

PhoslockWater SolutionsLimited

ABN 88 099 555 290



Phoslock Water Solutions Ltd.

Annual General Meeting

26th November 2009



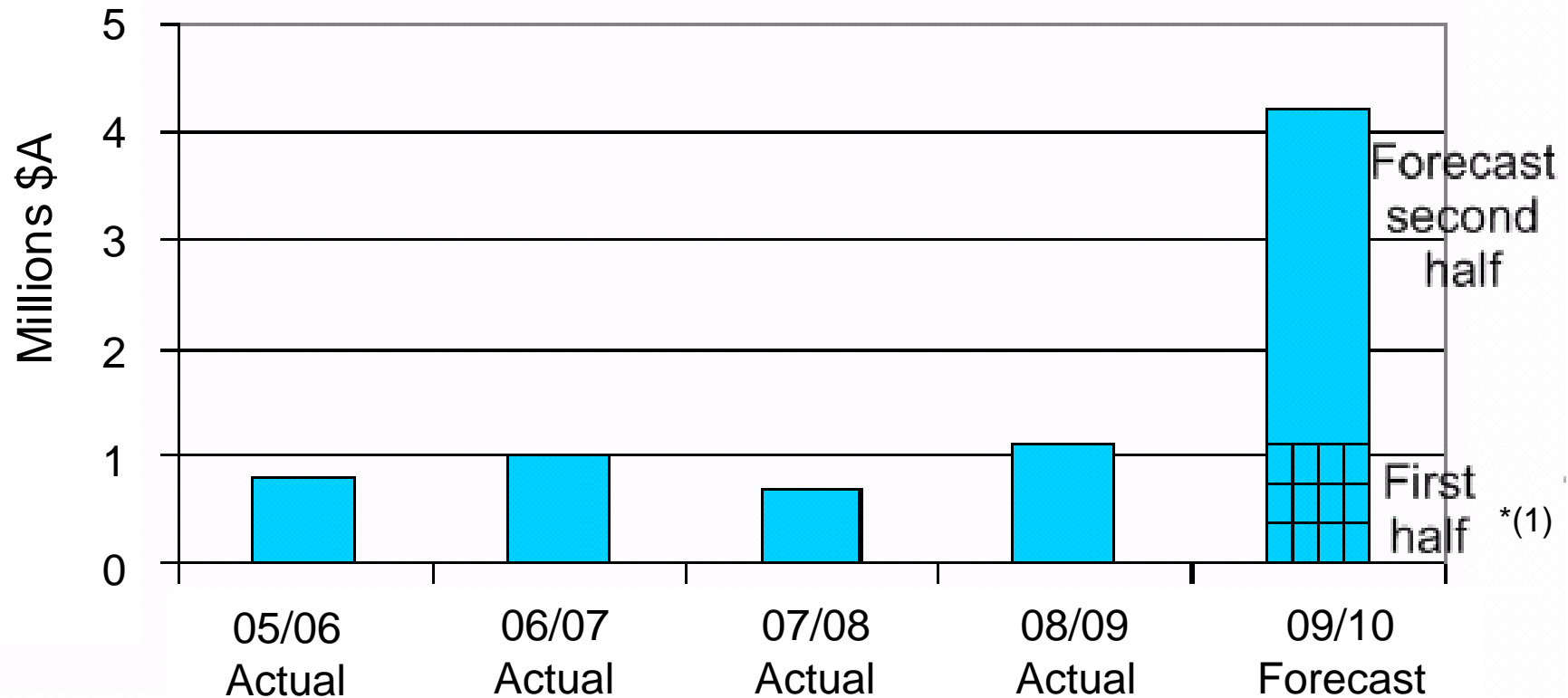
PhoslockWater Solutions Limited

ManagingDirectors Presentation

Company Overview

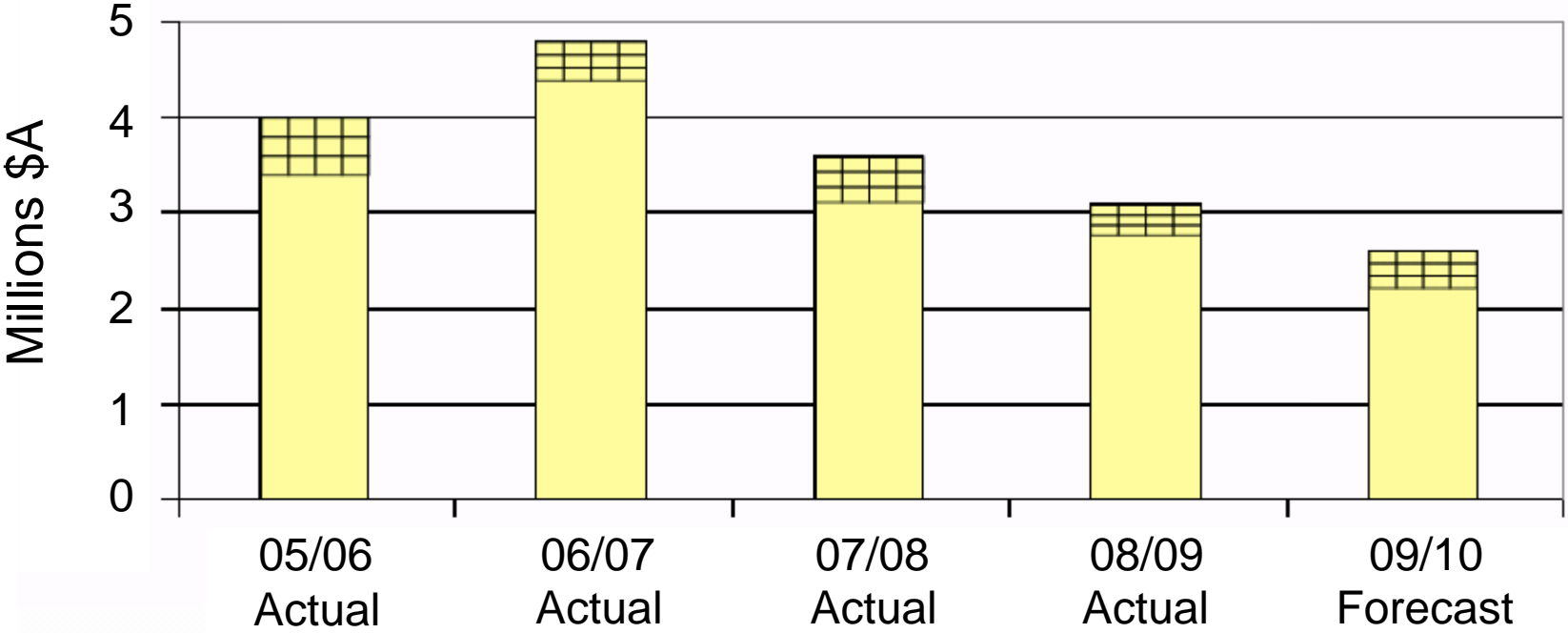
- PWS is a global water technology company manufacturing & selling environmental solutions.
- PWS main product is Phoslock – 15 years of R&D; 4 ½ years of commercial sales.
- Phoslock is manufactured at J/V factory in Kunming, China.
- Over 140 applications taken place in 20 countries; results very positive.
- Sales momentum continues; focus on larger projects; four core business segments:
 - High value recreational lakes in Australia, UK, Western Europe, Canada (+US) and parts of Asia
 - Drinking water reservoirs in Australia, UK and parts of Asia
 - Storm Water Basins in Canada (+US)
- Break even for PWS is approx 1,800 tpa of Phoslock product sales.
- Cash overheads significantly reduced over last 2 years to approx. A\$2.2m per annum.
- PWS has over A\$3.0m of cash, inventories (at cost) and receivables and is debt free.


