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To: ASX Announcements

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Re: China Update

The first stage of production of Phoslock has taken place at the Kunming factory of IMT's China JV, IETC. The first stage was the mixing of the Phoslock slurry.

Testing of the slurry for conformance with specifications is under way.

The Phoslock manufacturing line is almost complete, with the installation of the last machine to be undertaken in the next few days.

Once the slurry is passed through each of the other stages, which include dewatering, conversion to granules, drying and packing, full scale production will begin.

For further details, please contact Brett Crowley, CEO, on 02 96980622.