PHOSLOCK®

WATER SOLUTIONS LIMITED

SHAREHOLDER PRESENTATION

24 NOVEMBER 2005

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INVESTMENT HIGHLIGHTS

- PWS is now producing and selling Phoslock to a global market.
- J/V factory in Kunming has been in production since May 2005, with over 700 tonnes produced to date.
- Orders of over 400 tonnes have been received from customers in 13 countries.
- Trial applications (large and small scale) are currently taking place in a number of countries.
- First major re-order received – 40 tonnes for NZ lake project.
- Major focus on building out sales team and licensee network in Europe & Asia.
- Break even for PWS is approx 4,000 tpa of Phoslock product sales.
- PWS expects to achieve 4,000 tpa equivalent within next 12-18 months.
- Three year plan is to be producing and selling 20,000 -30,000 tpa Phoslock products in 70- 100 countries.

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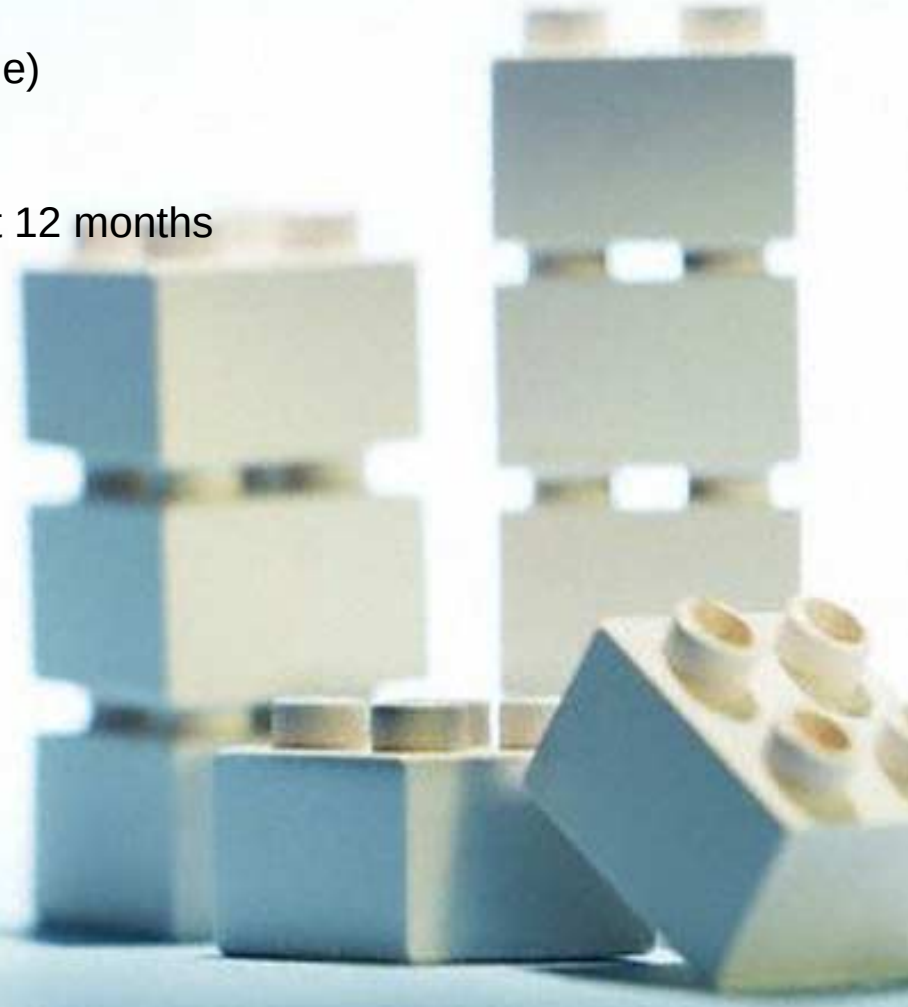
CAPITAL STRUCTURE

