

ASX ANNOUNCEMENT

Monday 19th August, 2019

PET ACQUIRES EXCLUSIVE GLOBAL RIGHTS TO REUSABLE WATER REMEDIATION PRODUCT

Key points:

- PET has secured the exclusive global license for a phosphorus removal product in moving water;
- The Product is UNIQUE as it can be reused up to ten times;
- Removed phosphorus is recovered, to then be reused in fertiliser.
- PET now has two phosphorus absorption products in different segments of the global water remediation market.

Share Price: **A\$1.33**

52 Week High: **A\$1.60**

52 Week Low: **A\$0.32**

Issued Shares: **552.7m**

Market Cap: **A\$735m**

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PHK BLOG on Water Issues:

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Phoslock Environmental Technologies Limited (ASX: PET) is pleased to advise that it has completed an exclusive global licence to manufacture, sell and distribute a unique product which, after removing phosphorus from polluted water, can be reused.

The technology has been developed by a leading overseas university, which has a specialist water science faculty. The university will receive royalties from product sales. The agreement is Commercial in Confidence.



Submersible, Permeable Bag Containing Reusable Product.

THIS IS AN ADJUNCT TO PHOSLOCK®, IN THAT HAS WIDESPREAD GLOBAL APPLICATIONS IN RUNNING WATER, WHERE PHOSLOCK® MAY NOT BE OPTIMAL.

Phoslock® permanently and safely locks up phosphorus and remains in the water body as a sediment cap.

The new product is an ideal complement to Phoslock® for environmental restoration by sustainable capture and recycling of phosphorus in running water, using nano chemistry.

PET now has two phosphorus absorption products and can choose the best option for individual projects.

The new product will be used to capture and remove phosphorous, particularly in wetlands, in filter systems and in rivers and canals. It has been shown to be effective in stormwater and agricultural drainage applications with capture rates of up to 80% of phosphorus loads.

PET has established a development team to advance the product to full commercialisation. It is anticipated that commercial quantities of the new product will be available by mid-2020.

PET's core product, Phoslock®, will continue to be used for treatment of large water bodies requiring rapid remediation and permanent lock-up of phosphorous. The new product can be used for river and canal inflows to lakes, as well as in smaller lakes and ponds as a slower remediation strategy. Its high capacity and selectivity make it ideal for treating in-place applications, and is uniquely reusable up to ten times.

The process uses permeable bags which, as water flows through, nanoparticles ensure rapid uptake of phosphorus. On removing the bag from the water, a process enables the captured phosphorous to be removed, and can be on-sold as a slow release fertiliser. In the treatment, there is no leaching or loss of captured phosphorus, even under extreme environmental conditions.

Chairman Laurence Freedman AM commented:

"PET is already a major global player in phosphorus absorption, operating in some 20 countries, using our core product, Phoslock®. Now, having a reusable and recyclable product complements and adds to the applications we can execute. The new product will be a source of additional revenue for PET, as the removed phosphorous can be used to produce a slow release fertiliser".

"The world is awash with excess phosphates in lakes, reservoirs, rivers stormwater and agricultural drainage as well as in groundwater, so the Total Addressable Market is enormous and growing, magnified by global warming".

"Having two products with different phosphorus absorption mechanisms is a significant enhancement to PET's operational capabilities".

Mr. Laurence Freedman AM
Chairman

Mr. Robert Schuitema
Managing Director

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PHOSLOCK ENVIRONMENTAL TECHNOLOGIES LIMITED (PET)

Phoslock Environmental Technologies Limited is listed on the Australian Stock Exchange (ASX Code: PET). PET is included in the ASX All Ordinaries Index.

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

PET has its headquarters in Sydney, Australia with offices in Brisbane, Beijing, Changxing, and Yuxi China; and Manchester, UK. PET is represented by licensees, distributors and agents in ten other countries including SePRO Corporation in the United States and HidroScience in Brazil. PET 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 PET (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 PET business and enables us to undertake a greater array of projects in China and elsewhere, supplying both services and materials.

PET owns the patent for *Phoslock*®, a unique water treatment product which 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 for both aquatic and human life.

Along with *Phoslock*®, PET also supplies:

- 1) Zeolites - a porous, natural material that can be applied to heavily polluted water to absorb nutrients such as nitrogen. As with phosphorus, 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 which pollute water and cause water borne diseases.

PET 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).

The Changxing Factory has recently obtained three important certifications, from TUV Rhineland, a major European testing agency:

- ISO 900: Quality Control and Documentation of all procedures meets International Standards;
- ISO 14000: Environmental Management Standards Certification;
- OSHA 18000: Health and Safety Management Systems

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