



ASX Code: **PHK**

Share Price: **A\$0.028**

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

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

Issued Shares: **258.9m**

Market Cap: **A\$7.2m**

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ASX ANNOUNCEMENT

Tuesday 10th November 2015

Phoslock Consortium signs milestone \$10m contract in Brazil

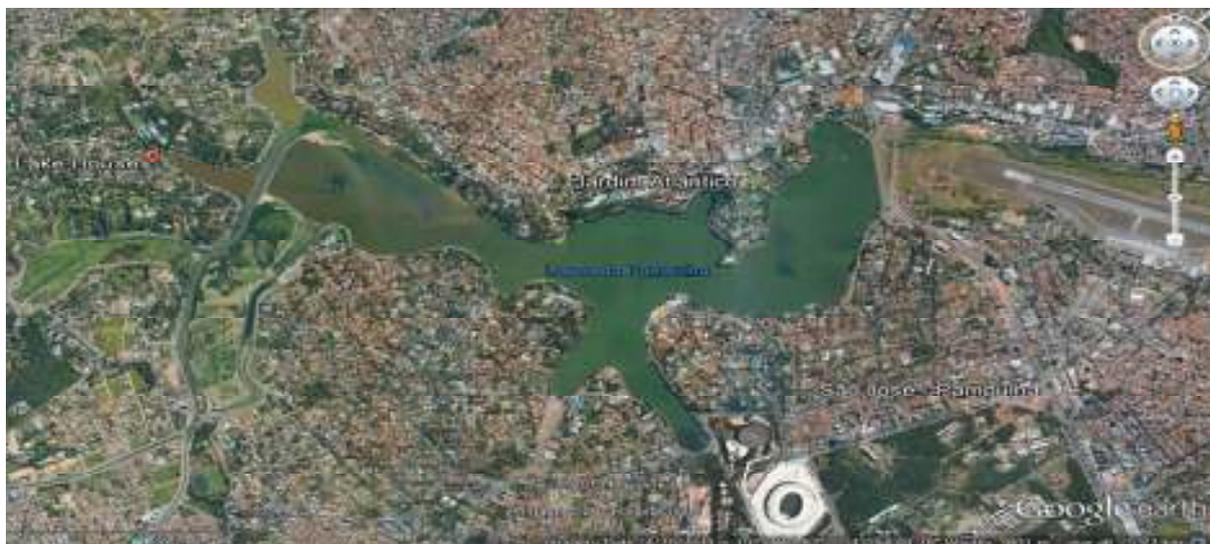
Key Points:

- **Milestone Contract signed for project in Belo Horizonte, Brazil's third largest metropolitan area**
- **Imminent commencement: \$5 million of Phoslock to be applied over a 15-18 month period**
- **Significant progress being made on other major pipeline projects**

Phoslock Water Solutions Limited (ASX: PHK) advises that the Viva Pampulha Consortium, in which Phoslock's Brazilian licensee is a major partner, has formally signed a Brazilian Real 29.5 million (approx. A\$10 million) contract with the City of Belo Horizonte, South Eastern Brazil. The terms of the Consortium's contract are to complete the environmental remediation of Lake Pampulha.

Importantly, Phoslock is the largest component in the Consortium's Environmental Remediation Plan for the 200 hectare lake. Phoslock was chosen after a public tender process which included a detailed technical review of each product/solution offered. Phoslock was judged the best product for remediation of the lake.

Arial view of Lake Pampulha



This contract represents a milestone in Phoslock's corporate evolution.

Chairman, Laurence Freedman AM said – *“It is the Company's largest ever order, bringing together years of work undertaken by the Board and management in converting a pipeline of some 40 projects to meaningful sales and revenue”*.

He added – *“This contract ratifies the Board's decision last year to invest in upgraded manufacturing capacity in Sichuan, China, due to the expectation of higher demand for the product”*.

Phoslock has now been used in six continents, including South America. In 2015 alone, over 27 individual applications have been made to water bodies around the world.

The scope and size of this latest contract, along with the newly installed productive capacity, gives the Company economies of scale as sales increase. The benefits to efficiency, flexibility and cost cannot be understated.

The value to Phoslock for supplying the key component in the Lake Pampulha's clean-up, is approximately AUD\$5 million, subject to currency variations.

The initial application is due to commence within the next three months. Phoslock will be applied over a 15 to 18 month period and is expected to be in excess of 1,200 tonnes.

Mr. Laurence Freedman AM
Chairman

Mr. Robert Schuitema
Managing Director

About Belo Horizonte:

The Belo Horizonte metropolitan area is the third most populous metropolitan area in Brazil – 5.2 million people (2012 census). It is capital of the state of Minas Gerais, Brazil's second most populous state. Belo Horizonte is located approx. 350 km north west from Brazil's capital Rio de Janeiro.

About Lake Pampulha:

Lake Pampulha, (200 hectares) in Belo Horizonte has a long history of pollution, having been used as a dumping ground for urban pollution and sewerage over an extended period. The City has spent over US\$100 million on measures to improve the lake in recent years, including dredging parts of the lake and laying more than 100 km of pipes to connect 4,000 homes to the City's sewerage system.

Lake Pampulha Foreshore



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PHOSLOCK WATER SOLUTIONS LIMITED (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, 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)

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 made.

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