



Phoslock Water Solutions Ltd.
ABN 88 099 555 290



ASX ANNOUNCEMENT
Monday 17th December, 2007.

Sale for Major North American Project

PWS's has secured an initial sale of 45 tons of Phoslock for a major Canadian lake remediation project. The application is scheduled to take place in the northern hemisphere spring and will initially focus on a major inflow canal to this lake. Further orders are expected to follow this initial application.

Currently 15 sewage treatment plants in the lake catchment area are legally permitted to discharge up to 12.5 tons of phosphorus each year (current legislation is seeking to reduce this to 7.5 tons per year). In addition the lake receives approximately 60 tons of phosphorus each year from urban, industrial and agricultural sources. The phosphorus has lead to excessive plant growth in the lake and reduced oxygen, decimating the fish population.

The lake authority has recently secured USD\$12m of federal and state funding to assist in the remediation of the lake and restore it to its former status of one of North America's premier fishing and tourist areas. Approximately half of the USD\$12m funding package has been allocated to phosphorus control which includes the use of Phoslock.

The lake authority is one of dozens in North America which have similar issues within its water bodies. A number of authorities have secured federal and state funding and are in the process of implementing remediation strategies. Phoslock's is being actively marketed as a key component of these strategies.

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ASX Code: PHK
Share Price: A\$0.29
Issued Shares: 150.5m
Market Cap: A\$43.6m
Unlisted Options: 26.2m

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