

ASX ANNOUNCEMENT

Wednesday 5th December, 2018

PET Board Changes: Deputy Chairman and New Director

Chairman Laurence Freedman AM has today announced that the Board of Phoslock has appointed Mr Zhigang Zhang to the role of Deputy Chairman. Mr Zhang has been fundamental to the success of PET's expansion into China and is a core member of the Group also driving international sales.

The Company is also pleased to welcome Mr Ningping Ma to the PET Board. Mr Ma is an environmental engineer with over 25 years practical experience. He is a senior Executive of Beijing Enterprises Water Group (BEWG) – see below. Mr Ma, as part of his responsibilities with BEWG, oversees commercial operations for the Group. His expertise in this area will be invaluable as the Company looks to broaden its footprint beyond the current North East China region.

Chairman, Mr Laurence Freedman AM welcomed the new appointment: *“I am delighted to welcome Mr Ma to the Board. He is already a large shareholder in his own right, owning 5.3 million shares directly. I welcome his vast experience and expertise in a broad range of Chinese water management areas”.*

Deputy Chairman Mr Zhang stated: “The enormous opportunity of PET in China creates the need for more senior Chinese expertise on the Board. I welcome Mr Ma’s appointment, having worked closely with him for over 20 years. We are examining a number of large opportunities across China and I am confident Mr Ma will assist the Company securing new projects”.

Mr Ningping Ma has more than 25 years of practical experience in the environmental industry. A brief career overview is listed below:

Mr Ma started his career as technical engineer in Beijing Chaoyang Environmental Protection Bureau. Mr Ma was one of the founders of Beijing Herocan Environmental Engineering Technology Co., Ltd. In 1998, as Deputy General Manager he was responsible for the day-to-day management of the company. Mr Ma was part of the senior management team that transformed the company from a team of 4 people to over 1,000 employees with offices in China, Hong Kong and Singapore and assets worth more than \$500 million.

Beijing Herocan provides integrated water solutions and services. The company has over 50 patents in the environmental industry and gained the awards “China Industry-University-Research Institute Collaboration Innovation Achievement Award” and “China Industry-University-Research Institute

ASX Code: **PET**
Share Price: **A\$0.365**

52 Week High: **A\$0.48**
52 Week Low: **A\$0.18**

Issued Shares: **528.7m**

Market Cap: **A\$193m**

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PHK BLOG on Water Issues:
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Collaboration Innovation Award” from the Ministry of Science and Technology of the People’s Republic of China.

In 2010, as one of the senior executives, Mr Ma successfully signed a strategic partnership agreement with a Hong Kong fund manager and CCB International for USD110 million equity financing and project loans.

In 2013, Mr Ma led Standard Water Co., Ltd. to successfully complete a strategic restructuring and signed an equity merger and acquisition cooperation agreement with Beijing Enterprises Water Group (BEWG). In April 2014, as one of the major shareholders, Mr Ma signed an agreement with BEWG to setup a joint venture company and acts as an Executive Director and Deputy General Manager.

Beijing Enterprises Water Group Limited (BEWG) is the largest water services group in Asia and one of the largest water services groups in the world.

- BEWG owns and/or operates over 500 water & sewerage treatment plants;
- 85% operations are in mainland China and 15% overseas – Malaysia, Spain, Portugal, Australia & New Zealand;
- BEWG is listed on the Main Board of the Hong Kong Stock Exchange (HK Stock Code: 0371) with an A\$7 billion share market capitalisation.

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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 impaired 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 tackle the massive water remediation market in China. This 100% owned subsidiary undertakes design, engineering, and implementation of remediation materials for rivers, canals, reservoirs and lakes along with construction of wetland areas. This is a significant broadening of the historical PET business and enables it to undertake a greater array of projects in China and elsewhere, supplying both services and materials.

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. *The product does not affect either plants or fish.*

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 another important food source for the growth of harmful algae; and
- 2) Bacteria. - Certain types of bacteria can break down contaminants and organic matter which 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 biological solutions (such as nutrient consuming bacteria).

For more information on the company, recent news, and blogs please visit our website:
www.PHOSLOCK.com.au