospectus or other disclosure document is not required to be given for an investment in the Company to be made.

3.3 The proposed resolution in Agenda item 3 is seeking approval for the issue of the 1,732,551 shares and 1,732,551 options. The issue of the shares and options was within the 15% limit permitted by ASX Listing Rule 7.1. Nevertheless, the Company is requesting Shareholders ratify the issue of the shares and options for the purpose of ASX Listing Rule 7.4 so that the Company will have the flexibility to issue further securities under ASX Listing Rule 7.1 if the need or opportunity arises.

3.4 As required by ASX Listing Rule 7.5, the following information is provided:

- (i) 1,732,551 shares and 1,732,551 options were issued.
- (ii) 111,112 of the shares were issued on 12 December 2008 at \$0.45 each. The rest of the shares were issued in February 2009 at \$0.35 each. The options were issued for nil cash consideration, being free attaching options.
- (iii) The shares are fully paid ordinary shares and are subject to the same rights and obligations and rank equally with all existing fully paid ordinary shares in the capital of the Company. The terms of the options are as follows:
 - The options are options to subscribe for Shares and each option gives the option holder the right to subscribe for one Share;
 - The exercise price of 111,112 of the options is forty-five cents (\$0.45) per option. The exercise price of the rest of the options is fifty-five cents (\$0.55) per option (**Exercise Price**);
 - Shares issued on exercise of the options will rank *pari passu* with all existing ordinary shares of the Company from the date of issue;
 - The options may be exercised wholly or in part by notice in writing to the Company received at any time on or before 5.00 pm (EST) on 31 December 2010 (**Expiry Date**) together with payment for the Exercise Price for the number of options being exercised and the options certificate (if any) for those options for cancellation by the Company. Any option not exercised before the Expiry Date will automatically lapse on the Expiry Date;

- The options held by each option holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion. In the event the option holder holds less than 1,000 Options the Options must be exercised in whole if exercised;
 - The Company will not apply for quotation on the Australian Securities Exchange (ASX) of the options*;
 - The Company will allot the number of Shares the subject of any exercise notice, and at its cost apply for quotation on ASX of the Shares so allotted;
 - The option holder will be permitted to participate in new issues of securities of the Company on the prior exercise of the options, in which case the option holder will be afforded the period of at least 6 Business Days notice prior to and inclusive of the books record date (to determine entitlements to the issue) to exercise the options.
 - In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
 - the number of options, the exercise price of the options, or both will be reconstructed (as appropriate) in a manner consistent with the ASX Listing Rules, but with the intention that such reconstruction will not result in any benefits being conferred on the option holders which are not conferred on Shareholders; and
 - subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of Shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the options will remain unchanged.
 - In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the options, the exercise price of the options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
 - If there is a bonus issue to Shareholders, the number of Shares over which an option is exercisable may be increased by the number of Shares which the option holder would have received if the option had been exercised before the record date for the bonus issue.
 - The terms of the options shall only be changed if Shareholders (whose votes are not to be disregarded) approve of such a change. However, the terms of the options shall not be changed to reduce the exercise price, increase the number of options, or change any period for exercise of the options.
- * The Company intends, with the consent of the option holders, to apply for quotation on ASX of the options if the number of holders of options having the same terms and conditions as the options exceeds 50.

- (iv) The shares and options were issued to a total of 25 investors by way of private placements.
- (v) One half of the funds raised will be used to fund one or more further business acquisitions; one quarter of the funds raised will be used to pay money owing under convertible notes to previous vendors of businesses to the Company; one quarter of the funds raised will be used for working capital.

(vi) **Voting Exclusion Statement**

As required by the ASX Listing Rules, the Company will disregard any votes cast on this resolution by:

- Any of the issuees of the shares and options; and
- an associate (as defined in the ASX Listing Rules) of any of the issuees of the shares and options

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

3.5 The Company's directors recommend that Shareholders vote in favour of the resolution proposed in agenda item 3.

4 AGENDA ITEM 4 - APPROVAL OF ISSUE OF SHARES AND OPTIONS

4.1 Please see Section 1.1 (above) for details of ASX Listing Rule 7.1.

4.2 The Company's directors propose to raise up to \$3,000,000 in the short term through the issue of shares and free attaching options to investors. Offers will be made to prospective investors through a prospectus to be issued by the Company and possibly also to sophisticated and/or professional investors as defined in the *Corporations Act 2001* to whom a prospectus is not required to be issued. The proposed use of the funds is stated below.

4.3 For the purposes of ASX Listing Rule 7.1 the Company seeks shareholder approval for the issue of up to 10,000,000 shares and 10,000,000 options so that the shares and options will not count towards the 15% issue limit.

