



PHOSLOCK®

Citigroup Micro Caps Conference

28th March, 2007

WaterSavr

INVESTMENT HIGHLIGHTS

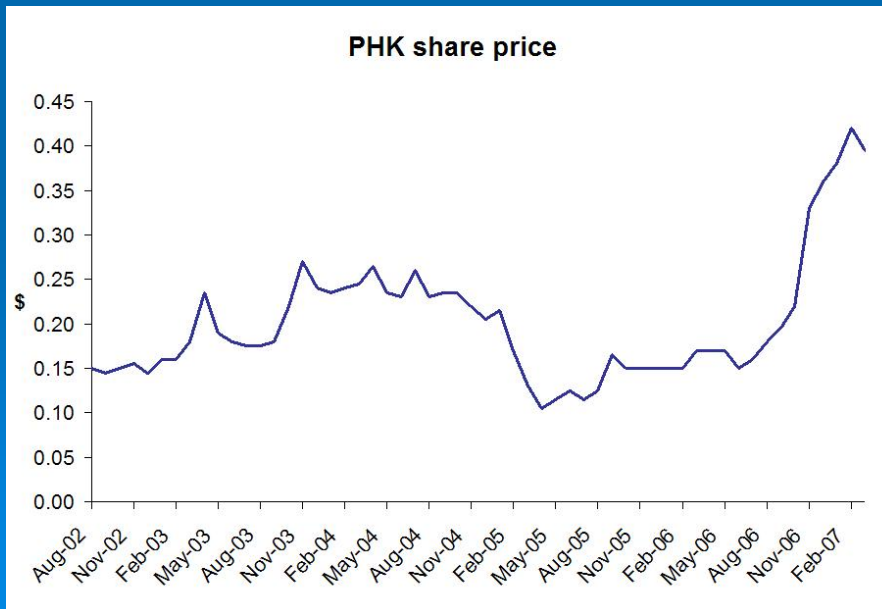
- PWS is a global water treatment products company.
- PWS listed on ASX in August 2002 as a start-up company with one product still in development and has progressed to a manufacturing, sales & distribution water company.
- PWS's main product is Phoslock, a modified clay, developed by CSIRO, which remediates natural water bodies through locking up its phosphorus.
- PWS recently secured the license for WaterSavr, a evaporation control product.
- PWS is looking at adding additional water products and technologies to its product range.
- Break even for PWS is sales of approx 3,000tpa of Phoslock products.
- PWS is forecasting to break even (on a quarterly basis) in Q2 or Q3 2007.
- PWS has A\$5m of cash, inventories (at cost) and receivables and is debt free.
- Three Year Plan – producing & selling 30,000tpa of Phoslock products in 50 countries; adding additional water treatment products.

CAPITAL STRUCTURE

ASX Code:	PHK
Current Price: (23 rd March 2007)	39 cents
Trading range: (last 12 months)	14 - 49 cents
Total Issued Shares:	147 million
Total Issued Options:	30 million
Market Capitalisation:	A\$57.3 million

Major Shareholders

		Ordinary Shares	Fully Diluted
Link Traders Pty Ltd	Investor	12.4%	10.3%
Newvest Pty Ltd	Investor	5.1%	4.3%
CSIRO	Govt Scientific Organisation	2.6%	3.5%
Institutional Shareholders		10.0%	8.2%
PWS Directors and Executives		3.5%	14.1%



