



ASX Code: **PHK**

Share Price: **A\$0.18**

52 Week High: **A\$0.24**

52 Week Low: **A\$0.068**

Issued Shares: **425.2m**

Market Cap: **A\$76m**

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PHOSLOCK BLOG on Water
Issues: www.phoslock.com.au

ASX ANNOUNCEMENT

Wednesday 6th September, 2017

PWS increased forecast FY2017/18 Sales

Key Points:

- **Strong sales start to 2017/18**
- **Revised full year sales forecast up 18% to \$22 million**
- **Increased international and Chinese order book**
- **Increased Factory Production and optimisation**

Phoslock Water Solutions Limited (PWS): (ASX: PHK) wishes to advise that the Group has had a strong start to FY2017-18. Based on current sales and expected orders, the Group is revising its forecast sales for Financial Year to 30th June 2018, up 18% to \$22 million.

China Update

PWS now has 40 employees in China, including a team of 15 design, engineering and project execution specialists.

The new Changxing Factory is in production and building capacity. Optimisation procedures are being developed to ensure that further capacity is able to meet larger customer orders.

Chairman Laurence Freedman AM commented: *“The growth of PWS business in China is well beyond our initial expectations. In a matter of months we have in place a skilled design, engineering and project execution team in Beijing working on an array of projects and products. Our new director Mr Zhang Zhigang has already made a most significant contribution to the Chinese business. We shortly will make further changes to the Board in recognition of the substantial corporate developments of the past six months”.*

Sales Update

PWS now has three business units contributing to sales. A breakdown of the forecast \$22 million FY2017/18 sales revenue is:

China Contracting and Remediation – 40%
China Materials – 30%
Sales of Materials ex China – 30%

Existing sales and orders for FY2017-18 currently total \$7.2 million. Most of these orders will be completed by 31 December, 2017.

PWS has four additional projects totaling \$7.0 million, for which contracts or sole sourcing tenders (i.e. ones which require Phoslock exclusively) are to be finalised over the next few months. The Company expects that these projects will become sales in the current financial year.

PWS also has nine projects in advanced stages, valued at \$14 million. Management expects these will convert into contracts, with a meaningful portion of these contracts recorded as sales in this financial year.

The sales of Materials to international customers (excluding China) are forecast to be approx. \$6.5m for FY2017-18, this is 65% higher year on year. This includes sales of \$2 million which are currently under tender. The results of both tenders should be known in the next month, with applications both before and after the northern hemisphere winter.

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ABOUT PHOSLOCK WATER SOLUTIONS LIMITED (PHK)

Phoslock Water Solutions Limited is listed on the Australian Stock Exchange (ASX Code: PHK).

PWS is an engineering and treatment products company for water remediation.

PWS recently formed a new company, Phoslock (Beijing) Environment Engineering Technology Co., Ltd to focus on engineering solutions for water environment projects as well as water remediation products such as Phoslock, zeolites and other solutions. Phoslock Beijing undertakes design, engineering, implementation and use of remediation materials for river, canal and lake projects. This is a significant broadening of the historical PWS business and enables it to undertake a broader array of projects in China and elsewhere, supplying both services and materials.

PWS has a large multi-purpose factory in Changxing, Zhejiang province, China, 150km inland from Shanghai, which manufactures its patented technology, *PHOSLOCK*, along with specialised other water treatment products.

PWS is headquartered in Sydney, Australia with offices in Brisbane, Beijing & Changxing, China and Bremen, Germany. PWS is represented by licensees, distributors and agents in ten other countries including SePRO Corporation in the United States, HidroScience in Brazil and Bentophos across the E.U.

PWS has six marketing and co-operation agreements in China with environmental remediation companies.

For more information about PHOSLOCK Water Solutions and *PHOSLOCK* please visit our websites: www.PHOSLOCK.com.au or www.PHOSLOCK.eu (Spanish, Italian, Dutch and German) or www.PHOSLOCK.com.br (Portuguese) or www.PHOSLOCK.cn (Chinese).

PHOSLOCK BLOG on PHOSLOCK news and current Water Issues – see www.PHOSLOCK.com.au and look for PHOSLOCK BLOG icon in top right corner of the Home Page.

ABOUT *PHOSLOCK* – the Product

PWS produces *PHOSLOCK*, a patented technology developed by the Commonwealth Scientific and Industrial Research Organisation (“CSIRO”). PHK has lodged a subsequent patent application to extend and protect the core *PHOSLOCK* technology which is in an advanced stage of being granted in some 50 countries.

PHOSLOCK is a unique water treatment product that permanently binds phosphorus in water bodies such as lakes and dams. It provides a protective permeable layer to sediments, permanently preventing the re-release of phosphorus.

Retention of phosphorus reduces the level of algae by depriving it of nutrients. This in turn improves water quality, both for human use and aquatic life as well as preventing and controlling Harmful Algal Blooms (HAB).

While *PHOSLOCK* is primarily used as an in-water solution for lakes, drinking water reservoirs and other recreational water bodies, it is also used as a preventative product to absorb phosphorus before it enters water bodies by being applied in storm water basins and inflow channels, rivers and canals.

PHOSLOCK is a certified NSF/ANSI Standard 60 product - North American Drinking Water (see websites ansi.org and scc.ca). This certification enables *PHOSLOCK* to be applied to water bodies used for human consumption in the USA and Canada



PHOSLOCK has been certified by the Chinese Research Academy of Environmental Sciences (CRAES). *PHOSLOCK* is classified as a general environmental substance which is neither hazardous nor harmful to the environment.



PHOSLOCK has been used on many high profile water bodies in Europe/UK, North America and Australia. To date over 300 initial and follow-up applications have been successfully made.

Over 50 peer reviewed scientific and technical papers have been published on *PHOSLOCK* in leading scientific journals. For access: www.PHOSLOCK.com.au