



ASX Announcement

23rd December 2020

Market Update

Lodgement of half year accounts

Further to Phoslock Environmental Technologies Limited's (ASX:PET) announcement on 15 October 2020, PET advises that it has sought an extension with ASIC under subsection 340(1) of the Corporations Act 2001 (Cth) for lodgement of the financial accounts for the half-year ending 30 June 2020 until Jan 31st 2021 and expects to finalise and lodge the report by that time.

While the Company continues to make progress on the matters that must be finalised to allow lodgement of the accounts, complexities relating to the Company's China operations, in differing sites and locations, have required additional time to gather and review the relevant information.

The Company continues to work with its auditors in an effort to finalise the review of relevant accounts as quickly as possible. It is anticipated that this will involve restated financial accounts for the 2019 financial year as well as the results for the first half of the 2020 financial year.

Business update

The Company is progressing the restructuring of its operations in China and a comprehensive and systematic review of all current China contracts and contractual arrangements with third parties, including sub-contractors and distributors. Completion of these programs will provide a sound basis for re-evaluating near and mid-term expectations for revenue generation in China.

Importantly, a number of current projects have been reviewed and confirmed as complying with PET's new governance standards and improved management processes. This includes strategically important trial work which is ongoing in Dianchi Lake, the largest freshwater lake in Yunan Province. Several smaller treatments have also been completed recently, including Yutan Reservoir (Chongqing), Lianshihu Reservoir (Beijing), Wuhan South Lake (Wuhan, Hubei Province), and Tingpang River (Taizhou, Zhejiang Province).

Outside of China, PET projects continue in North and South America and Europe.

In Europe, new orders have been received for work in The Netherlands which, coupled with previously advised treatments in Italy, UK and Belgium, indicate Europe's ongoing attractiveness as a strong market for Phoslock's technology. As previously advised, several larger projects in Germany and the Netherlands have been delayed due to COVID interruptions. Discussions continue with the authorities involved in those projects, as well as in relation to other opportunities previously identified in the Nordic region.

New orders have also recently been received for treatments that are ongoing in Brazil. In North America, the trial works previously reported for projects including Utah Lake, Kitsap Lake in Washington State, and Morrison Lake (Michigan), have all been completed, with pleasing results. PET remains confident that these results will support the Company's continuing growth plans in the US and this confidence is supported by PET's US distributor, which has recently placed a substantial order for future projects.

ASX Code:	PET
Share Price:	A\$0.245
52 Week High:	A\$0.86
52 Week Low:	A\$0.19
Issued Shares:	625.0m
Market Cap:	A\$153m

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BLOG on Water Issues:

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PET's financial position remains sound, with strong cash reserves and no debt. The Company will provide a comprehensive briefing on its business strategy and growth prospects after the accounts are lodged with the ASX.

Further updates will be provided to the market as and when appropriate.

This announcement has been approved by the Managing Director and Chairman

Matthew Parker
Company Secretary

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ABOUT PHOSLOCK ENVIRONMENTAL TECHNOLOGIES LIMITED (PET)

Phoslock Environmental Technologies Limited (ASX: PET) specialises in engineering solutions and water treatment products to remediate polluted lakes, rivers, canals and drinking water reservoirs.

Headquartered in Melbourne, PET has offices in Brisbane, Beijing and Manchester and manufacturing operations based in Changxing, China. PET is represented by licensees, distributors, and agents in ten other countries including SePRO Corporation in the United States and HidroScience in Brazil.

Phoslock® is a proprietary and unique water treatment product that permanently binds excess phosphorus in the water column and sediments, inhibiting the growth of Harmful Algal Blooms (HAB).

Phoslock® is certified to be used in drinking water in North America, Europe, Brazil, Australia and China. Along with Phoslock®, PET also supplies zeolites and specialised strains of bacteria that address water pollution issues.

For more information visit www.phoslock.com.au