



ASX Code: **PHK**

Share Price: **A\$0.032**

52 Week High: **A\$0.073**

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

Issued Shares: **258.9m**

Market Cap: **A\$8.3m**

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Phoslock BLOG on Water Issues:

www.phoslock.com.au

ASX ANNOUNCEMENT

Tuesday 22nd December 2015

Phoslock to open permanent Shanghai sales office with Chinese Strategic Partner

Key Points:

- **Phoslock establishing permanent Shanghai sales office**
- **Share Placement at a premium to Chinese Strategic Partner raising \$400,000**

The Board of Phoslock Water Solutions Limited (ASX:

PHK) is pleased to advise that the Company has reached agreement with a Chinese Strategic Partner to consolidate and grow its Chinese sales & marketing into a permanent, dedicated office in Shanghai, China.

The Chinese partner has also been issued with 10 million PHK shares at 4 cents per share, at a 15% premium to the December VWAP price adding \$400,000 to the Company's working capital.

Although having extensive interests and activities across Mainland China, as Chinese opportunities for PHK have increased, a dedicated, permanent sales presence is required. The new office will consolidate all existing Chinese sales & marketing into Shanghai. The role of the Chinese Partner will be to accelerate the existing sales pipeline and expand sales and marketing across China.

PHK is currently working on five significant projects in China, with application sizes varying from 50-500 tonnes and one very large project.

Chairman Laurence Freedman AM stated: *"This is a highly significant move for the Company and one we have sought for some time. Given the ever increasing focus on both air and water pollution across China, we are confident that having a domestic partner and a permanent office, we will be able to achieve more."*

The arrangement adds to the strategic relationships we have in Europe, the United States and South America. In this case, there are additional benefits to us in that this is the first time we have a partnership arrangement, which means that, PHK is a direct beneficiary of the huge growth potential of our product across China.”

Managing Director Rob Schuitema added: “*Our Chinese Strategic Partner has purchased 10 million PHK shares at 4 cents per share, a 15% premium to the December VWAP price and will be issued 5 million PHK options exercisable at 6 cents per share expiring on 31 December 2017. This adds an additional \$400,000 which is earmarked for the Chinese expansion and working capital.*”

For more information please contact:

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Mr Robert Schuitema
Managing Director
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Mr Michael Kotowicz
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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 to 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 and agents in ten other countries including SePRO Corporation in the United States.

Phoslock is a certified NSF/ANSI Standard 60 product - North American Drinking Water (see websites ansi.org and scc.ca). This certification enables Phoslock to be applied to water bodies used for human consumption.



Phoslock Water Solutions Ltd. 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 or www.phoslock.eu (Spanish, Italian, Dutch and German) or www.phoslock.com.br (Portuguese) or www.phoslock.com.cn (Chinese).

Phoslock BLOG on Phoslock news and current Water Issues – see 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 280 initial and follow-up applications have been successfully undertaken.

Over 30 peer reviewed scientific and technical papers, have been published on Phoslock in leading scientific journals. For access: www.phoslock.com.au