ASX Code:	IMH (soon to change)
Current Price:	15 cents *
Trading Range:	9 -24 cents over last 12 months
Total Issued Shares:	113.4 million **
Total Issued Options:	17.1 million ***
Market Capitalisation:	A$17 million

*Closing Price on 23 November, 2005
**Includes 3.7 million to be issued to CSIRO and 2.1 million to be issued to IETC
***Includes 2.4 million to be issued to CSIRO



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MAJOR SHAREHOLDERS

Major Shareholders of Ordinary Shares*

Laurence Freedman	Investor	11.8%
Joel Bidois	Former Director	5.4%
CSIRO	Govt Scientific Organisation	3.3%
CVC Ltd	Institution	3.2%
Current Directors and Executives		4.5%
Top 50 Shareholders aggregate holding		59.2%
Total Number of Shareholders		1,100

* Shareholders as at 18 November, 2005

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PHOSLOCK - THE PRODUCT

- Phoslock is a modified clay product which removes phosphorus from water bodies and breaks the algal cycle.
- Environmentally friendly product.
- Reduces phosphorus concentrations below detectable limits.
- Caps sediment and prevents remobilization of phosphorus.
- Stable in varying pH levels.
- Very low in toxicity.
- Safe to handle and easy to apply.

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PHOSLOCK - THE PRODUCT (cont)

- Phoslock is manufactured in Kunming, China.
- Phoslock is produced in a dry granular form.
- Packaged in either 25 kg bags or 1 tonne bulka bags.
- Phoslock is applied either dry or in a slurry form.

- PWS and Kurita of Japan are developing non-dispersible pellets.
- Pellets suitable for aquaria, water tanks and filter systems.
- Pellets expected to be commercially available within next 12 months.

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PHOSLOCK BUSINESS RATIONALE

- Excessive phosphorus in water bodies is a global problem with few natural solutions.

- Phoslock is a natural product and environmentally friendly.

- Phoslock is the ideal product to use in natural and manmade water bodies, including lakes, reservoirs, rivers, dams, ornamental ponds, golf course lakes, winery ponds.

- In sewage treatment plants and water treatment plants, Phoslock allows operators to comply with the most stringent discharge requirements and prevent algal blooms.

- In the aquaculture industry, Phoslock allows shrimp, prawn and fish farmers to control the level of algae in the water to maximize growth and quality.

The potential for Phoslock is enormous – it is a natural solution to a global water quality problem.

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COMPANY HISTORY

1992-2000	Phoslock developed by CSIRO and WA Water & Rivers Commission.
1997	Phoslock slurry patent taken out by CSIRO.
2000	First major application carried out on Canning & Vasse Rivers in Western Australia.
	CSIRO grants IMT exclusive license for worldwide production & use of Phoslock.
2002	IMT Holdings Limited floated on ASX.
2003	IMT develops Phoslock granules – patent taken out by IMT.
	J/V with Chinese partners formed to build Kunming Phoslock manufacturing operation (IMT holds 20% of J/V).

COMPANY HISTORY (cont)

2004 First Phoslock produced from Kunming manufacturing operation.

IMT granted license by Kurita to manufacture non dispersible pellets.

2005 Continuous production of Phoslock commences in May.

IMT increases shareholding in Chinese J/V to 71%.

IMT changes its name to PWS (Phoslock Water Solutions Limited).

PWS acquires Phoslock patent from CSIRO.

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CSIRO TRANSACTION

CSIRO to sell PWS the Phoslock worldwide patent.

Cancel the current Royalty Agreement (3.5% of gross sales revenue) which expires in 2017.

Transaction consideration is:

- 3.7 million PWS Ordinary shares (at 20 cents per share).
- 2.4 million PWS Options (at strike prices between 20 – 40 cents).
- $470,000 in cash.

Transaction is expected to close pre Christmas 2005.

Transaction is very positive to PWS.

