

Link Traders (Aust) Pty Ltd

ABN 40 002 065 849

Suite 405
25 Lime Street
Sydney NSW 2000

Tel: 02 8235 1111 • Fax: 02 8235 1122

22 January 2007

Australian Stock Exchange Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

Please find attached the Notice of change of interests of substantial holder – Form 604 – required by the Corporations Act 2001 Section 671B for the holding of Link Traders (Aust) Pty Limited and myself.

Yours sincerely



Laurence Freedman

Form 604

Corporations Act
Section 671B

Notice of change of interests of substantial holder

To **Phoslock Water Solutions Limited**
116 Rothschild Avenue
Rosebery Sydney NSW 2018

ABN 88 099 555 290

1. Details of substantial holder (1)

Link Traders (Aust) Pty Ltd
ABN 40 002 065 849

There was a change in the interests of the substantial holder on **19/12/2006**
The previous notice was given to the company on **29/5/2006**
The previous notice was dated **29/5/2006**

2. Previous and present voting power

The total number of votes attached to all voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

| Class of securities (4) | Previous Notice Person's votes | Previous Notice Voting power (5) | Present Notice Person's votes | Present Voting power (5) |
|-----------------------------------|--------------------------------|----------------------------------|-------------------------------|--------------------------|
| Fully Paid Ordinary Shares | 14,513,394 | 11.14% | 17,738,394 | 12.31% |

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

| Date of change | Person whose relevant interest changed | Nature of change (6) | Consideration given in relation to change (7) | Class and number of securities affected | Person's votes affected |
|----------------|--|----------------------|---|---|-------------------------|
| | | | | | |

See Annexure A

4. Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

| Holder of relevant interest | Registered holder of securities | Person entitled to be registered as holder (8) | Nature of relevant interest (6) | Class and number of securities | Person's votes |
|------------------------------------|------------------------------------|--|------------------------------------|------------------------------------|-------------------|
| Link Traders (Aust) Pty Ltd | Link Traders (Aust) Pty Ltd | Link Traders (Aust) Pty Ltd | Power to vote & dispose | 17,225,000 Ordinary shares | 17,225,000 |
| Lotsa Nominees Pty Ltd | Lotsa Nominees Pty Ltd | Lotsa Nominees Pty Ltd | Power to vote & dispose | Ordinary shares 463,394 | 463,394 |
| Laurence S Freedman | Laurence S Freedman | Laurence S Freedman | Power to vote & dispose | 50,000 Ordinary shares | 50,000 |

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

| Name and ACN / ARSN (if applicable) | Nature of Association |
|-------------------------------------|-----------------------|
|-------------------------------------|-----------------------|

None

6. Addresses

The addresses of persons named in this form are:

| Name | Address |
|------------------------------------|--|
| Link Traders (Aust) Pty Ltd | Suite 405, 25 Lime St, Sydney, 2000 |
| Laurence Freedman | Suite 405, 25 Lime St, Sydney, 2000 |
| Lotsa Nominees Pty Ltd | Unit 405, 25 Lime St, Sydney, 2001 |


Signature

Print name

Laurence S. Freedman

capacity Director

Sign here



date 22/1/2007

ANNEXURE A

Page 1

ACQUISITION OF PHOSLOCK WATER SOLUTIONS LTD ORDINARY SHARES

| Name of Relevant Interest | Date of Acquisition | Number of Ordinary Shares Acquired | Consideration (Cash) |
|--|---------------------|------------------------------------|----------------------|
| Link Traders (Aust) Pty Ltd ABN 40 002 065 849 | 29/05/2006 | 14,463,394 | |
| Previous shareholding reported on record with ASX | | | |
| Off Market Sale | 13/06/2006 | -463,394 | -\$85,727.89 |
| Acquisition on ASX | 7/07/2006 | 300,000 | \$45,148.50 |
| Acquisition on ASX | 13/07/2006 | 39,020 | \$5,740.40 |
| Acquisition on ASX | 3/08/2006 | 660,980 | \$102,790.00 |
| Acquisition on ASX | 20/10/2006 | 25,000 | \$4,832.50 |
| Placement | 19/12/2006 | 2,200,000 | \$506,000.00 |
| | | <u>17,225,000</u> | |
| Laurence S Freedman | 29/05/2006 | 50,000 | |
| Previous shareholding reported on record with ASX | | | |
| Lotsa Nominees Pty Ltd | 13/06/2006 | 463,394 | \$85,727.89 |
| Off Market Purchase | | | |

Total Holding
17,738,394

This is Annexure A of 1 page referred to in Form 604 - Notice of change of interests of substantial holder



Laurence S Freedman

Date: 22 January 2007