



Phoslock Water Solutions Ltd.
ABN 88 099 555 290



ASX ANNOUNCEMENT

Tuesday 20th November, 2007.

SALES UPDATE

PWS has recently secured a number of new orders for Phoslock applications.

These orders include a 30 ton application for a West Australian recreational lake which will be treated in early December.

Our Western European licensee has ordered 30 tons for a lake treatment in Germany and expects to secure a further 55 ton lake treatment for application either late this year or early in 2008.

PWS has also recently received its first order from its Hungarian licensee and expects confirmation of a further order from South Africa before the end of the month.

Whilst PWS prefers Phoslock to be used as a prevention tool for water body management, we have entered the summer season in Australia with the level of enquiry and dialogue with water body managers (including major utility managers in three states) at significantly higher levels than last year. PWS remains confident that a number of these prospects will result in the adoption of Phoslock as a large scale eutrophication control measure in conjunction with other control strategies for water management.

In northern China, PWS and its local partners (major private environmental company and top tier university) are finalising its application for a large government funded project to treat a major river system which runs through a city of 10 million people. The undertaking has been classified as a Major Government Project. As detailed in the September quarterly announcement, the application will involve a hybrid product, of Phoslock and other technologies. This is necessary, given the high levels of eutrophication are accompanied by other forms of urban water contamination. Success on this project will open up an enormous market, particularly in the more affluent northern areas of China.

ASX Code: PHK
Share Price: A\$0.245
Issued Shares: 148.3m
Market Cap: A\$36.3m
Unlisted Options: 27.9m

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In North America, our licensee is working with a major lake conservation authority on the application of up to 200 tons to major inflows into a well known eutrophied lake system. This is the first part of a larger application strategy for this water system. Our licensee is also working on two other very large projects in the same vicinity for which government funding has recently been made available.

AQUACULTURE

A number of exciting developments have occurred in this business segment since our last market update. Our Chief Operating Officer and Technical Manager recently returned from South East Asia where a number of high level presentations were made to two of the largest aquaculture companies in the region. PWS has completed initial trials with one customer with outstanding results achieved to date.

Both customers are now undertaking further work to optimise dosage rates and timing of application before committing to commercial sales. The potential market for these two customers alone is very large.

In Australia, an order has been received from a major Queensland prawn farmer to introduce Phoslock in the just commenced growing season. Expected success will lead to further commercial orders for Phoslock in the Australian aquaculture market.

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