

21 November 2018



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

CFOAM LIMITED CONVERTIBLE NOTE ISSUE

CFOAM Limited ("CFO" or "the Company"), through its 100%-owned subsidiary, CFOAM, LLC, manufacturer of carbon foams CFOAM®, used for ultra high-end performance engineering materials in the industrial, aerospace, military and commercial markets, is pleased to provide the following update to the ASX release of 31 October 2018.

As announced, the Company has secured from existing major shareholders and sophisticated investors, subject to final documentation and shareholder approval, a raising of a minimum of US\$ 3 million through the placement of **Convertible Notes with a face value of US\$1 each** ("**Convertible Note Issue**").

The Company has amended the split of the Tranche 1 and Tranche 2 allocation and has now issued, using part of the existing placement capacity under Listing Rule 7.1, 450,000 Convertible Notes which is a maximum dilution of 5,000,000 securities as Convertible Notes (**Tranche 1**). This is based on using a fixed conversion price of A\$0.18 and as result of the convertible notes being in USD this calculation is impacted by an exchange rate floor to be not less than A\$1.00 = US\$0.50.

The balance of the Convertible Notes and participation by the Related Parties, under the same terms of those in Tranche 1, is to be subject to shareholder approval at a General Meeting of Shareholders proposed to be held on 19 December 2018 (**Tranche 2**).

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About CFOAM Limited

CFOAM® is an inorganic carbon material that is manufactured from coal, pitch or lignin feedstock. CFOAM® manufactured in this process has a rigid foam structure, similar in appearance to pumice stone, but with entirely different properties. CFOAM® is 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® was developed to meet the growing demand for ultra-high-end performance engineering materials in the, industrial, aerospace, military and commercial product markets.

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