



ASX Code: **PHK**

Share Price: **A\$0.028**

52 Week High: **A\$0.073**

52 Week Low: **A\$0.022**

Issued Shares: **258.9m**

Market Cap: **A\$7.3M**

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ASX ANNOUNCEMENT

Chairman's Address at AGM

Tuesday 10th November, 2015

The Phoslock business is now in its 10th year of evolution as an international water remediation company. The demand for our unique product has never been stronger.

Today, I intend to keep my comments brief, this is to allow my Managing Director, Rob Schuitema to walk you through the very exciting developments that have taken place in your Company this year.

Strategically, poor water quality including harmful algal blooms remains a major issue worldwide and the problem is predicted to intensify in coming years due to the effects of climate change. Legislation now accepted in the U.S. and Europe requires water managers to implement measures to reduce phosphorus levels in waterways under their control and therefore doing nothing is no longer an option.

The lead time between the identification of a problem and the implementation of measures to treat the problem, as we have seen, can be long. It frequently involves a number of steps, including the evaluation of treatment options and strategies, dialogue and consensus building between the lake authorities, local and central government and the securing of funding for the project.

However, Phoslock this year has achieved a number of important milestones:

- The signing of our first major multi-million dollar international contract in Brazil
- Two material contract wins by our international licensees, one in Germany and a second contract awarded in Northern Brazil
- Recently, our company has achieved a cash flow positive quarter, without the benefit of recent successful tenders
- Significant progress being made on other major pipeline projects

PWS currently has an exciting pipeline of over 40 "medium" projects totalling more than 8,000 tons, with the sales process well underway in each case. The pipeline includes 5 projects in Australia, 17 in Europe/UK, 17 in North America, 3 in Asia and 1 in central and southern America. The Company is also working on eight very "large" projects with application sizes between 1,000 to 20,000 plus ton range.

The Company was involved in a record number of tenders this year for projects and has had a high success rate. Tender processes are typically managed by government type agencies, normally well run and very transparent, where there is usually a full evaluation of technologies and long term benefits to the water body as opposed to a comparison based solely on the price. Phoslock now has over 100 larger water body application case studies to demonstrate its proven track record.

Phoslock's North American Drinking Water certification remains an important status for both drinking water and non-drinking water sectors. The Water Quality Association (WQA) is an accredited certification agency for a number of water treatment products in North America, including North American Drinking Water (NSF/ANSI Standard 60), the accreditation which Phoslock received. WQA is accredited by the American National Standards Association (ANSI) and the Standards Council of Canada (SCC). The WQA certification provides assurances and scientific approvals regarding safety and health for consumers.

The certification awarded to Phoslock provides assurances that treating water bodies with Phoslock is safe for human consumption, subject to maximum dose rates. WQA's Gold Seal has now be applied to Phoslock labels to show that the product is a WQA Tested and Certified Product.

The challenge for the Company remains to accelerate the level of sales conversion and at the same time expand the project pipeline. Success with completed projects is the ultimate marketing tool, however, the Company is confident that as recently announced projects are finished and as sales increase, the period of the sales cycle will decrease.

I now would like to take this opportunity to thank all shareholders for your loyalty and faith in the Company. I would also like to convey my gratitude to Directors, Executive and Management team for your ongoing support. I look forward to announcing more exciting commercial success in the year ahead.

Yours sincerely,

Laurence Freedman AM
Chairman

ABOUT PHOSLOCK WATER SOLUTIONS LIMITED (PHK)

PHK produces *Phoslock*, a patented technology which was developed by the Commonwealth Scientific and Industrial Research Organisation (“CSIRO”). PHK has lodged a subsequent patent application to protect the core Phoslock technology which is in an advanced stage of being granted in approximately 50 countries, with the intention of extending the core *Phoslock* technology to the year 2033.

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 and 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 our websites: www.phoslock.com.au or www.phoslock.eu (Spanish, Italian, Dutch and German) or www.phoslock.com.br (Portuguese) or 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 the phosphorus. Retention of phosphorus reduces the level of algae by depriving it of nutrients. This in turn improves water quality, both 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 30 peer reviewed technical papers, authored by leading academics, have been published in leading scientific journals on *Phoslock*. For access: www.phoslock.com.au