



ASX Code: **PHK**

Share Price: **A\$0.052**

52 Week High: **A\$0.065**

52 Week Low: **A\$0.025**

Issued Shares: **239.6m**

Market Cap: **A12.5m**

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# ASX ANNOUNCEMENT

Friday 30<sup>th</sup> January, 2015

## Business Update

### Key Points:

- **Significant progress made on large potential projects in South America, Canada, Europe & Asia**
- **Orders and near term projects total approx. \$800,000**
- **Cash flow break even for the quarter**

## Business Update

During the December quarter, Phoslock Water Solutions Limited (ASX:PHK) completed a number of projects in Europe, United States, Canada and Australia. Significant progress was made during the quarter on a number of large projects in South America, Canada, Europe & Asia.

PHK and licensees submitted four tenders during the quarter. Two of the tenders have been awarded and two are currently being evaluated. The current value of orders and near term projects is approx. \$800,000. The projects will be completed over the next 3-4 months.

Our manufacturing facility is currently undertaking a large production run to meet both current and anticipated orders.

Cash receipts for the quarter were \$424,000. Net operating cashflow for the quarter was break even.

## Europe

Several applications of Phoslock took place in Germany and the Netherlands during the quarter. New orders were also received by Phoslock Europe's specialist retail distributors. Phoslock Europe and Bentophos (PHK's licensee for Germany) continue to work on a number of large-scale applications, expected to take place during 2015.

Five Phoslock related presentations have been accepted at a special session on Lake Restoration at ASLO 2015 (Association for the Sciences of Limnology and Oceanology) in Spain. ASLO is the leading organisation for researchers and educators in the field of aquatic science. The inclusion of so many presentations on Phoslock related topics in a special session at ASLO's Aquatic Sciences Meeting is indicative of the growing interest in Phoslock as a lake restoration tool among leading international scientists.

## **North America**

PHK's licensee for the United States, SePRO Corporation and its network of affiliated application companies completed Phoslock applications in a number of U.S States during the quarter, resulting in new orders in excess of \$250,000.

A marketing visit to Canada was also made prior to PHK's attendance at the Florida North America Lake Management Society conference. A number of projects are scheduled to take place in Canada as soon as lakes are ice-free. The value of these projects in approx. \$250,000.

## **Australia**

PHK completed several smaller applications in Australia during the quarter.

## **Asia and South America**

The Company continues to work on a number of large projects in Asia and South America. Significant progress was made during the quarter. The potential size of these projects is material in both volume of product and monetary value.

## **Manufacturing Facility in China**

PHK's manufacturing facility is currently undertaking a large production run to meet current orders and anticipated orders for larger projects.

## **Financial Commentary**

Cash receipts for the quarter were \$424,000. Net operating cashflow for the quarter was break even.

As at 31 December, 2014 the Company had cash and short term assets totalling approx \$800,000 of which \$209,000 was cash.

The Annual General Meeting on 27 November, 2014 approved the conversion of \$750,000 of loans from PHK Directors into Convertible Notes due 30 June 2016.

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## ABOUT PHOSLOCK WATER SOLUTIONS LIMITED (PHK)

PHK produces *Phoslock*, a technology developed by the Australian government scientific body CSIRO. Phoslock removes phosphorus and harmful contaminants and has been applied in over 250 water bodies and used in over 20 countries since it was commercialised in 2005.

PHK is headquartered in Sydney, Australia and has offices in Brisbane, Sichuan, China and European Operations (covering Europe, Central & South America) near Bremen, northern Germany. PHK is represented by licensees and agents in ten other countries including SePRO Corporation in the United States.

*Phoslock* is a certified NSF/ANSI Standard 60 product - North American Drinking Water (see websites [ansi.org](http://ansi.org) and [scc.ca](http://scc.ca)).



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

For more information about Phoslock Water Solutions and *Phoslock* please visit [www.phoslock.com.au](http://www.phoslock.com.au) or [www.phoslock.eu](http://www.phoslock.eu) (Spanish, Italian, Dutch and German) or [www.phoslock.com.br](http://www.phoslock.com.br) (Portuguese) or [www.phoslock.com.cn](http://www.phoslock.com.cn) (Chinese)

## ABOUT PHOSLOCK – the Product

*Phoslock* is a unique water treatment product that binds phosphorus from a water body and provides a protective permeable layer to sediments preventing the re-release of phosphorus. Retention of phosphorus deprives algae of nutrients, which improves water quality for human use and aquatic life as well as preventing and controlling Harmful Algal Blooms (HAB).

*Phoslock* is primarily used as an in water solution for lakes, drinking water reservoirs and other high value recreational water bodies. It is also used as a preventative product to absorb phosphorus before it is transported into water bodies by being applied in storm water basins and inflow channels, rivers and canals.

*Phoslock* is approved for use in North American Drinking Water Reservoirs via NSF/ANSI Standard 60 Certification. This certifies that *Phoslock* is safe for use in drinking water.

*Phoslock* has been used on a number of high profile water bodies in Europe/UK, North America and Australia.

Over 25 peer reviewed technical papers, authored by leading academics, have been published in leading scientific journals on *Phoslock*.