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

**CFOAM CONTINUES TO BUILD OUT ITS SALES PIPELINE, EXPANDS INTO NEW  
MARKETS AND SCALES UP ITS SALES ORGANIZATION**

**Highlights:**

- **CFOAM Ltd (CFO) continues to expand its sales pipeline and increase its sales to new customers, while also establishing relationships with key strategic customers**
- **CFOAM grows its sales and marketing organization and network of expert market consultants**

Triadelphia, WV, USA: CFOAM Ltd (**the Company**), via its wholly owned subsidiary CFOAM LLC, is pleased to report its continued progress in the build out of its sales pipeline, with an overall increasing number of accounts and applications as compared to the previous October 31<sup>st</sup> update:

- **Category 1 – commercial customers: 11 customers (+1) in 7 main applications (composite tooling/aerospace, space, defence, lightning/heat dissipation, audio, composite tooling/boats and electronics). As part of its strategy to diversify its customer base, the Company has shipped its products to new customers overseas. After CFOAM® products were shipped to Asia to a company that makes composite tools to produce parts that are used in race boats, CFO has also recently completed its first sales to a European company that builds tools for structures parts in space-related applications. Overall, per annum sales run-rate for commercial customers are in excess of \$2 million, and growing through increased market penetration at existing customers' business.**
- **Category 2 – customers close to qualification: 11 customers in 8 main applications (composite tooling, batteries, fire-resistant parts, space, defence, heat dissipation, transportation and electric conductivity). While there has been no net customer addition since the last update, we expect that about three to four accounts are likely to make a decision over the next several weeks regarding the qualification of carbon foam products into a commercial phase. In addition, it has been confirmed that the funding for the ship retrofit program that includes the installation of a CFOAM®-containing exhaust uptake in early 2019 has been formally approved by the US Navy. As a result, we are still anticipating receiving a purchase order to be issued by Touchstone Research Laboratory (TRL) at any time within the next few weeks. In total, short to medium term annual sales run-rate opportunity (12 to 18 months timeframe) is estimated to be over US\$5 million.**

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- Category 3 – customers performing test evaluations: 17 customers (+5) in 10 main applications (+2) (composite tooling, cookware, fire resistant materials, transportation, space, defence, construction, water filtration, heat exchangers and chemical additives). The number of companies that are currently evaluating CFOAM® and PFOAM™ products in their application has increased markedly over the last few weeks, due to a concerted effort at targeting and approaching new potential accounts and applications.

As part of this recent sales development activity, the Company has also established new relationships with “strategic customers,” which are companies that are leaders in their industry and have the potential to provide CFO with significant volume as the Company expands its production capacity over time. In addition to a key aerospace company, which, is already CFO’s second largest customer after Touchstone Advanced Composites (**TAC**), and is growing, these new strategic partnerships have been initiated in the composite tooling and construction materials industries and will translate into the growing use of CFOAM® products in key reference applications over the next several months. Establishing such strategic relationships is going to continue to be a key focus of the organization, as this effort will enable the Company to meet its overarching goal, medium term, to minimize the time that it will take to ramp up production from its 9,000 cu.ft current capacity to 25,000 cu.ft per year following the start-up of our Phase 1 capacity expansion that is projected to occur in August 2018.

In order to support the implementation of its business development strategy, CFO is scaling up its sales and business development organization, with a number of open positions that are currently being filled in the areas of sales and marketing leadership and technical sales. The Company is also establishing a sales office in California in order to best support its fast growing activities on the West Coast, particularly in the composite tooling and aerospace industries. In addition, the Company has retained the services of Mike Therson and Steve Rogers, principals of Emergentek. Mike and Steve are former executives of the composites industry and highly experienced composites experts, particularly for applications in the aerospace industry. Mr Rogers is uniquely connected in the composites community worldwide, having served as President of the Society for Advanced Materials and Process Engineering (**SAMPE**), the world’s largest composites organization. Furthermore, James Dietz, ex-Chief Technology Officer of NYSE listed Koppers, has renewed and expanded his role with the Company in a business and technical capacity. Mr Dietz has a deep technical understanding of graphitic foams, like PFOAM™, having worked with these products at Koppers for over 5 years. Mr Dietz will work directly with customers and our sales organization to insert PFOAM™ for testing and qualification into different applications.

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*Executive Director and CEO, Alain Bouruet-Aubertot commented: “a significant push to establish contacts with potential new customers about the benefits of the use of carbon foam products has resulted in a significant amount of new testing activity and on-going discussions. At the same time, while the volume of new commercial orders isn’t of significant scope today, the quality, size and diversity of our counterparties and customers demonstrate the potential to grow significantly from this point. Overall, our sales development strategy is focused and on track.*

*First, we aim at increasing the number of companies and applications that are involved in the various phases of testing and qualification of carbon foam products, while also accelerating the transition from testing, to qualification and commercialization phases that constitute our sales pipeline.*

*Second, we have a critical focus on establishing and growing relationships with strategic customers that have the potential to provide significant volume as the Company pursues its next phases of expansion.*

*Enabling these strategic customers to qualify and ramp up the use of carbon foam products will, over time, add to both the sales we are generating from Touchstone Advanced Composites (TAC), which constitute our base load of shipments today, and the smaller, but growing, repeat business that is being developed on an on-going basis.*

*To support this continuing effort, CFO is now scaling up its sales and marketing organization, with the addition of key industry experts and professionals that will facilitate and enable the rapid market penetration of its carbon foam products.”*

*For further details, please contact:*

**Simon Hinsley**

NWR Communications

E: [simon@nwrcommunications.com.au](mailto:simon@nwrcommunications.com.au)

P: +61-401-809-653

**Alain F. Bouruet-Aubertot**

*Executive Director*

E: [abouruet@CFOAM.com](mailto:abouruet@CFOAM.com)

**Toby Chandler**

*Non-Executive Director*

E: [tchandler@CFOAM.com](mailto:tchandler@CFOAM.com)

**Todd Hoare**

*Non-Executive Director*

E: [thoare@CFOAM.com](mailto:thoare@CFOAM.com)

**Gary Steinepreis**

## ASX ANNOUNCEMENT

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*Non-Executive Chairman*

E: [gsteinpreis@CFOAM.com](mailto:gsteinpreis@CFOAM.com)

### **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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