Increasing Revenue



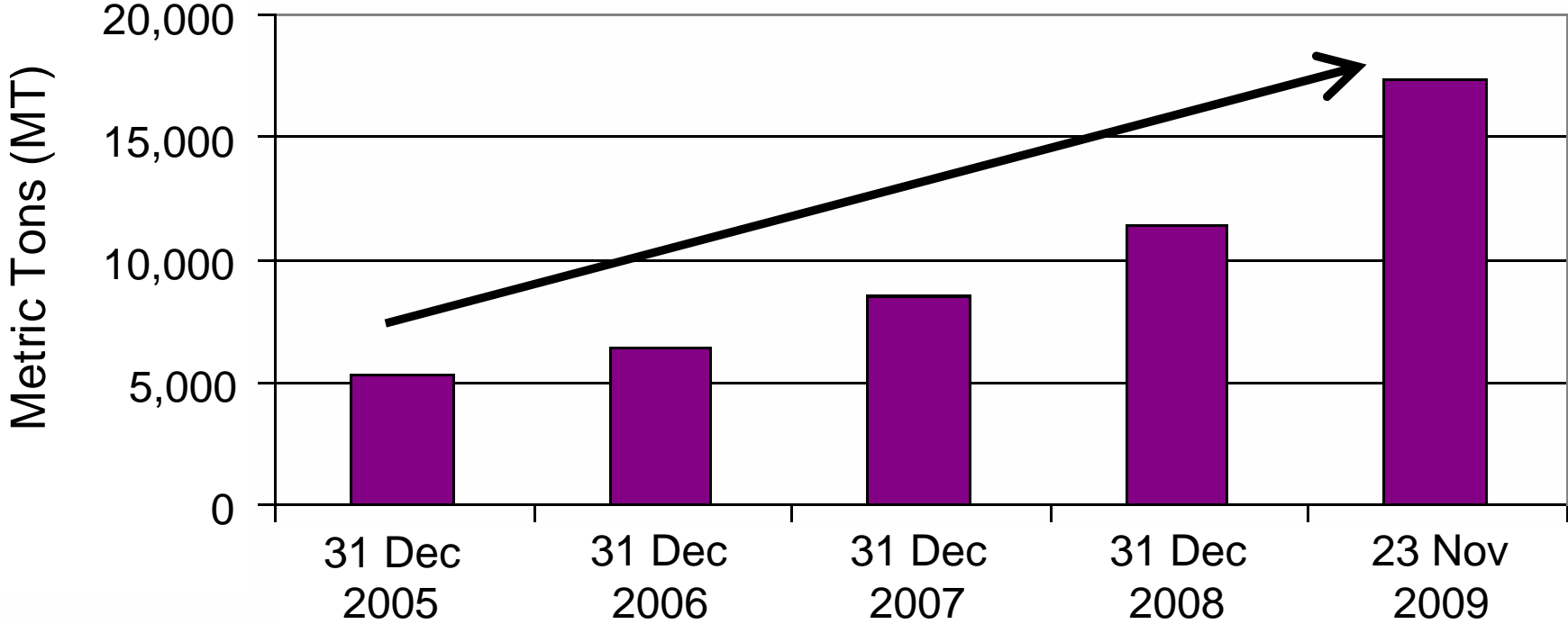
***(1)** Timing of Canadian Purchase Order could result in sales and cash flow being recorded in Second Half

Reducing Expenses



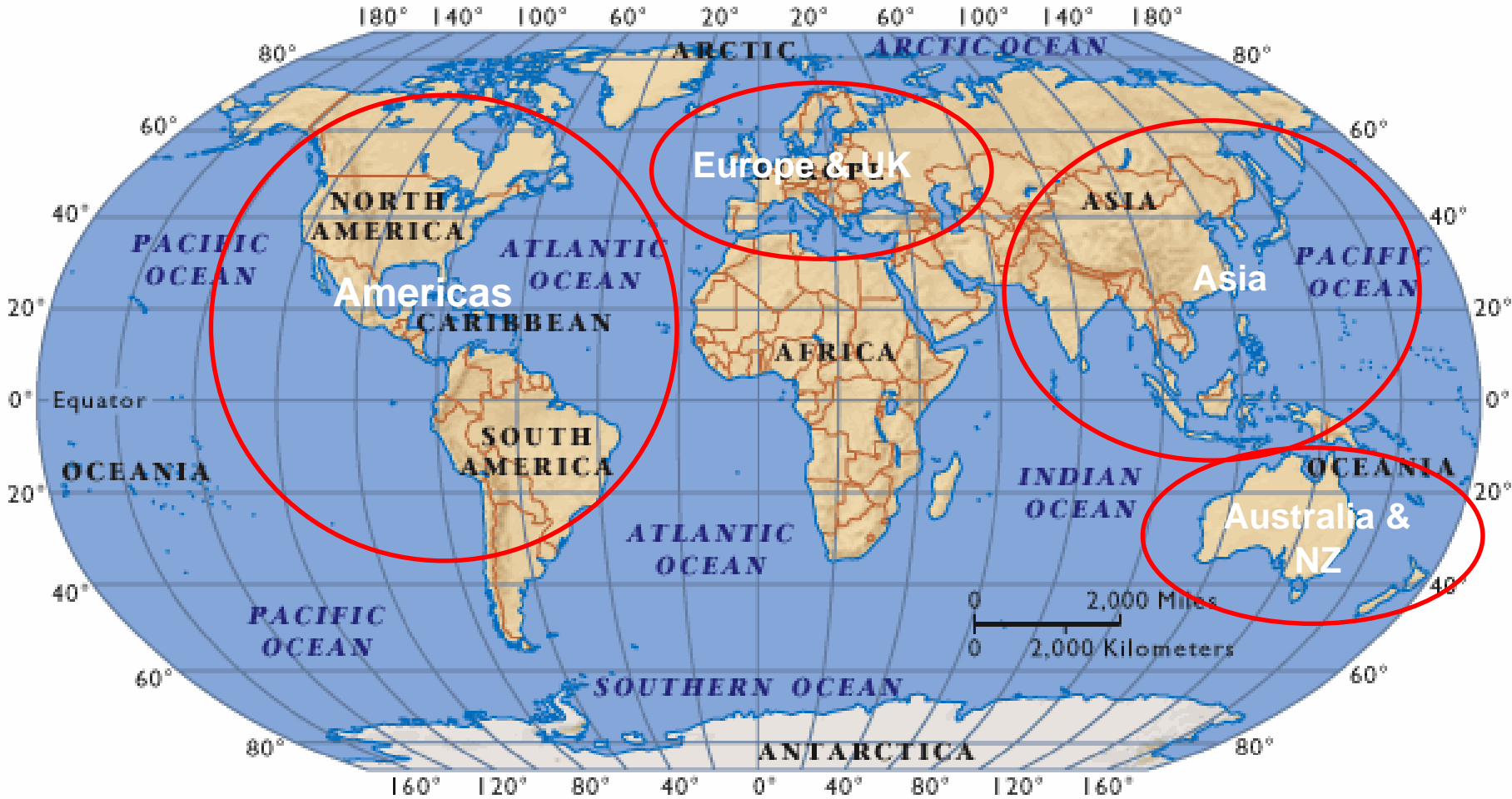
-  Cash
-  Depreciation and Amortisation

