

ASX ANNOUNCEMENT

Monday 6th July 2020

PET continues to diversify with new opportunities in USA, South America, and Europe

Key Points:

- New project sites confirmed in Washington State and New Jersey, USA
- Project extensions in Brazil
- Phoslock® applications proceeding in Italy and Netherlands

Phoslock Environmental Technologies (ASX: PET) today confirm new contracts and project extensions in the USA, South America and Europe which reflect the Company's strategic objective to build a more geographically diversified business.

PET is working with relevant authorities in markets around the world to demonstrate the ability of the Company's proprietary Phoslock® technology to remediate polluted waterways. The technology is certified to be used in drinking water in North America, Europe, Brazil, Australia, and China. With substantial contracts in place in China, the Company is seeking to further develop markets elsewhere.

PET provides the following international business update:

United States

The Company has recently secured arrangements for a new application of Phoslock® in the 240-hectare Kitsap Lake in Washington State. The high levels of eutrophication in Kitsap Lake have been a source of concern to residents since a 2011 study highlighted high levels of toxic cyanobacteria and low rates of water turnover. PET has contracted with the local city officials and AquaTechnex LLC to treat the lake, with application occurring last month.

PET has also been awarded a contract by Princeton Hydro in New Jersey to treat Lake Hopatcong, which is affected by Harmful Algal Blooms (HAB). This initial treatment and work commenced mid-June.

ASX Code: **PET**

Share Price: **A\$0.27**

52 Week High: **A\$1.60**
52 Week Low: **A\$0.27**

Issued Shares: **625.0m**

Market Cap: **A\$169m**

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PHK BLOG on Water Issues:

www.phoslock.com.au

Dr. Fred Lubnow, Director of Aquatic Resources at Princeton Hydro, stated: *“We are expecting the Phoslock treatment to limit the growth of algae and therefore reduce the occurrence of Harmful Algal Blooms in the lake this summer, keeping it open for recreation and business.*

“If this technology is deemed successful and cost-effective in Lake Hopatcong, we could set the precedent for large-scale HABs prevention in other lakes throughout New Jersey, and even across the nation.”

These contracts represent an important opportunity for the Phoslock® technology to be clearly demonstrated in new regions and have the potential to help generate further business in Washington State, New Jersey and other areas of the US, where water quality issues are becoming increasingly apparent and receiving more public and government attention.

South America

In Brazil, PET’s contract to treat Lake Pampulha in the State of Minas Gerais has been renewed for another year. This is the third treatment over the past three years on this lake. The lake is an important local recreation and cultural area.

In Rio De Janeiro, the initial application of Phoslock® to a major drinking water reservoir of the city has been successful and will be followed up with further treatments in the second half of 2020.

Additional treatments are scheduled to take place on drinking water reservoirs in both northern and southern Brazil in the second half of 2020. PET’s Brazilian licensee, Hidroscience, continues to generate increased awareness of the benefits of Phoslock®



Lake Pampulha receiving its third treatment in three years.

Europe

Phoslock® will be applied to a small alpine lake in the Dolomites in Italy and to a lowland lake in the Netherlands in the final quarter of this calendar year.

Positive discussions continue in relation to several other potentially large projects in Europe.

China

In addition to the above international progress the Company continues operating across China with 3 ongoing projects in the Yunnan province and continued maintenance work on the South Beijing canals.

PET Managing Director, Lachlan McKinnon stated:

“Our ability to secure contracts in new regions and new markets is a key pillar of our strategy to diversify the revenue base of the business. We remain strongly committed to growing our business in China, where the technology is becoming increasingly accepted as offering efficacy and environmental benefits that are best-in-class for water remediation. The additional resources we are investing in growth outside of China is now being reflected in a stronger pipeline of new contracts and, over time, will help ensure we have a more balanced spread of revenue generating opportunities. It is also very pleasing to note that these recent applications are ongoing despite the obvious travel restrictions”

This announcement has been approved by the Chairman and Managing Director

Laurence Freedman AM
Chairman

Mr Lachlan McKinnon
Managing Director and CEO

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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 several 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