



5 April 2012

**Iofina plc**  
("Iofina" or the "Group")

## **Purchase of Dual Production Site and Iodine Recycling Initiative**

Iofina (LSE AIM: IOF), specialists in the exploration and production of iodine, with complete vertical integration into specialty chemical iodine derivatives, announces the entrance of Iofina Chemical into the iodine recycling business and the freehold purchase of a new dual-production brine stream process site located at its core Southwest Operations area, which the Directors believe will lead to capital cost savings being achieved by the Group.

### **Mid-stream**

The site purchase includes approximately one acre of land, access roads, and easements for brine lines, electric and other utilities. The site is located between two brine water disposal facilities of two large oil and gas companies that are listed on the New York Stock Exchange (NYSE), having a combined market cap of over \$60 billion. Iofina currently has under contract one operator's brine stream and is finalising the contract with the other which will be secured in the next forty-five days. Iofina has completed the surveying, plant engineering and design for this location. The site will be able to extract from both operators iodine rich brine streams by our WET® IOsorb™ iodine extraction plant thus realizing the OPEX and CAPEX synergies. The site will be placed into our previous announced backlog of sites and locations for rollout. The site was purchased for under \$15,000 USD.

### **Iodine Recycling**

As a corporate policy, Iofina promotes wherever possible environmental sustainability in its working practices and seeks to minimise, mitigate or remedy, any harmful effects from the Group's operations on the environment at each of its operational sites. The Board is pleased to report that it has successfully entered into the iodine recycling business to manage waste streams from chemical, nylon, electronics and pharmaceuticals manufacturing. We are currently processing iodine from these sources at our Iofina Chemical location in Covington, Kentucky.

There are numerous instances where iodine, and iodine compounds, are used in the processing of various products where the iodine itself does not remain in the final product. Iodine compounds are used as reaction intermediates because of its high reactivity, but often iodine is not introduced into the target products and therefore is discharged as industrial waste after reaction. These waste streams exist in the form of water solutions and solids. In such waste streams not only is iodine evident, but a myriad of other inorganic and organic substances. Iofina has recently focused on collecting and recycling iodine from these waste streams in view of its sustainability programme, with the added benefits of reduced iodine costs, service to existing customers and conservation of natural resources.

Similar to the Group's brine streams, there are various types of waste streams and, accordingly, the iodine content and impurities in them differ. Iofina's reproduction of iodine is made possible by utilising

proper treatment suited to each type of waste stream based on the Group's own technology and industries expertise. The recycled iodine is then used to produce iodine chemical derivatives.

**Commenting, Lance Baller, CEO and President, stated:**

"The Board is pleased with the purchase of our first company owned mid-stream production site. By having a central Group owned site it allows us to use this dual brine model at other locations while reducing both OPEX and CAPEX costs compared to an individual site. Iofina's goal is to have a backlog of sites that are ready to accept large WET<sup>®</sup> IOsorb<sup>™</sup> plants once they are completed by our fabricators. The entry into iodine recycling allows us to do our part in improving the environment and importantly completes the full circle of iodine production, iodine chemical derivatives and iodine recycling for complete vertical integration into the iodine market. We believe that this will positively impact the Group's bottom line moving forward."

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