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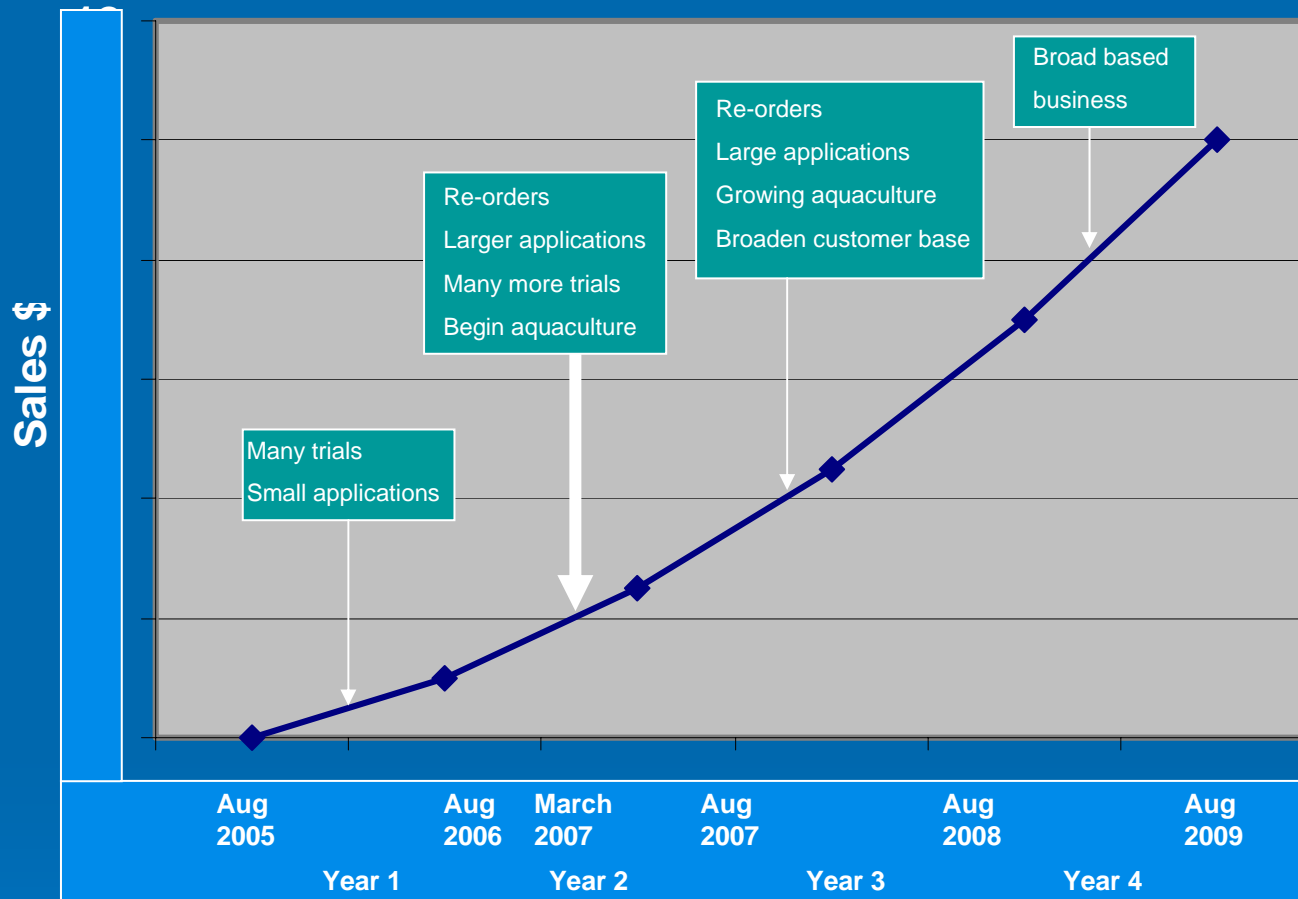
- Phoslock is an environmental friendly product developed by CSIRO which:
 - reduces phosphorus concentrations below detectable levels
 - caps sediment and prevents remobilization of phosphorus
 - by limiting nutrients, Phoslock breaks the algal cycle
- Excess phosphorus in water bodies is a global problem with few natural solutions.
 - public health issues; waterbodies closed
- The potential for Phoslock is enormous.
- Phoslock is manufactured at J/V factory (71% owned) near Kunming, China
 - factory been operating since mid 2005
 - steady production rate; focusing on reducing costs
- Phoslock is sold by
 - PWS direct sales force in Australia, UK, China and Belgium (covering various European countries)
 - licensees covering 17 countries including NZ, US/Canada, Benelux, Germany/Switz/Austria, Poland, Hungry, Southern Africa, South East Asia
 - additional licensees in 5 countries under negotiation
- Phoslock is sold FOB (free on board) China port with either upfront payment, letters of credit and to approved customers on 30 days credit.
- Over 90 applications (medium and large scale) taken place in 20 countries; results very positive.



