

ASX ANNOUNCEMENT

8 January 2019



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

CHANGES TO THE BOARD

CFOAM Limited (**CFOAM** or **Company**) is pleased to announce the appointment of Brian Joseph to the Board of CFOAM. Brian has held the position of Senior Scientific Advisor with CFOAM for some time, and as both the technology inventor as well as the Company's largest customer, through Touchstone Advanced Composites (TAC), this strengthening in alignment of R&D and commercial interests underscores his commitment to this business.

The strategic rationale for CFOAM to be more closely aligned with both Brian and TAC is clear, and the Board is confident that this arrangement will not only allow CFOAM to make yet further strides in the already greatly enhanced product quality and yield that have been achieved over the H2-2018, but also assist in opening up key new customers and markets that TAC has collaborated with in the past (not to mention the dozens of globally significant OEMs that TAC already manufactures CFOAM-based composite tools for, on behalf of the Company).

Brian Joseph commented: *"I very much look forward to joining the CFOAM Limited Board of Directors. I believe my specific technical expertise, industry knowledge and understanding of the local business and government ecosystem will be very useful in moving the Company meaningfully forward."*

Over the past several quarters, the Board of CFOAM has attracted a world-class team onsite in WV with whom I have had the opportunity to work closely. As a result, I can expressly state that I have great expectations for the Company in the months and years ahead."

The Board would also like to announce the resignation of Alain Bouruet-Aubertot from both his roles as CEO with CFOAM, LLC, and as a Board member with CFOAM Limited. Alain was successful in stabilising the Company's production and operating platform, and enhancing the consistency and quality of the CFOAM foam produced.

Given the demonstrated depth in staffing resources and redundancy now firmly in place, the Board has decided not to replace Alain directly - noting also the oversight depth gained in the addition of Brian Joseph to the Board, and the ongoing daily oversight provided by Mark Morse, CFOAM, LLC's COO who has now been in place for approximately four months. Additionally, all key operational staff (Head of Sales, Head of R&D, CFO etc) will also have a functional report directly into the Board, as well as to Mark. The Company is now strongly focused on

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pivoting towards greater sales penetration, now that essentially all historical and legacy operational issues have been eliminated, as evidenced by the dramatic improvement in foam volume and quality presently being produced onsite. Anticipated key future staffing decisions will be enacted with this pivotal focus on sales penetration at the forefront of these decisions.

The Board would like to thank Alain for his contribution over the past 18 months, and wish him success in his future endeavours.

An Appendix 3X and 3Z are attached.

Yours sincerely
Gary Steinepreis
Chairman

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 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.

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Appendix 3X

Initial Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity	CFOAM Limited
ABN	46 611 576 777

We (the entity) give ASX the following information under listing rule 3.19A.1 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Brian Joseph
Date of appointment	8 January 2019

Part 1 - Director's relevant interests in securities of which the director is the registered holder

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Number & class of securities Ordinary 7,187,500 Performance rights 500,000 (vesting in 3 equal tranches)

+ See chapter 19 for defined terms.

Appendix 3X

Initial Director's Interest Notice

Part 2 – Director's relevant interests in securities of which the director is not the registered holder

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Name of holder & nature of interest	Number & class of Securities
Note: Provide details of the circumstances giving rise to the relevant interest. Nil	

Part 3 – Director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	See below
Nature of interest	See below
Name of registered holder (if issued securities)	See below
No. and class of securities to which interest relates	See below

On 29 March 2016, the Group entered into an asset purchase agreement (which was subsequently amended) to acquire all production plant equipment, intellectual property (including patents and trademarks), leases, inventory, contracts and infrastructure related to the production of carbon foam "CFOAM®" (**Assets**) from Touchstone Research and Brian Joseph (**Asset Purchase Agreement**).

The consideration under the Asset Purchase Agreement, as amended, was US\$6,800,000 and 9,187,500 ordinary shares in the Company were issued as part of the IPO. The cash consideration has been paid as follows:

- (i) US\$2,200,000 on settlement;
- (ii) CFOAM, LLC (formerly Carbon Innovations, LLC) issued a US\$800,000 promissory note to Touchstone Research with a term of 5 years and an interest rate of 3% per annum, and which is secured by a first lien security interest over the Assets. Payable monthly on a reducing principal basis;
- (iii) CFOAM, LLC issued a US\$3,800,000 promissory note, as amended, which accrues interest at 2% per annum and be secured by a second lien security interest over the

+ See chapter 19 for defined terms.

assets acquired under the APA. This promissory note and any accrued interest is payable as follows:

- (A) US\$1,000,000 plus accrued interest was paid on or before 31 October 2017;
- (A) US\$450,000 plus all unpaid accrued interest was paid on or before 30 April 2018;
- (B) US\$450,000 plus all unpaid accrued interest is payable on or before 15 January 2019;
and
- (C) US\$1,900,000 plus all unpaid accrued interest is payable in full on or before 15 December 2019.

+ See chapter 19 for defined terms.

Appendix 3Z

Final Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity	CFOAM Limited
ABN	46 611 576 777

We (the entity) give ASX the following information under listing rule 3.19A.3 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of director	Alain F. Bouruet-Aubertot
Date of last notice	24 December 2018
Date that director ceased to be director	8 January 2019

Part 1 – Director's relevant interests in securities of which the director is the registered holder

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Number & class of securities
600,000 - Ordinary shares 4,350,000 - Performance Rights

+ See chapter 19 for defined terms.

Appendix 3Z

Final Director's Interest Notice

Part 2 – Director's relevant interests in securities of which the director is not the registered holder

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Name of holder & nature of interest Note: Provide details of the circumstances giving rise to the relevant interest	Number & class of securities
-	-

Part 3 – Director's interests in contracts

Detail of contract	-
Nature of interest	-
Name of registered holder (if issued securities)	-
No. and class of securities to which interest relates	-

+ See chapter 19 for defined terms.