



ASX ANNOUNCEMENT

Tuesday 1st October 2019

New 30km² East Lake (Donghu) project in Wuhan City, the capital of Hubei Province, China

Phoslock Environmental Technologies (ASX: PET) is pleased to advise that it has signed a contract to commence work applying *Phoslock*[®] to the East Lake, China's second biggest downtown lake, Wuhan City, a 3,362-hectare lake in Yangtze River Basin in Central China. The specific details relating to the contract are subject to a confidentiality agreement.

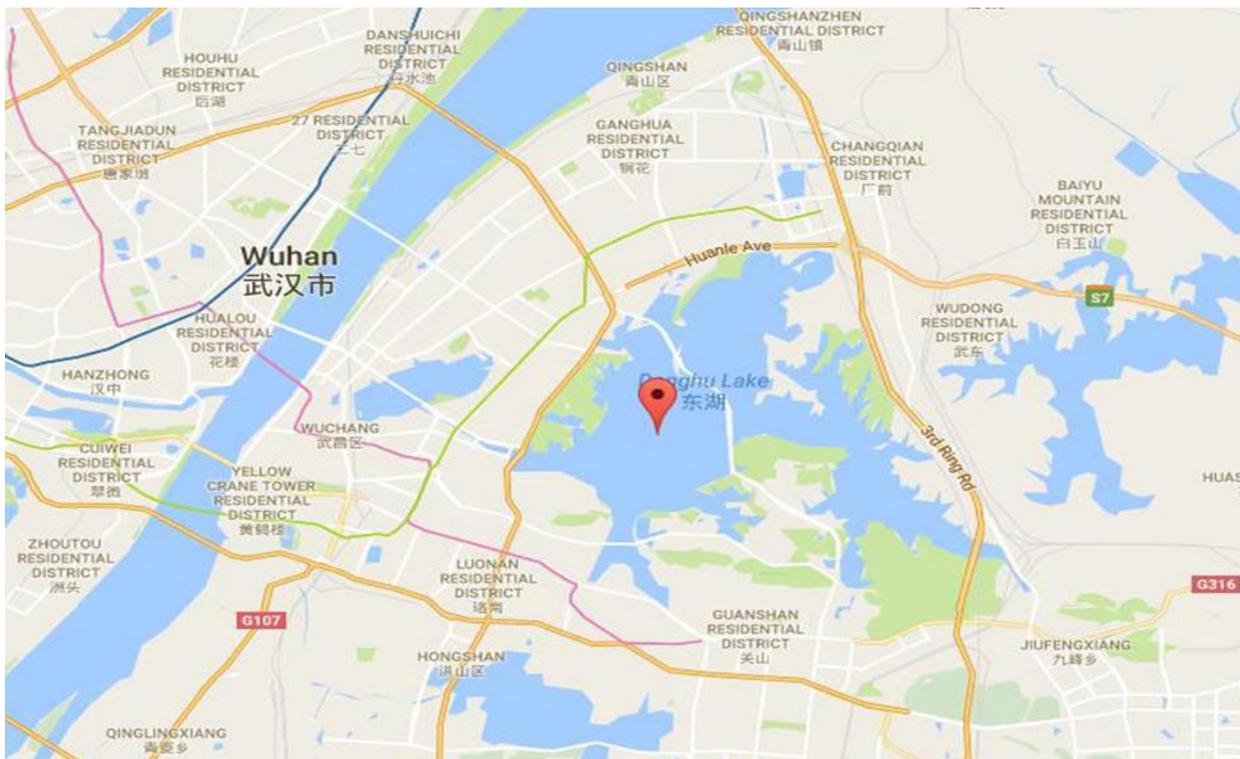
This new project will be an important application, **opening a new field of ecological restoration of the eco-environmental protection in the Yangtze River Economic Belt in China. The Wuhan City's lakes area is vast, with 68 lakes larger than 100 hectares**, most of which are grade 5 (very poor) or worse in water quality.

ASX Code: **PET**
 Share Price: **A\$1.31**
 52 Week High: **A\$1.60**
 52 Week Low: **A\$0.32**
 Issued Shares: **562.7m**
 Market Cap: **A\$737m**

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



The East Lake (Donghu) in Wuhan City, the capital of Hubei Province, China

There are significant opportunities for treating other lakes in this area. This project involves a large lake where a portion of this lake will be barriered off and *Phoslock*[®] will be applied to this area. The Company is also progressing other new projects detailed in the 23 August 2019 business update. More information will be advised when contracts are formally signed.

Chairman Laurence Freedman AM stated: *"I am, once again, delighted to be announcing yet another new program, in a new area for us in China.*

This province alone is likely to provide the Group with many years of Phoslock[®] remediation works. We are also achieving breakthrough results in the development of new products, particularly for applications in running water and in-ground wetlands.

I must congratulate the outstanding - and growing- Chinese technical, engineering and management teams, led by our two directors, Mr Zhang and Mr Ma.

I look forward to adding to the progress of our International businesses in the near future."

Mr Laurence Freedman AM

Chairman

Mr Robert Schuitema

Managing Director

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PHOSLOCK ENVIRONMENTAL TECHNOLOGIES LIMITED (PET)

Phoslock Environmental Technologies Limited is listed on the Australian Stock Exchange (ASX Code: PET).

Phoslock Environmental Technologies Limited (ASX: PET) is an international environmental company specialising in engineering solutions and water treatment products to remediate polluted lakes, rivers, canals and drinking water reservoirs.

PET has its headquarters in Sydney, Australia with offices in Brisbane, Beijing & Changxing, China; and Manchester, UK. PET is represented by licensees, distributors and agents in ten other countries including SePRO Corporation in the United States and HidroScience in Brazil. PET has a number of marketing and co-operation agreements in China with various environmental companies and government agencies.

In 2017 Phoslock (Beijing) was formed to help remediate the massive Chinese algae and water pollution problem. This 100% owned subsidiary undertakes design, engineering, and implementation of rivers, canals, reservoirs and lakes, along with construction of wetland areas. The significant broadening of the historical PET business allows for work on a greatly increased array of projects both in China and elsewhere.

PET owns the patent for Phoslock[®], a unique water treatment product that permanently binds excess phosphorus in the water column and sediments. This in turn inhibits the growth of Harmful Algal Blooms (HAB) that lead to detrimental effects to both aquatic and human life.

Phoslock[®] is certified to be used in drinking water in North America, Europe, UK, Brazil, Australia and China.

Along with Phoslock[®] PET also supplies:

- 1) Zeolites - a porous, natural material that can be applied to heavily polluted water to absorb nutrients such as nitrogen. Nitrogen is an important food source for the growth of harmful algae.
- 2) Bacteria. - Specialised types of bacteria can break down contaminants and organic matter that pollute water and cause human and water-borne diseases.

PET has a large multi-purpose factory in Changxing, Zhejiang province, China, 150km inland from Shanghai, which manufactures its patented technology, Phoslock[®], along with nutrient binding materials zeolites and bacteria. It also has an engineering and physical water management division.

The Changxing Factory recently received ISO accreditation from TUV Rheinland, a German engineering accreditation agency for:

ISO 9001 – Quality Control and Documentation Certification;
ISO 14000 – Environmental Management Standards Certification; and
OSHA 18000 - Health and Safety Management Systems.

PET has secured the exclusive global licence to manufacture, sell and distribute a unique new product which, after removing phosphorus from polluted water, can be reused. PET has established a development team to advance the product to full commercialisation. It is anticipated that commercial quantities of the new product will be available by mid-2020.

For more information on the company, recent news and blogs, please visit our website:
www.PHOSLOCK.com.au