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Sales Cycle for a New Product like Phoslock



- a number of significant sales break through over the last 12 months
- treated a number of medium size lakes in Australia, NZ, UK, Germany, Poland, South Africa and Canada.
- now treating drinking water reservoirs in Australia and UK
- significant focus on aquaculture (prawns/shrimps and fish farming)

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HOW IS PHOSLOCK APPLIED?

For smaller applications



For larger applications



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LAKES

- Phoslock is applied to lakes ranging from small council/municipal lakes to very large lakes to reduce phosphorus, stop the algal cycle and cap sediment to stop release of P into water body
- Phoslock applied to lakes in 10 countries
- Significant sales pipelines have been built up for Phoslock applications around the world



DRINKING WATER RESERVOIRS

- major problem in drinking water reservoirs with algal problems along with taste and odour issues with the water
- Phoslock being used in drinking water reservoirs in Australia and UK.
- enormous market looking for a pro-active solution to mitigate future water quality issues



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PRAWN FARMS

- prawn growers need to regulate the amount of phosphorus and algae in there growing ponds
- effects of phosphorus and too much algae impacts size, number, weight and taste of prawns affecting the economic value of the crop to the grower
- PWS is working with prawn growers in Indonesia, Malaysia & Australia to find right balance between amount of Phoslock and timing of application to produce best results to significantly enhance economic value of crop to the grower
- trials still progressing however results have been very positive
- over 3,000,000 hectares of intensive prawn/shrimp ponds around the world
- potentially an enormous market for Phoslock

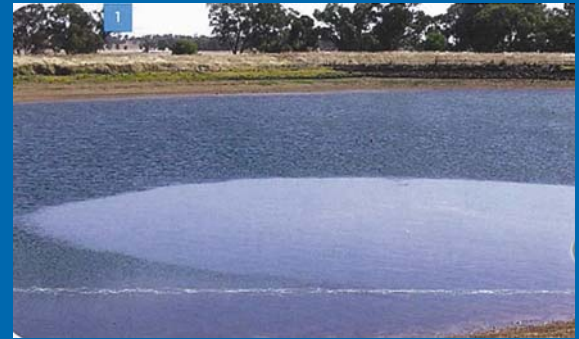


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WaterSavr

- WaterSavr is an environmentally friendly evaporation control product
 - made from bio degradable ingredients
 - self-spreads across the waterbody surface to form a mono-layer which limits the escape of water vapor
 - approved for use in drinking water
 - designated by UN Environmental Program as an “Environmentally Sound Technology”
- evaporation is a major problem in Australia
 - average water storages evaporates 1.5m to 2m pa
 - 1 hectare (100m by 100m) loses 15m-20m litres pa
 - large dam like Warragamba Dam, Sydney loses approx 70 billion litres a year by water evaporation
- PWS acquired WaterSavr license on 1 January, 2007
 - sold product to 6 mid-sized water authorities in NSW & Victoria
 - being trialed by several of the large water authorities



WaterSavr

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CONTACTS

Robert Schuitema

Managing Director

0412 305 422

rs61@bigpond.net.au

Colin Upcroft

CFO & Company Secretary

0410 401 386

cupcroftc@phoslock.com.au

Phoslock Water Solutions Limited

116 Rothschild Avenue

Rosebery, Sydney, NSW 2018

Australia

Correspondence Address

PO Box 319

Rosebery, Sydney, NSW 1445

Australia

WEB: www.phoslock.com.au

ASX ticker : PHK



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