

# ASX ANNOUNCEMENT

**Wednesday 11<sup>th</sup> September 2019**

## Bonus Issue of Shares

On 23<sup>rd</sup> August, 2019 Phoslock Environmental Technologies Limited (ASX: PET) or the “Company” announced a Capital Distribution of 0.5 cents per share. The Company also advised that it had commenced the process of requesting a tax ruling from the Australian Tax Office (ATO) to confirm the tax treatment of the Capital Distribution. In discussions, the ATO indicated that the Capital Distribution would be deemed taxable to shareholders as it would be an unfranked dividend.

The Directors believe that a Bonus Issue of Shares on the ratio of one new share for every 200 PET shares held, will provide an appropriate benefit to shareholders in lieu of the proposed Capital Distribution. No General Meeting of PET will be required for the issue of the Bonus Shares.

**Under the Bonus Issue of Shares, all PET shareholders will receive 1 share for no consideration for every 200 shares held.**

As per the indicative timetable below, the record date for determining entitlements to new shares under the Bonus Issue is 5pm (EST) on Friday 20 September, 2019. Where an entitlement includes a fraction of a new share, the entitlement will be rounded up to the nearest whole number of shares. New shares issued will be fully paid ordinary shares in the Company, ranking equally in all respects with PET’s existing shares on issue.

The indicative timetable for the Issue of Bonus Shares is:

| <b>Event</b>  | <b>Date</b>                            |
|---|--|
| Bonus Issue announced and Appendix 3B lodged                                  | Wednesday 11 September, 2019           |
| Last day for trading of PET Shares on a “cum” Bonus Issue entitlement basis   | Wednesday 18 September, 2019           |
| Start of trading of PET Shares on an “ex” Bonus Issue entitlement basis       | Thursday 19 September, 2019            |
| Time and date to determine entitlements under The Bonus Issue (Record Date)   | Friday 20 September, 2019 at 5pm (EST) |
| Bonus Shares issued to Shareholders of PET (deferred settlement trading ends) | Monday 23 September, 2019              |

Share Price: **A\$1.31**

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

52 Week Low: **A\$0.32**

Issued Shares: **552.7m**

Market Cap: **A\$724m**

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[www.phoslock.com.br](http://www.phoslock.com.br)

[www.phoslock.cn](http://www.phoslock.cn)

PHK BLOG on Water Issues:

[www.phoslock.com.au](http://www.phoslock.com.au)

**Chairman Laurence Freedman AM commented:**

*“We are pleased to announce a bonus issue of shares in lieu of the previously announced capital return. The ATO preliminary advice that the distribution was to be treated as an unfranked dividend was unsatisfactory. The bonus issue of shares is seen as an effective reward to shareholders. The proposed bonus issue will only have a 0.5% dilution, and better achieves our objectives”.*

**Mr Laurence Freedman AM**  
Chairman

**Mr Robert Schuitema**  
Managing Director

***For more information please contact:***

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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<sup>®</sup>, 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<sup>®</sup> is certified to be used in drinking water in North America, Europe, UK, Brazil, Australia and China.**

Along with Phoslock<sup>®</sup> 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<sup>®</sup>, 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](http://www.PHOSLOCK.com.au)**