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30 April 2019

ASX Announcements

4th Floor

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Dear Sir,

Appendix 4C and Market Update

Please find attached the Company's Appendix 4C for the March 2019 quarter. Necessary explanations as to cashflow movements are contained within.

By way of market update on activities, Purifloh Limited ("PO3" or "Company") is pleased to advise that technical progress and commercial engagement continue with encouraging progress. Following the previously stated position of the Company, it will continue its policy of releasing announcements that are substantive in nature, though provides the following by way of an update:

1. Tuberculosis Bacteria ("TB") trials in India

Trials to test the ability of the Company's FRG product to eliminate airborne TB bacteria remain ongoing, though as previously reported there have been certain delays. As the initial trials progressed it became obvious that the environment at the Government General Hospital made meaningful testing very difficult, including:

- A well ventilated ward dominated by airborne contaminants, including substantial airborne mould; and
- Patients on the ward being near the end of their treatment, hence being relatively healthy and not emitting high levels of TB bacteria into the environment.

Modifications to testing protocols to better isolate airborne TB did not provide suitable baseline data, but did succeed in:

- Isolating a level of airborne TB that was present; and
- Killing airborne mould that was present.

Trials are now moving to the Bhaskar Medical College, which was in the original trial scope. Conditions at Bhaskar will be more suitable for testing as they include an enclosed environment, controlled ventilation and early stage highly infectious patients. We expect these tests to provide the baseline data required prior to commencing trials utilizing the FRG. The Company has no reason to alter its previously stated expectations from these tests.

2. Air Purification Systems

Ongoing engagement with Original Equipment Manufacturers ("OEM") continues to intensify at numerous levels with senior management involved under the active involvement and guidance of Company Director, Mr Bill Parfet, whose strong contacts are proving invaluable. The Company has targeted OEMs with strong brand recognition and global distribution.

These organizations require extensive evaluation of the technology to fully understand key criteria such as performance, clean air delivery rates, safety, waste emissions, cost and competitive position. PurifloH is actively assisting these tests as they are a critical requirement in bringing the product to market through partnerships with global leaders.

The depth of the OEM trials in the USA may well supersede trials planned within Australia, and may provide superior outcomes more closely aligned with commercial requirements of US based customers. The company is pleased with the demonstrated performance of the FRG systems through the intensity of these OEM trials and with the positive feedback and responses that have been received.

In addition, the Company has commenced detailed discussions for FRG based treatment systems to be integrated into Australian commercial sites. Engineering design and analysis is being undertaken at present. PurifloH has engaged the services of a Somnio engineer who has recently relocated to Melbourne and will assist with design work as well as research and development within Australia on specific opportunities identified by the Company.

Commercial confidentiality of these discussions is clearly important and the Company will disclose relevant details as soon as appropriate.

3. Recreational Water Treatment

PurifloH has set up a testwork pool in the Detroit facilities of the Company's technical service provider, Somnio Global. The on site pool and all associated systems are working well, with optimization now underway on all operating parameters, notably:

- Production levels of the Reactive Oxygen Species ("ROS") from the FRG;
- Mixing efficiency of ROS with the water;
- Efficacy; and
- Minimisation of chlorine levels.

A further system is also operating in parallel to the primary unit, designed to confirm reliability of components in operating conditions.

This trial program is designed to replicate real world operating conditions and to provide potential industry partners a comprehensive demonstration of the advantages of the FRG based system. The trials themselves will be conducted in accordance with NSF International methodology for the treatment of recreational water and will include the initial introduction of and then removal and destruction of contaminants as required for Certification. NSF International is an accredited, independent third-party certification body that tests and certifies products to verify they meet defined public health and safety standards.

The Company's target customers will again be pool equipment OEMs and as the trials progress engagement with the OEM's will commence. This is anticipated in the 3rd quarter this year. The full pool system set up in Somnio's facility provides the opportunity to:

- provide performance data; and
- demonstrate the system in realistic operating conditions.

Outcomes of current testwork should be:

- a high level and reliable production of ROS, including ozone;
- scalability across different pool sizes; and
- competitive pricing.

PurifLOH remains very positive that the FRG based water treatment system for swimming pools provides a strong commercial market opportunity. Traction received in, and consequent focus on the air purification sector, has resulted in the timing of sales in recreational water possibly being slightly behind the originally reported schedule.

The Company is looking forward to this series of trials demonstrating the ability of the system to operate across a variety of operating conditions.

4. Other

The Company also notes the almost daily commentary on new bacteria and fungi strains that are emerging, becoming more resistant to anti bacterial drugs and killing people, particularly those with weakened immune systems. PurifLOH plans to commence further work on proving that we can destroy these bacteria and fungi to continue to build the evidence for the necessity of the use of the FRG system and its production of ROS, within both the household and all medical environments.

We regularly post updates on our website at www.purifloh.com of articles of interest.

End

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