

De.mem poised for sales growth following successful commercial scale trials of proprietary nanofiltration membrane

Highlights

- Successful completion of commercial trials with its proprietary nanofiltration membrane technology in Singapore and Vietnam
- Trials confirm superior rejection performance
- New membrane technology ready for deployment in DEM's water treatment systems – wide commercial applications with first sales order for proprietary membranes pending
- Scope to scale up commercial order pipeline in Asia and Australia

20 February 2018: Water and waste water treatment company De.mem (ASX:DEM) (“De.mem” or “the Company”) is pleased to announce the successful completion an initial round of commercial scale testing projects of the Nanofiltration membrane technology (See summary overview of trials accompanying this ASX release).

The technology was in-licensed from Nanyang Technological University in Singapore (NTU Singapore) in June 2016 and delivers significantly lower operating costs and reduced investment relative to other conventional water treatment technologies.

As announced in October 2017 (refer ASX release: 9 October 2017), the first water treatment system was deployed at a municipal water treatment facility in Vietnam which has been successfully filtering river water from the Mekong River. A second pilot trial has also been completed in a manufacturing facility in Singapore.

Management commentary

De.mem CEO Andreas Kroell said: *“The successful conclusion of these commercial pilot projects marks the beginning of the commercialisation phase for De.mem’s new membrane technology. Our first commercial sale is pending and we will now be aggressively marketing the technology throughout Asia and Australia where we will look to establish a healthy tendering pipeline. We are very encouraged by the prospects for the technology and its broad commercial application across multiple sectors.*”

The results of the successful pilots reflect our promise to produce high quality treated water using our hollow fiber nanofiltration membranes at low pressure and low operating cost. We now have the foundation in place to firmly establish De.mem as a well recognised and technology-led water and wastewater treatment company with the most advanced systems available on the market today.”

De.mem Director of Manufacturing David Chua added: *“Thanks to the strong support of NTU and the dedicated work of our team, we have been able to complete the set up of our membrane production and initial validation of our membrane technology in record time. We look forward to seeing this membrane now in the commercial market.”*

-ENDS-



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About De.mem Limited

De.mem Limited (ASX:DEM) is a Singaporean-Australian decentralised water and waste-water treatment business that designs, builds, owns and operates water and waste water treatment systems for its clients. De.mem operates in the industrial segment providing systems and solutions to customers from the mining, electronics, chemicals, oil & gas and the food & beverage industries and in the municipal and residential segments. De.mem has licensed proprietary technologies from its partner in research & development Singapore's Nanyang Technological University (NTU), including an exclusive worldwide license for a revolutionary low-pressure hollow fibre nanofiltration membrane. Through its wholly owned water and waste water treatment original equipment manufacturing (OEM) subsidiary Akwa-Worx Pty Ltd, De.mem has a strong presence in Australia. Akwa-Worx has a market reputation for building high quality Australian designed and manufactured products and has long-term customers in the Australian mining industry. To learn more please visit: www.demembranes.com

Summary of Trials

The Company's trial in Vietnam confirms that the new membrane technology boasts superior rejection performance. The rejection of certain key parameters such as bacteria was confirmed at '6-log', which implies that out of one million bacteria, less than one is able to pass through the membrane which is vastly superior to other hollow fiber membranes available.

Other key criteria for the treated water such as Turbidity or Total Dissolved Solids (TDS) also fell within World Health Organisation (WHO) drinking water standards throughout the trial. These outcomes have both been achieved by using De.mem's membrane as a single treatment step, while running the membrane at a comparatively low pressure of between one and two bar.



Image one: River feed (left) and Nanofiltration permeate (right)

The Singapore trial was performed on site at the factory of a multinational corporation from the electronics sector, treating the client's waste water. Its objective was to confirm the potential to use the new membrane for applications in industrial waste water treatment and recycling.

Key criteria which measure the strength of industrial waste water, such as Chemical Oxygen Demand (COD), Turbidity or Total Dissolved Solids (TDS), could be reduced substantially, to below discharge requirements imposed by the Singapore government. Furthermore, the customer confirmed that the treated water can be recycled for re-use in its production, significantly reducing operating costs. The membranes have been run at a low operating pressure of 1.5 bar.

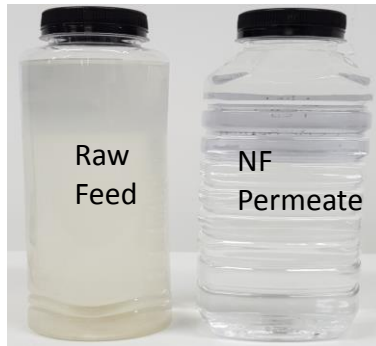


Image two: Raw feed / industrial waste water (left) and Nanofiltration permeate (right)

Furthermore, the trial period allowed De.mem to test the stability of its membranes and to optimise both the operating cycle and procedures.

De.mem will publish detailed technical specifications for its membrane technology on the Company's website shortly.