



Phoslock Water Solutions Ltd.
ABN 88 099 555 290



ASX ANNOUNCEMENT

Monday 6th September, 2010.

Placement of New PWS Shares

The Directors of Phoslock Water Solutions Ltd (PWS) wish to advise that it has completed the placement of 22 million new PWS shares to sophisticated investors (as defined under section 708 (8) or 708 (11) respectively of the *Corporations Act 2001 (Cth)*). The new PWS Shares were placed at 5 cents per share.

The new PWS shares were placed with 16 current PWS shareholders, most of whom comprise the top 20 shareholders of PWS. The company is very appreciative of the ongoing support of its major shareholders.

The funds from the share placement will be used for:

- (i) expand the sales & marketing coverage of the company in Europe, North America and Asia;
- (ii) development of a second water treatment product, which is in its second year of development;
- (iii) working capital for the company.

The Company has reserved an additional 1.5m new PWS shares for an existing institutional PWS shareholder who requires additional time to consider the placement proposal.

The Directors and senior Executives have undertaken to take up to 3 million new PWS shares on the same terms as this placement, subject to approval at the company's AGM in November.

Settlement of the new PWS shares is Thursday 9th September, 2010 and the new shares will be allotted on Monday 13th September, 2010.

For more information please contact Mr Robert Schuitema; Managing Director on (02) 9453 0455

ASX Code: **PHK**
Share Price: **A\$0.06**
Issued Shares: **208.5m**
Market Cap: **A\$12.5m**
Unlisted Options: **5.4m**

[after inclusion of placement shares]

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