



ASX Code: **PHK**

Share Price: **A\$0.40**

52 Week High: **A\$0.415**

52 Week Low: **A\$0.17**

Issued Shares: **497.1m***
[After Placement]

Market Cap: **A\$198M**

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PHK BLOG on Water Issues:

www.phoslock.com.au

ASX ANNOUNCEMENT

Wednesday 4th July, 2018

Capital Raising heavily oversubscribed: \$5.5 million raised

Key Points:

- **\$5.5 million raised from Australian and overseas institutions and sophisticated investors**
- **Funds to provide working capital for the expansion of rapidly growing Chinese business**
- **PWS Beijing starts FY18/19 with \$12m work already in progress**

Phoslock Water Solutions (ASX: PHK) is pleased to advise shareholders that it has raised \$5.5 million (before costs) pursuant to a share placement of 15.3 million fully paid ordinary shares at an issue price of 36 cents per share to institutional and sophisticated investors in Australia and overseas.

Demand for the share placement was very strong, resulting in substantial cutbacks. In accordance with the ASX Listing Rules, 15.3 million shares will be issued under the Company's 15% placement capacity.

The funds raised will be used to fund the Company's rapidly growing China business. In the first 12 months of operation, China has generated over \$20m of sales contracts, with roughly half completed in FY17/18, with the balance to be completed in current Financial Year.

The expanded capital enables the Company to bid on more and larger contracts.

The placement shares are expected to be issued on Friday 13th July, 2017. These shares will rank equally with the Company's existing fully paid ordinary shares, bringing the total issued capital to 497.1m only a 3.1% increase.

Chairman, Mr Laurence Freedman AM, said:

"This placement provides us with additional working capital to further expand the China business and to undertake more and even larger projects. We have significant work in hand and are tendering for more projects and our pipeline is growing.

I look forward to providing further positive news in the near future"

Mr Laurence Freedman, AM
Chairman

Mr Robert Schuitema
Managing Director

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PHOSLOCK WATER SOLUTIONS LIMITED

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

Phoslock Water Solutions Limited (ASX: PHK) is an international environmental company specialising in engineering solutions and water treatment products to remediate impaired lakes, rivers, canals and drinking water reservoirs.

Phoslock Water Solutions Ltd (PWS) has its headquarters in Sydney, Australia with offices in Brisbane, Beijing & Changxing, China; and Manchester, UK. PWS is represented by licensees, distributors and agents in ten other countries including SePRO Corporation in the United States and HidroScience in Brazil. PWS has a number of marketing and co-operation agreements in China with various environmental companies and government agencies.

With the massive water remediation market in China, in 2017 Phoslock (Beijing) was formed. Our 100% owned subsidiary undertakes design, engineering, and implementation using remediation materials for rivers, canals, reservoirs and lakes along with construction of wetland areas. This is a significant broadening of the historical PWS business and enables it to undertake a greater array of projects in China and elsewhere, supplying both services and materials.

PWS owns the patent for *PHOSLOCK*; a unique water treatment product that permanently binds excess phosphorus in the water column and sediments. This in turn inhibits the growth of Harmful Algal Blooms (HAB) that lead to detrimental effects to both aquatic and human life.

Along with *PHOSLOCK*, PWS also supplies:

- 1) Zeolites - a porous, natural material that can be applied to heavily polluted water to absorb nutrients such as nitrogen. Nitrogen is another important food source for the growth of harmful algae; and
- 2) Bacteria. - Certain types of bacteria can break down contaminants and organic matter that pollute water and cause human and water borne diseases.

PWS has a large multi-purpose factory in Changxing, Zhejiang province, China, 150km inland from Shanghai, which manufactures its patented technology, *PHOSLOCK*, along with nutrient binding materials (zeolites) and biological solutions (such as nutrient consuming bacteria).

For more information on the company, recent news, and blogs please visit our website: **www.PHOSLOCK.com.au**