Pipelineis Growing



Application size per project capped at 1,000 MT

MajorFocus Markets



Base map c/o: http://go.hrw.com/atlas/norm_hm/world.htm

European Projects

(2008 AGM Presentation)

- A. Scottish lake 20MT
- B. UK lake 20MT
- C. Welsh DWR 20MT
- D. Dutch lake 330MT
- E. Dutch lake 50MT
- F. Lake Varese, Italy Large
- G. German lake 100MT
- H. German lake 150MT
- I. German lake 60MT
- J. German lake 125MT
- K. German lake 50MT
- L. German lake 80MT
- M. Polish 20MT
- N. Polish lake 130MT



European Projects 2009 Update

- | | |
|-------------------------------|------------------|
| A. Scottish lake | 20MT |
| B. UK lake | 20MT |
| C. Welsh lake | 20MT |
| → Alternative larger project | |
| D. Dutch lake | 330MT |
| → smaller project proceeding | |
| E. Dutch lake | 50MT |
| F. Lake Varese, Italy | Large |
| → €129,000 trial | |
| G. German lake | 100MT |
| → to be applied in April 2010 | |
| H. German lake | 150MT |
| I. German lake | 60MT |
| J. German lake | 125MT |
| → late 2010 | |
| K. German lake | 50MT |
| → late 2010 | |
| L. German lake | 80MT |
| → uncertain | |
| M. Polish lake | 20MT |
| N. Polish lake | 130MT |
| → to be applied April 2010 | |



Europe and UK

- Joint venture (60%/40%) with IDN performing very well.
 - 9 lakes treated during FY 08/09.
 - 4 lakes treated year to date in FY 09/10 including 214 tons and 66 tons in Germany.
 - Major trial on lake Varese in Italy.
- Significant pipeline of major (>1000 tons) and large (100-1000 tons).
 - Expect some projects to commit over next 6 months.
 - Developing new markets in Finland, Denmark and Spain.
- Building blocks for sustained success
 - Completed applications, excellent results, technical reports, customer endorsement, government and water authority support.



Canada and Americas

- Significant resources committed to developing Canadian market.
 - First major application (100 tons) scheduled for Feb/March 2010.
 - A number of projects in advanced stages with LSRCA and other Ontario lake authorities.

- Commercial relationships established in US with projects identified.

- Enquiries from central and south America.
 - Licensee in Brazil working on several projects at early stage.



Australia

- Undertaken a number of small/medium projects around Australia over past 12 months
- Working on industrial applications to reduce very high P water discharges.
- Phoslock viewed as remediation product and BGA prevention in this market
 - Licence approved to apply Phoslock to major NWS Drinking Water Reservoir in April/May 2010
- Short listed for a 1,000 ton environmental project in 1st half of 2010



Asia

- Enormous water quality problems in this region and appear to be getting worse.
- Political resolve to address issues however projects are large and will take a number of years.
- Selectively working on several large projects in China with well credentialed partners.
- Undertaking meaningful trials (fully funded) for drinking water reservoirs in Singapore, Taiwan and Korea.



Capital Structure

ASX Code:	PHK
Current Price:	13 cents*
Trading range: (last 12 months)	8 - 15 cents
Total Issued Shares:	186 million
Total Issued Options:	28 million **
Market Capitalisation:	A\$24 million

* Price on 24th November, 2009

** Exercise prices range between 11c – 60c and expiring between Nov 2009 and Sept 2012.

Future exercise value of all options is approx A\$8 m.

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Questions