



ASX Code: **PHK**

Share Price: **A\$0.07**

52 Week High: **A\$0.095**
52 Week Low: **A\$0.022**

Issued Shares: **362.9m**

Market Cap: **A\$25.4m**

Address:
Suite 403
25 Lime Street
Sydney NSW 2000

Phone: +61 2 8014 7611
Email: enquiries@phoslock.com.au

www.phoslock.com.au
www.phoslock.eu
www.phoslock.com.br
www.phoslock.cn

PHOSLOCK BLOG on Water Issues:
www.phoslock.com.au

ASX ANNOUNCEMENT

Tuesday 28th June 2016

China Business Update

Key Points:

- **New contract signed with Nanjing Zhongke Water**
- **Excellent results from first Canal Project**
- **PHOSLOCK Chinese certification underway**

Sales Contract signed with leading national Environmental Company

Phoslock China has signed a three year 'Frame Sales Contract', covering term, tonnes and price with Nanjing Zhongke Water Environment Co. Ltd (NZW), a leading environmental company with sales and engineering work throughout China. The contract is for three years and covers 2,000 tonnes pa. The anticipated sales revenue under the Contract Period is estimated to be \$15-20m.

Phoslock China will provide engineering expertise with an engineer working in NZW offices, providing assistance in incorporating PHOSLOCK into NZW water projects. Three initial projects have been identified, with work already commenced and initial applications scheduled for July 2016.

NZW specialise in water quality improvement and ecological restoration. The Company's business areas cover urban rivers, water reservoirs, natural lakes, wetlands and landscaping, and farm pollution.

First Canal Project in Major Chinese City shows excellent results.

Phoslock China undertook an important pilot project in Zhejiang province, in a major inner city canal with two applications in two months. Both PHOSLOCK and a nitrogen product were applied to a section of an inner city canal. The pilot project was undertaken on full commercial terms.

The results for the isolated section of the canal showed an 80% reduction in phosphorus (P) and a 55% reduction in ammonia/ nitrogen (N) for the test period. These results lay the foundation for future PHOSLOCK applications to inner city canals, potentially a very large business segment in China.

Sales contracts with other Environmental Companies under negotiation.

Phoslock China has also been approached by several environmental companies with strong regional footprints to access PHOSLOCK for use in their water quality projects. Initial sales contracts are likely to take the form of Frame Agreements specifying tonnes and pricing.

Identification of a suitable pilot project is advancing with Xingyuan Environmental Technology (XE). XE is already looking at using PHOSLOCK in some very large projects that they are currently working on.

Chinese Certification of PHOSLOCK

To increase the acceptances of PHOSLOCK in the Chinese market and particularly government contracts, PHK and Phoslock China have embarked on securing additional certifications from Chinese technical agencies. Work is currently being undertaken on these additional certifications.



Signing Ceremony for Frame Sales Agreement with Nanjing Zhongke Water (I-R) Mr Robert Schuitema; Managing Director, Phoslock Mr Ma; Managing Director, Nanjing Zhongke Water

For more information please contact:

Mr. Laurence Freedman AM
Chairman
Phone: 8999 1999

Mr. Robert Schuitema
Managing Director
Phone: 8014 7611

Michael Kotowicz
Wentworth Place Group
Phone: 0416 233 145

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 in the United States and HidroScience in Brazil.

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

PHOSLOCK is a certified NSF/ANSI Standard 60 product - North American Drinking Water (see websites ansi.org and scc.ca). This certification enables PHOSLOCK to be applied to water bodies used for human consumption.



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 or www.PHOSLOCK.eu (Spanish, Italian, Dutch and German) or www.PHOSLOCK.com.br (Portuguese) or www.PHOSLOCK.com.cn (Chinese).

PHOSLOCK BLOG on PHOSLOCK news and current Water Issues – see 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 300 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