- CSIRO becomes major PWS shareholder.
- On a DCF basis, the break even to PWS is sales of approx 33,000 tonnes of Phoslock over next 12 year or 2,800 tonnes per annum.

CSIRO

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OPERATIONS - KUNMING, CHINA

•Continuous production commenced in May, 2005.

•Total production from manufacturing operation is approx 700 tonnes of Phoslock.

Production has been affected by:

•power shortages ➔ one generator installed with second installed by Dec.

•3 major bottlenecks ➔ one bottleneck cleared, second is in process of being remedied.

•Foreign speaking employees.

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OPERATIONS - KUNMING, CHINA (cont)

- Since October our PWS employee has had full authority to run the operation (prior to this he was Deputy GM and had to get concurrence of Chinese GM).

- Raw materials for Phoslock all sourced from approved suppliers in China.

- When de-bottlenecked, manufacturing operation will have capacity of 10,000 tpa of Phoslock.

- Chinese J/V (71% owned by PWS) sells Phoslock to PWS at production cost (plus depreciation,admin and taxes) plus small margin.

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OPERATIONS - SECOND PLANT

- When demand for Phoslock exceeds 5,000 – 7,000 tonnes the PWS Board is likely to commit to a second Phoslock manufacturing operation.

- Significant work is being undertaken on site selection, sourcing of raw materials and capital equipment.

- Likely location is the eastern seaboard of Australia.

- Operation likely to manufacture both Phoslock granules and Phoslock pellets.

- Estimated plant capacity is 20,000 -30,000 tpa of Phoslock products.

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OPERATIONS - TECHNICAL

- PWS runs its technical and R&D function from the University of Queensland (UQ).
- PWS two employees working out of UQ.
- PWS has a smaller technical facility in Kunming, China.
- Each Phoslock batch is tested both in Kunming & UQ.

Current technical priorities are:

- ensure QA of Phoslock production.
- developing Phoslock non-dispersible pellets.
- testing suitability of raw materials for second plant.

Dr David Garman, PWS Non- Executive Director, is a leading world authority on eutrophication of water bodies.

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MILES BENTONITE MINE - QUEENSLAND

- PWS owns a Bentonite Mine at Miles, approx 400km west of Brisbane, Queensland.
- Bentonite mine has measured, indicated and inferred resources in excess of 64 million tonnes of bentonite.
- Over 90% of the bentonite deposit has very low overburden which ensure competitive mining cost.
- Mining Lease expires in January 2022.
- PWS holds significant Exploration Leases around the current Mining Lease.
- Miles Mine currently leased to a private bentonite mining and processing company. This agreement is currently being restructured.
- Parts of the Miles bentonite deposit may be suitable for use in Phoslock.

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SALES & MARKETING

- Phoslock was first available for commercial sale in June 2005.
- Orders for over 400 tonnes of Phoslock have already been received from customers in 13 countries.
- Customers will generally trial Phoslock under local conditions before committing to use the product on a long term basis.
- Currently undertaking a number of trials in various countries.
- Results from trials to date have been very positive.
- One customer in NZ who used 20 tonnes on a lake has already re-ordered 40 tonnes for further application in early 2006.
- European sales & marketing office was opened in Frankfurt in Nov 2005. PWS Australia marketing executive has relocated to run the European operation.
- Three year objective is to be represented in over 100 countries either directly, joint ventures or via licensees.

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SALES AND MARKETING

License Issued

Joint Venture

Memorandum of Understanding

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RECENT PHOSLOCK APPLICATIONS
LAKE OKAREKA - NEW ZEALAND

- Lake Okareka is one of several dozen picturesque lakes in central North Island of New Zealand experiencing extensive eutrophication (excessive nutrients in the water).
- Eutrophication caused by fertilizers, extensive agriculture in the region, sewerage discharges and animals. This leads to deterioration in water quality and algal blooms.
- In summer, many of these lakes, including Lake Okareka are closed for long periods of time due to large algal blooms.
- 20 tonnes of Phoslock was applied on Lake Okareka in August, 2005 to reduce phosphorus load in the lake. Results were very positive with marked reduction in phosphorus levels in the lake.
- An additional 40 tonnes of Phoslock is scheduled to be applied in April-May 2006.
- PWS is working with Environment Bay of Plenty, and other regional environment bodies to assist in treating other eutrophied lakes.

