

9 November 2017



Companies Announcement Office  
ASX Limited  
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## **CFOAM PRODUCTION EXPANSION & DEVELOPMENT WELL UNDERWAY**

### **Highlights:**

- CFOAM Ltd finalises all engineering, scoping and pre-development works to formally commence Phase 1
- Binding contracts for the order of custom-made kiln, and other long lead-time items, have been executed
- Phase 1 expansion plan fully on-schedule – will increase nameplate capacity to 25,000cft in August 2018
- Sales run-rate at nameplate capacity to near US\$10m post-Phase 1 completion

Triadelphia, WV, USA: CFOAM Ltd (**CFO** or the **Company**), via its wholly owned subsidiary CFOAM, LLC (**CFL**) is pleased to advise that, following the successful completion of the Company's recent heavily oversubscribed A\$4.5 million capital raising, a binding contract to purchase major capital equipment, including a custom-made kiln, has been executed. This completes, and formalises, what is a pivotal step in the Company's Phase 1 expansion plans to increase CFOAM® production capacity to 25,000cft per annum in August 2018, equivalent to a potential annual revenue run-rate that nears US\$10m.

Concurrently, negotiations regarding the attainment of additional non-dilutive financing - for the Phase 1 expansion and to further enhance the Company's balance sheet strength - continue to progress well. Discussions are maturing with several US regional banks, and any securement of funding will directly complement the US\$1.6 million funding that is to be provided by the West Virginian State organizations, WVEDA and WVJIT. In effect, both boards of directors at these organizations have already formally approved the loans and finalisation of the loan documents is expected to occur over the next several weeks. Overall, we anticipate that the whole financing package will be finalized around the end of November.

Once the final Phase 1 funding structure has been formally approved by the Board, the Company will immediately focus on the development of its Phase 2 expansion plans, with the expectation that this is completed, or near-completion, in early Q2-2018. With the Phase 2 engineering, scoping, design work and funding plans fully developed, the Company aims to move to a nameplate production of at least 70,000cft per annum in the first half of 2019.

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*Executive Director and CEO, Alain Bouruet-Aubertot, commented: "Our team has continued to demonstrate its ability to achieve key milestones on the timetable it has communicated to the market. We are excited about the next substantial phase of growth for the Company that will be achieved with the completion of Phase 1, and then expanding our production infrastructure further – in unison with our rapidly developing sales pipeline - to ensure a successful 2018. The Company looks forward to keeping the market well informed regarding all key expansion milestones as we execute our core platform strategies".*

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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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