



Phoslock Water Solutions Ltd.
ABN 88 099 555 290



ASX ANNOUNCEMENT

Monday, 15th January, 2007

PWS appointed licensee for WaterSavr Product

PWS has been appointed as the Australian municipal water and catchment authority licensee for the water evaporation saving product, WaterSavr.

WaterSavr is a patented hydrated lime powder with hydroxyl alkanes, which when applied to a water body forms a mono-molecular film over the surface of the water. The film reduces evaporation by 30%-50% for the period in which it is applied. Typically, WaterSavr is applied over the warmer summer months when water evaporation is at its greatest.

WaterSavr is normally applied on a daily basis using an automated spreading machine for large water bodies

WaterSavr has NSF approval for drinking water applications and is environmentally safe.

WaterSavr has been successfully trialled in Australia on several municipal water authority water bodies. The trials achieved greater than 30% reduction in evaporation for the trial period. WaterSavr is also being used in the agricultural and mining industries where companies are saving significant volumes of water from evaporation thus providing additional water for use on farms and mineral processing.

With the current water crisis in Australia, WaterSavr is an ideal product for managers of water storages to significantly reduce the amount of evaporation loss in reservoirs.

The WaterSavr product is a great addition to PWS's product range. Our sales team is already interfacing with the managers of water storages with Phoslock, the environmentally friendly nutrient management product.

For Information on the WaterSavr product, please visit www.flexiblesolutions.com

For more information please contact:

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ASX Code: PHK
Share Price: A\$0.35
Issued Shares: 143.6m
Market Cap: A\$50.3m
Unlisted Options: 30.4m

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