Lake Okareka
Mineral Treatment

Lake Okareka's water looks clear but its quality is slowly getting worse. Because of this, Environment Bay of Plenty is treating the lake with a mineral product called Phoslock. The treatment will help stabilise water quality until other measures kick in, such as sewerage reticulation.

The Product

Phoslock is modified clay and contains lanthanum, a rare earth mineral. Phoslock removes phosphorus from the water and, by doing so, reduces algal growth.

The Method

The treatment involves applying 20 tonnes of Phoslock pellets by barge every year in autumn.

Monitoring

Scientists will monitor levels of phosphorus and lanthanum in the lake.

The Goal

An annual application of Phoslock will reduce the annual phosphorus load to Lake Okareka by 25%.

The Timeframe

The project will run for three years, with the final application in 2007.

The Risks

NIWA testing shows Phoslock poses minimal risk of toxicity to fresh water organisms when used as specified. It is safe to handle and apply. However, you are advised not to go boating on the lake while Phoslock is being applied, which is generally three days a year.

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RECENT PHOSLOCK APPLICATIONS
SEWAGE TREATMENT PLANT - ACT

- Phoslock was applied to water storage ponds at an ACT sewage treatment plant to lower phosphorus levels.

- Phoslock can be used as a “polisher”of water (applied after the initial raw sewage treatment).

- By applying Phoslock , this allows operators of sewage treatment plants and other treatment plants to comply with the most stringent discharge requirements and prevent algal blooms.

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RECENT PHOSLOCK APPLICATIONS
CANNING RIVER - WESTERN AUSTRALIA

- The Canning River was used by the CSIRO, WA Water & Rivers Commission and Swan River Trust as the initial commercial trial for Phoslock in 2000.
- Since 2000, over 100 tonnes has been applied to the Canning and nearby Vasse rivers as well as various estuaries and drains flowing into these rivers.
- Results have shown significant reduction in phosphorus levels in the areas where Phoslock has been applied.
- PWS is in discussions with the Swan River Trust to apply significant quantities of Phoslock into parts of the Swan, Canning & Vasse rivers to assist in phosphorus control in these waterways.

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RECENT PHOSLOCK APPLICATIONS
WINERY - UNITED STATES

- PWS was contracted by Chateau Montelena, a leading Napa Valley, California winery to treat two lakes on their property.
- Fertilisers and other nutrients seeped into the lakes.
- In summer, these lakes became full of algae and were not in keeping with this prestige winery.
- Phoslock was applied in September, 2005 to the lakes.
- Results are very positive with a significant reduction in phosphorus levels and a capping of the sediment to prevent future phosphorus releases.
- PWS sees significant potential in treating lakes and other water bodies for wineries, and other land owners with similar water quality issues.

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RECENT PHOSLOCK APPLICATIONS
RECREATIONAL PARKLAND - SYDNEY

- Park lakes and wetland areas exist in virtually every city in the world.
- These water bodies are usually heavy eutrophied due to excessive use of fertilizers plus effects of natural bird life
- Phoslock was recently applied on the Rockdale park lakes & wetlands in southern Sydney.
- Phoslock application had an immediate affect on the water quality and clarity. There was a significant reduction in measured phosphorus levels.
- PWS used the mobile rig as shown in the opposite photo to apply the Phoslock to the water body.
- Park lakes and wetlands administered by various local bodies are an enormous potential market for PWS in Australia and around the world.

