



ASX Code: **PET**

Share Price: **A\$0.74**

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

52 Week Low: **A\$0.36**

Issued Shares: **565.0m**

Market Cap: **A\$420m**

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PHK BLOG on Water Issues:

www.phoslock.com.au

ASX ANNOUNCEMENT

Monday 17th February 2020

China update & important new Brazil Project

China Update – Key points:

- Beijing office now back at work
- Government approval to re- start factory
- Production to ramp up over the next month
- Inventory held outside China to last till mid-year
- No treatments in China planned until late March/April and no delays expected; no effect on FY2020 sales guidance

Brazil Project

Through its Brazilian licensee, PET has received a contract from CEDEA, to treat one of Rio de Janeiro city's main drinking reservoirs.

The application has already commenced and will continue for the next three months, with an estimated value of over \$2m.

This is a further instance of a growing number of local and government authorities in a range of countries having full confidence in using Phoslock® in human drinking water reservoirs.

Rio de Janeiro's high profile has generated substantial media coverage of this problem both in Brazil and internationally. Consequently, the application of Phoslock® to this reservoir is likely to lead to similar applications elsewhere in Brazil and in other countries, as this particular problem is widespread.

Chairman Laurence Freedman AM commented:

“With each successful application of Phoslock® in lakes, dams and reservoirs, our ability to dramatically transform heavily polluted waterbodies - even those suffering from eutrophication - adds to increasing global acceptance and demand for our services”

Mr Laurence Freedman AM
Chairman

Mr Robert Schuitema
Managing Director

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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[®], 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[®] is certified to be used in drinking water in North America, Europe, UK, Brazil, Australia and China.

Along with Phoslock[®] 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[®], 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