

Companies Announcement Office
ASX Limited
Level 6, 20 Bridge Street
Sydney NSW 2000

Successful Production Ramp-up following Phase 1 Expansion Start-up

Triadelphia, WV, USA: CFOAM Ltd (**CFO** or **the Company**), via its wholly owned subsidiary CFOAM, LLC, is pleased to report that it has successfully gone through the production ramp-up of its new kiln, following a number of production cycles at increasing panel loading levels that were planned as part of the new equipment qualification program. The kiln is now being operated at full capacity and, by complementing other production equipment assets, enables the Company to produce CFOAM® products at the rated capacity of 25,000 cubic feet per year.

In addition, production at the Blairsville, PA coal-grinding facility has increased correspondingly in order to meet the production needs of CFOAM® panel production at the Triadelphia, WV facility. With full control of its coal processing technology, CFO is now in a position to consistently produce high-quality CFOAM® products and is in a position to avoid incurring the product quality issues that had impacted its operations in the past. Moreover, continuous process improvement activities that were started in the last few months have enabled the Company to markedly improve product quality in terms of yields, strength and product consistency, thus providing increased value to customers.

As a result of its enhanced capability in supplying consistent quality materials, the Company has also lined up a number of meetings and discussions to take place in the next few weeks and months with a number of key and strategic customers that have been active in purchasing and/or testing CFOAM® products for commercial use since becoming part of the Company's sales pipeline over the last few months. We anticipate that a good number of these discussions will lead to significant increased and/or new sales activity over the next several weeks and months.

Chief Operating Officer of CFOAM LLC, Mark Morse commented: *"By being able to produce increased quantities of better-quality CFOAM® products, we are now in a position to deliver consistent value to existing and new customers, particularly in the composite tooling, transportation and construction materials markets. Consequently, our current focus is on engaging with customers further with the aim to significantly ramp up our sales of CFOAM® products over the next few months"*

ASX ANNOUNCEMENT

20 September 2018



The Company's organization in front of the new kiln, with recently produced CFOAM® panels on display

For further details, please contact:

Alain F. Bouruet-Aubertot

Executive Director

E: abouruet@CFOAM.com

Toby Chandler

Non-Executive Director

E: tchandler@CFOAM.com

Todd Hoare

Non-Executive Director

E: thoare@CFOAM.com

Gary Steinepreis

Non-Executive Chairman

E: gsteinepreis@CFOAM.com

About CFOAM Limited

ASX ANNOUNCEMENT

20 September 2018



CFOAM® products are an inorganic carbon material that is manufactured from coal, pitch or lignin feedstock. CFOAM® products manufactured in this process have a rigid foam structure, similar in appearance to pumice stone, but with entirely different properties. CFOAM® products are currently used across a wide variety of markets including composite tooling for the aerospace sector, energy absorbing applications and defence applications. Additional markets such as the automotive applications for energy absorption and fire resistance are also expected become significant to the Company over time.

CFOAM® products were developed to meet the growing demand for ultra-high-end performance engineering materials in the, industrial, aerospace, military and commercial product markets.

Important Notice

Some of the statements appearing in this announcement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which CFO operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. No forward looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside CFO's control.

CFO does not undertake any obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of CFO, its directors, employees, advisors or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this announcement reflect views held only as at the date of this announcement.

This announcement is not an offer, invitation or recommendation to subscribe for, or purchase securities by CFO. Nor does this announcement constitute investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. Investors should obtain their own advice before making any investment decision. By reviewing or retaining this announcement, you acknowledge and represent that you have read, understood and accepted the terms of this important notice.