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RECENT PHOSLOCK APPLICATIONS
SHRIMP FARM - HONDURAS

- PWS has sold Phoslock to prawn & shrimp farmers in India, Malaysia, China and Honduras to assist in controlling algal levels in growing ponds.
- By controlling algal levels in ponds, the farmers will better control the quality, quantity & taste of the prawns & shrimps.
- The recent application of Phoslock to shrimp ponds in Honduras gave PWS exposure to one of the largest shrimp growers in the world.
- Results of the Phoslock application will take a number of months to be fully assessed.
- There is over 3 million hectares of fresh water prawn & shrimps under cultivation in the world, most in tropical countries.
- The aquaculture industry could be a very large market for Phoslock, as prawns, shrimp and fish cannot be exposed to any product which is not environmentally friendly.

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RECENT PHOSLOCK APPLICATIONS
GOLF COURSES - KOREA

- There are approx 100,000 golf courses around the world (some 40,000 in the US, 5,000 in Japan, 1800 in Australia).
- Lakes, water features and streams are a major feature on most golf courses.
- The water in most lakes, water features and streams is heavily eutrophied due to excess use of fertilizers plus the effects of natural bird life.
- Phoslock has been applied on 4 golf courses in Australia, 2 in Korea, & trials scheduled for several Japanese golf courses.
- Results were all very positive with significant reduction in phosphorus levels.
- PWS sees an enormous market in servicing the golf course lake & pond market. The logical applicators of Phoslock are companies who already provide a turn key maintenance service to golf course owners – this is very common in the US, Japan and other parts of Asia.

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RECENT PHOSLOCK APPLICATIONS
PRIVATE WETLAND - NETHERLANDS

- Private lakes and wetlands exist all over the world. The owners can be individuals, land held in trust, body corporates and industrial parks.
- These water bodies are usually heavy eutrophied due to excessive use of fertilizers plus effects of natural bird life.
- Owners of these water bodies generally want to keep them in good condition and are prepared to pay to maintain them along with the surrounding gardens.
- Phoslock was recently applied on a private wetland in the Netherlands.
- Phoslock application had an immediate affect on the water's quality and clarity. There was a significant reduction in measured phosphorus levels.
- Park lakes and wetlands are an enormous potential market for PWS in Australia and around the world.

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THREE YEAR PLAN

By the end of 2008, management is targeting a company which:

- Produces 20,000 -30,000 tpa of Phoslock products from two manufacturing operations.
- Second manufacturing operation to be built (most likely) on eastern seaboard of Australia.
- Introduction of non dispersible pellets for aquarium, water tanks and filter systems.
- Phoslock to be represented in over 100 countries through a network of licensees.
- At 20,000 tpa of Phoslock products, projected EBITDA of $18 million.
- At 30,000 tpa of Phoslock products, projected EBITDA of $29 million.
- A share market capitalisation in excess of $100 million.
- Possible listing on overseas exchange (AIM) to capture Ethical/Environmental Investors.

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FINANCIAL PROJECTIONS BASED ON VARYING PRODUCTION & SALES LEVELS

Sales							
-Phoslock Granules	tonnes	5,000	10,000	13,000	16,000	19,000	22,000
-Phoslock Pellets	tonnes	0	0	2,000	4,000	6,000	8,000
Total Sales	tonnes	5,000	10,000	15,000	20,000	25,000	30,000
Production From		China	China	China Aust	China Aust	China Aust	China Aust
Sales Revenue	A$ m	$10.0	$20.0	$32.0	$44.0	$56.0	$68.0
Bentonite Mine Royalties	A$ m	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2
Less COGS	A$ m	-$6.0	-$12.0	-$18.6	-$25.2	-$31.8	-$38.4
Gross Profit	A$ m	$4.2	$8.2	$13.6	$19.0	$24.4	$29.8
LESS SG&A	A$ m	-$3.5	-$4.5	-$5.5	-$6.0	-$6.5	-$7.0
NPBT	A$ m	$0.7	$3.7	$8.1	$13.0	$17.9	$22.8

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