4.4 As required by ASX Listing Rule 7.3 the following information is provided:

- (i) The maximum number of securities to be issued by the Company if the resolution proposed in Agenda item 4 is approved is 10,000,000 shares and 10,000,000 options.
- (ii) The Company will issue the securities no later than 3 months after the date of the Meeting (or such later date as permitted by any ASX waiver of modification of the ASX Listing Rules).
- (iii) The issue price of shares to be issued will be \$0.30 per share. This will give a total of \$3,000,000.00 if 10,000,000 shares are issued. No price will be payable for the issue of the options as they will be free attaching options.
- (iv) The identity of the allottees of the shares and options is not yet known to the Company. The allottees will be determined at the Directors' discretion, but will not be related parties of the Company.
- (v) The shares will be fully paid ordinary shares and will be subject to the same rights and obligations and rank equally with all existing fully paid ordinary shares in the capital of the Company. The terms of the options will be:
 - The options are options to subscribe for Shares and each option gives the option holder the right to subscribe for one Share;
 - The exercise price of the options is fifty-five cents (\$0.55) per option (**Exercise Price**);
 - Shares issued on exercise of the options will rank *pari passu* with all existing ordinary shares of the Company from the date of issue;
 - The options may be exercised wholly or in part by notice in writing to the Company received at any time on or before 5.00 pm (EST) on 31 December 2010 (**Expiry Date**) together with payment for the Exercise Price for the number of options being exercised and the options certificate (if any) for those options for cancellation by the Company. Any option not exercised before the Expiry Date will automatically lapse on the Expiry Date;
 - The options held by each option holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion. In the event the option holder holds less than 1,000 options the options must be exercised in whole if exercised;
 - The Company will at its cost apply for quotation on the Australian Securities Exchange (ASX) of the options;
 - The Company will allot the number of Shares the subject of any exercise notice, and at its cost apply for quotation on ASX of the Shares so allotted;
 - The option holder will be permitted to participate in new issues of securities of the Company on the prior exercise of the options, in which case the option holder will be afforded the period of at least 6 Business Days notice prior to and inclusive of the books record date (to determine entitlements to the issue) to exercise the options.
 - In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
 - the number of options, the exercise price of the options, or both will be reconstructed (as appropriate) in a manner consistent with the ASX Listing Rules, but with the intention that such reconstruction will not result in any benefits being conferred on the option holders which are not conferred on Shareholders; and
 - subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of

Shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the options will remain unchanged.

- In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the options, the exercise price of the options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2;
- If there is a bonus issue to Shareholders, the number of Shares over which an option is exercisable may be increased by the number of Shares which the option holder would have received if the option had been exercised before the record date for the bonus issue.
- The terms of the options shall only be changed if Shareholders (whose votes are not to be disregarded) approve of such a change. However, the terms of the options shall not be changed to reduce the exercise price, increase the number of options or change any period for exercise of the options.

(vi) Funds raised through the issue of the securities will be used by the Company as follows:

	Funds Raised		
	\$1,000,000	\$2,000,000	\$3,000,000
Use of Funds	1. \$500,000 – acquisition of complementary business(es) 2. \$200,000 – payment of convertible notes issued as partial consideration for the acquisition by the Company of several businesses in 2008 3. \$300,000 - working capital	1. \$500,000 – acquisition of complementary business(es) 2. \$600,000 – payment of convertible notes issued as partial consideration for the acquisition by the Company of several businesses in 2008 3. \$900,000 - working capital	1. \$1,000,000 – acquisition of complementary business(es) 2. \$1,000,000 – payment of convertible notes issued as partial consideration for the acquisition by the Company of several businesses in 2008 1. \$1,000,000 - working capital

(vii) Allotments of the securities will occur progressively.

4.5 The Company's directors recommend that Shareholders vote in favour of the resolution proposed in agenda item 4.

5 VOTING RIGHTS

5.1 The Board has determined that all of the shares of the Company will be taken, for the purposes of determining the right of shareholders to attend and vote at the Meeting, to be held by the persons who are registered in the Company's register of shareholders at 7.00pm (AEST) on 1 April 2009 as the owners of those shares. Therefore transfers registered after that time will be disregarded in determining shareholders entitled to attend and vote at the Meeting.

6 PROXIES

6.1 A Shareholder entitled to attend and vote at the Meeting may appoint:

6.1.1 one proxy if the Shareholder is only entitled to one vote at the meeting; or

6.1.2 one or two proxies if the Shareholder is entitled to more than one vote at the meeting, to attend and vote at the meeting for the Shareholder.

6.2 A Shareholder may appoint an individual person or a body corporate as the Shareholder's proxy.

6.3 A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body corporate may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been provided to the Company.

