

# ASX ANNOUNCEMENT

Friday 17<sup>th</sup> June, 2016

## Conversion of PHK Convertible Notes

No Net Debt = Strong Balance Sheet

Phoslock Water Solutions Limited (ASX Code: PHK) wishes to advise that \$1.4m of the \$2.05m Convertible Notes have been exercised. Accordingly, 32.9 million new fully paid ordinary shares have been issued.

Companies associated with the Chairman had intended to exercise all Convertible Notes but on legal advice is limited to \$1.15 million by the takeover provisions under the Corporations Act 2001(Cth). It is intended that the remaining \$650,000 be extended for 12 months on the same terms. A General Meeting to approve this will be held in August.

Over the past few months the Company has significantly improved its Balance Sheet; a Share Placement and Share Purchase Plan raised a net \$4.1million. The conversion of the majority of the Convertible Notes and repayment of the final \$161,000 Lind Convertible Security in cash results in the Company entering the new Financial Year in its strongest ever financial position, with no net debt.

Chairman Laurence Freedman AM commented: "Phoslock continues to track the path to commerciality we set two years ago. Growing overseas large applications, particularly in Brazil, plus new opportunities in China, made the decision to convert the Notes simple. These Notes were held by companies associated with me and Robert Schuitema, our Managing Director. We are reinforcing our ongoing commitment and enthusiasm for the future. The Company is now in its strongest ever financial position and is primed for growth"

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ASX Code: **PHK**

Share Price: **A\$0.074**

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

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

Issued Shares: **344.0m**

Market Cap: **A\$25.5M**

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

PHK BLOG on Water Issues:

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

## 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 until 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 and HidroScience in Brazil.

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* 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)). This certification enables *PHOSLOCK* to be applied to water bodies used for human consumption.



**Phoslock Water Solutions Limited 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)