



ASX Code: **PHK**

Share Price: **A\$0.04**

52 Week High: **A\$0.083**

52 Week Low: **A\$0.025**

Issued Shares: **239.6m**

Market Cap: **A\$9.6m**

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# ASX ANNOUNCEMENT

Thursday 23<sup>rd</sup> October, 2014

## Business Update

### Key Points:

- **Significant progress made on large potential projects in Asia & South America**
- **Pipeline of new projects growing**

## Business Update

During the September quarter, Phoslock Water Solutions Limited (ASX:PHK) completed a number of projects in Europe, United States, Canada and Australia. Significant progress was made during the quarter on a number of large projects in Asia and South America.

Cash receipts for the quarter were \$647,000 including Government Grants of \$264,000.

## Europe

In Europe, an application of Phoslock to previously untreated areas of Strathclyde Loch in Scotland was undertaken in July prior to the Glasgow Commonwealth Games while a number of small and medium sized projects were completed in the UK and Germany. The Glasgow application generated a high level of publicity and positive comments about the water quality during the Games were made by a range of commentators, government officials and triathletes.

A number of marketing initiatives were also undertaken, including participation by PHK within the Australian Pavilion at the International Water Association's Bi-annual Conference and Exhibition in Lisbon, Portugal, in September. Phoslock-related oral presentations were also given at a number of major scientific conferences, including the German Limnological Society's Annual Conference in Magdeburg and the Shallow Lakes Conference in Turkey. A number of large-scale applications are currently being planned for the approaching Northern Hemisphere winter in the UK, Netherlands and Germany.

## **North America**

In North America, Phoslock applications were undertaken in Canada and a number of US states during the quarter by PHK or applicators affiliated with our US licensee, SePRO Corporation. In Canada, a number of new large-scale applications are now in planning stages. The first of these applications are expected to take place in early 2015.

In November, PHK will be participating in the North American Lake Management Society's Annual Conference and Exhibition in Florida, with two oral presentations relating to Phoslock having been accepted.

## **Australia**

PHK completed several applications in Australia during the quarter. One of the projects was a re-application to a lake system which is applied to on an annual maintenance basis, to ensure that the water quality is maintained in a high usage inner city lake.

## **Asia and South America**

The Company continues to work on a number of large projects in Asia and South America. Significant progress was made during the quarter. The potential size of these projects is material in both volume of product and monetary value.

## **Manufacturing Facility in China**

PHK's manufacturing facility has recently completed further upgrades to increase both product capability and reliability. The manufacturing facility has also undertaken several audits to ensure compliance and maintain various industry certifications.

## **Financial Commentary**

Cash receipts for the quarter were \$647,000 including Government Grant of \$264,000. Cash costs, excluding inventory purchases plus interest was \$440,000.

As at 30 September, 2014 the Company had cash and short term assets totalling approx \$800,000 of which \$200,000 was cash.

## **Annual General Meeting**

The 2014 Annual Report and AGM Notice & Proxy have been lodged with the ASX and the documents dispatched to shareholders. The AGM is scheduled for Thursday 27<sup>th</sup> November, 2014 in Sydney.

**For more information please contact:**

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Chairman

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## ABOUT PHOSLOCK WATER SOLUTIONS LIMITED (PHK)

PHK produces *Phoslock*, a technology developed by the Australian government scientific body CSIRO. Phoslock removes phosphorus and harmful contaminants and has been applied in over 200 water bodies and used in over 20 countries since it was commercialised in 2005.

PHK is headquartered in Sydney, Australia and has offices in Brisbane, Sichuan, China and European Operations (covering Europe, Central & South America) near Bremen, northern Germany. 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](http://ansi.org) and [scc.ca](http://scc.ca)).



**Phoslock Water Solutions is listed on the Australian Stock Exchange (ASX Code: PHK).**

For more information about Phoslock Water Solutions and *Phoslock* please visit [www.phoslock.com.au](http://www.phoslock.com.au) or [www.phoslock.eu](http://www.phoslock.eu) (Spanish, Italian, Dutch and German) or [www.phoslock.com.br](http://www.phoslock.com.br) (Portuguese) or [www.phoslock.com.cn](http://www.phoslock.com.cn) (Chinese)

### ABOUT PHOSLOCK – the Product

*Phoslock* is a unique water treatment product that binds phosphorus from a water body and provides a protective permeable layer to sediments preventing the re-release of phosphorus. Retention of phosphorus deprives algae of nutrients, which improves water quality 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 high value 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 a number of high profile water bodies in Europe/UK, North America and Australia.

Over 20 peer reviewed technical papers, authored by leading academics, have been published in leading scientific journals on *Phoslock*.