- 6.4 A Shareholder who appoints two proxies may state on the Proxy Form what proportion or number of the Shareholder's votes the proxy may exercise. If a Shareholder appoints two proxies and does not specify the number or proportion of votes each proxy may exercise, each of the proxies may exercise half of the Shareholder's votes.
- 6.5 A proxy need not be a shareholder of the Company.
- 6.6 A Proxy Form is enclosed. If you wish to appoint a proxy or proxies you must complete the Proxy Form and deliver it to the Company, together with the power of attorney or other authority (if any) under which it is signed (or a certified copy), **by no later than 2.00 pm on Wednesday, 1 April 2009:**
- 6.6.1 by post:
Pacific Environment Limited
PO Box 5048
Robina, QLD 4230; or
- 6.6.2 by delivery:
Pacific Environment Limited
Space 1,
232 Robina Town Centre Drive
Robina, QLD; or
- 6.6.3 by facsimile:
(07) 5580 8211

7 CORPORATE REPRESENTATIVE

A Shareholder which is a body corporate may appoint an individual as the Shareholder's representative to attend and vote at the Meeting. The representative must bring the formal notice of appointment to the meeting, unless it has previously been provided to the Company.

8 OTHER INFORMATION

Queries in relation to the lodgement of proxies or other matters concerning the Meeting may be directed to the Company Secretary (Telephone: (07) 3833 3872).

9 INTERPRETATION

In this notice of meeting the following expressions have the following meanings:

"ASX" means ASX Limited ACN 008 624 691.

"Board" means the Directors of the Company from time to time acting as a board.

"Company" means Pacific Environment Limited ABN 42 122 919 948.

"Directors" means the directors of the Company.

"Meeting" means the general meeting of Shareholders convened for 3 April 2009 and any adjournment thereof.

"Notice of Meeting" means this notice of meeting.

"Section" means a section of this Explanatory Statement.

"Shares" means fully paid ordinary shares in the capital of the Company.

"Shareholder" means a shareholder of the Company.

PACIFIC ENVIRONMENT LIMITED
ABN 42 122 919 948

**Space 1, 232 Robina Town Centre Drive,
Robina, Qld, Australia**

**Telephone: (07) 5656 9800
Fax: (07) 5580 8211**

PROXY FORM

I/We _____

of _____

being a shareholder/(s) of Pacific Environment Limited ("**the Company**") and entitled to

_____ shares in the Company hereby appoint _____

of _____

or failing him/her _____

of _____

or failing him/her the Chairman as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to be held at the offices of AMMA Private Investment Pty Ltd, Level 2, 1 Lawson Street, Southport, Queensland on Friday, 3 April 2009 at 2.00 pm (Queensland time) and at any adjournment thereof in respect of _____ of my/our shares or, failing any number being specified, **ALL** of my/our shares in the Company.

If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is [] %.
(The Company on request will supply an additional proxy form.)

If you wish to indicate how your proxy is to vote, please tick the appropriate boxes below.

If no directions are given, the Proxy may vote as the Proxy thinks fit or may abstain. By signing this appointment you acknowledge that the Proxy (whether voting in accordance with your directions or voting in their discretion under an undirected Proxy) may exercise your proxy even if he/she has an interest in the outcome of the resolution and even if votes cast by him/her other than as proxy holder will be disregarded because of that interest. However, if the Proxy you appoint is excluded from voting on a resolution and you do not direct the Proxy how to vote on that resolution, your vote will also be excluded.

The chairman of the meeting intends to vote undirected proxies in favour of all proposed resolutions.

[Continued on reverse side]

I/we direct my/our proxy to vote as indicated below:

RESOLUTION

	FOR	AGAINST	ABSTAIN
1. Ratify issue of options – TJ & RA Butler (Agenda Item 1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Ratify issue of shares – CES vendors (Agenda item 2)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Ratify issue of shares and options – private placements (Agenda item 3)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approve issue of up to 10,000,000 shares and 10,000,000 options (Agenda item 4)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

As witness my/our hand/s this _____ day of _____ 2009

If a natural person(s):

SIGNED by _____)
_____)

in the presence of:

Witness

Name (Printed)

If a company:

EXECUTED by _____)
_____)
in accordance with its _____)
Constitution _____)

Director

Director/Secretary

Name (Printed)

Name (Printed)

If by power of attorney:

SIGNED for and on behalf of _____)
by _____)
under a Power of Attorney _____)
dated _____ and who declares that he/she has _____)
not received any revocation of such Power of _____)
Attorney in the presence of : _____)

Signature of Attorney

Signature of Witness

[N.B. After completing this Proxy Form please deliver it to the Company in accordance with Section 6.6 of the Explanatory Statement in the accompanying Notice of General Meeting]