



ASX Code: **PHK**

Share Price: **A\$0.080**

52 Week High: **A\$0.095**

52 Week Low: **A\$0.022**

Issued Shares: **268.9m**

Market Cap: **A\$21.5m**

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[www.phoslock.com.cn](http://www.phoslock.com.cn)

Phoslock BLOG on Water Issues:  
[www.phoslock.com.au](http://www.phoslock.com.au)

# ASX ANNOUNCEMENT

Friday 15<sup>th</sup> April 2016

## Intention to convert outstanding Convertible Notes by Financial Year end

### Key Points:

- **Immediate Balance Sheet improvement**
- **Reduced interest expense**

**Phoslock Water Solutions Limited (ASX: PHK)** wishes to confirm the Company has received two notices of intention to convert both outstanding Convertible Notes held by Link Traders (Aust.) Pty Ltd and Sail Ahead Pty Ltd.

The \$2.05 million notes mature on 30<sup>th</sup> June 2016. The Company has received notices to convert all the notes into PHK shares. The notes were issued in 2013 and 2014 and will result in approx. 47 million new shares being issued.

The immediate impact of this will be the removal of the majority of outstanding liabilities from the PHK Balance Sheet. Apart from the gearing improvement, the Company will also benefit from a reduced interest expense from the start of the Financial Year 2016/17.

**The Convertible Notes are currently held by related parties of PHK, and represent \$2.05 million in unsecured liabilities for the Company.**

Chairman Laurence Freedman AM, commented: "With the substantial changes taking place, including a growing pipeline, increasing sales in Europe, the USA and South America, coupled with the major push into China there has been increasing investor focus on the Company's balance sheet. Accordingly both Link and Sail Ahead have lodged their intention to convert their notes into shares by 30<sup>th</sup> June 2016. This will remove \$2.05 million of liabilities from the balance sheet, the interest rate burden and, clarifies shareholder queries"

**For more information please contact:**

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Chairman  
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**Mr Robert Schuitema**  
Managing Director  
Phone: 8014 7611

## PHOSLOCK WATER SOLUTIONS LIMITED (PHK)

PHK produces *Phoslock*, a patented technology which was developed by the Commonwealth Scientific and Industrial Research Organisation (“CSIRO”). PHK has lodged a subsequent patent application to protect the core Phoslock technology which is in an advanced stage of being granted in approx. 50 countries, with the intention of extending the core *Phoslock* technology to 2033.

PHK is headquartered in Sydney, Australia and has offices in Brisbane, Shanghai & Sichuan, China and Bremen, Germany covering Europe and South America. PHK is represented by licensees, distributors and agents in ten other countries including SePRO Corporation ([www.sepro.com](http://www.sepro.com)) in the United States.

PHK recently signed an agreement with the Shenzhen Stock Exchange listed Xingyuan Environmental Technology Co Ltd, ([www.xingyuan.com](http://www.xingyuan.com)) which covers working jointly on lake, river and canal remediation projects across China.



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

For more information about Phoslock Water Solutions and *Phoslock* please visit our websites: [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).

**Phoslock BLOG** on Phoslock news and current Water Issues – see [www.phoslock.com.au](http://www.phoslock.com.au) and look for Phoslock BLOG icon in top right corner of the Home Page.

## ABOUT PHOSLOCK – the Product

*Phoslock* is a unique water treatment product that 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).

*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 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 many of high profile water bodies in Europe/UK, North America and Australia. To date over 250 initial and follow-up applications have been successfully made.

Over 40 peer reviewed scientific and technical papers, have been published on Phoslock in leading scientific journals. For access: [www.phoslock.com.au](http://www.phoslock.com.au)