

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

AGREEMENT TO SETTLE PROMISSORY NOTE WITH CFOAM® PRODUCTS AND CASH BY 31 DECEMBER 2021

CFOAM Limited, CFOAM Corp (74.34% owned by CFOAM Limited, 25.66% owned by CONSOL Energy Inc) and its operating entity CFOAM LLC, Triadelphia, West Virginia, (**CFOAM**) wish to provide an update on the Touchstone Research Laboratory, Ltd (**Touchstone**) secured promissory note which is due on 31 December 2021.

CFOAM and Touchstone have agreed to settle the promissory note which is due on 31 December 2021 by the sale and purchase to Touchstone of US\$194,062 of CFOAM₃₀ product and cash of US\$524,732.

Touchstone will purchase the CFOAM₃₀ product for cash and upon receipt of the cash CFOAM will reduce the promissory note debt. The balance of the promissory note will be settled by cash. The settlement of the secured promissory note will allow for the removal of the lien over the assets of CFOAM.

This ASX release has been approved for release by Gary Steinepreis on behalf of the Board of Directors

For further details, please contact:

Gary Steinepreis

Director

E: gsteinepreis@CFOAM.com

Todd Hoare

Director

E: thoare@CFOAM.com

About CFOAM Limited

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 automotive applications for energy absorption and fire resistance are also expected to 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.