



14 August 2014

Iofina plc
("Iofina" or the "Company")
(LSE AIM: IOF)

July Production Update
IO#5 and IO#6 plants online

Iofina, specialists in the exploration and production of iodine and iodine specialty chemical derivatives, is pleased to update the market today on continued progress and production during the month of July ("the Period").

The Company reports that it has produced 24.5 metric tons (mt) of crystallised iodine at Iofina Resources in the Period, compared with 30.6mt for June. The decrease for the Period was attributable to a more aggressive fracturing schedule than planned and one operator undertaking an unplanned, major site upgrade. We accomplished several critical tasks in the latter half of the Period and first week of August to position Iofina in an advantageous position to achieve maximum production for all plants. IO#2 has seen an immediate increase in production due to recent maintenance and is expected to show further significant increases once the operator finishes the site upgrade to disposal site early next week. IO#5 received power and was quickly and efficiently restarted for immediate production towards the end of the Period. IO#4 is undergoing an upgrade which will potentially increase production by 150-200%. Production started at IO#6 this week and the plant is rapidly ramping up to consistent production. The Company is expected to exit August producing 1.7 mt/day under normal, or expected, operations. Total August production is expected to be 40mt. The Company reiterates its full year production guidance. The Company had revenues for the Period of c.\$2.7 million.

IO#1 Production Plant

The site experienced downtime due to maintenance, power/electrical outages, and low-flow from the Operator. The Company is addressing issues with truck deliveries and has identified several truck routes that have been diverted for reasons 'un-approved' by the Operator. The salt water disposal site (SWD) Operators are tracking these routes and trying to get them to reroute.

IO#2 Production Plant

Production in July was lean due to the Operator's complete diversion of brine to temporary storage tanks used for nearby fracking activity. The site frequently had to run at lower capacity due to large amounts of incoming oil in brine. During certain periods of receiving 'flow-back' from fracking or flushed wells, the plant shut-in completely. IO#2 was completely shut-in at month's end and until the first week of August for maintenance which has coincided with an unplanned complete salt water disposal design upgrade by the Operator, which Iofina welcomes. The Operator is in the final stages of completing a state of the art SWD design which is expected to eliminate 98% of oil in the brine water resulting in lower cost and increased efficiency at IO#2. The project is expected to be completed by mid-

August. Historically, the plant has received brine directly from the main-stem of the Operators brine transfer system with limited separation. With the complete upgrade, Iofina anticipates a lift in production. Additionally, drilled wells in the area have increased overall brine availability to site.

IO#3 Production Plant

Run-time in July was excellent compared to Q1 and previous months. The SWD continued to flow brine even during aggressive fracking activities in the immediate area. We attribute this increase in run-time to effectively communicating with the Operators, hence assuring consistent brine flow. The Company continues to work on optimization at IO#3 where some minor adjustments are needed to maintain efficiencies and ensure chemical additions at proper rates.

IO#4 Production Plant

The plant was shut-in for 2 days (as previously reported) for diversion of fracking and remains only slightly affected by fracking compared to other SWDs on the system. IO#4 is currently being upgraded with a booster system which will be placed on the Operators SWD site and will be capable of delivering 30,000+ barrels per day of brine to the plant. The upgrade is expected to be complete in mid-August. The SWD site consistently handles this volume on a daily basis, hence production is expected to increase significantly and should be realized during the second half of the month.

IO#5 Production Plant

IO#5 was connected to the power grid on July 30th and is back in production. The plant is running very well, taking all available brine at the site.

IO#6 Production Plant

IO#6 began full production this week. Delays in IO#6 start-up were due to Operator design changes at the tie in. The Company expects good water quality and quantity at IO#6 and therefore favorable production volumes.

Commenting on today's update, Lance Baller, Non-Executive Chairman, stated: **"We are pleased to have all six plants in operation, and we are excited about the production potential from IO#6. While we are continuing to control costs, we need to achieve more consistent production results. We are on track for production guidance and are looking forward to the fracking schedule becoming less of a factor as the summer months come to a close."**

"The iodine market continues to be challenging, but the Company saw iodine prices remain steady in July. The Company had near record sales again for the month which demonstrates good demand for our products and lower inventory levels than other iodine producers."

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About Iofina:

Iofina specializes in the exploration and production of iodine, iodine specialty chemical derivatives and produced water. Iofina's business strategy is to identify, develop, build, own and operate iodine extraction plants currently focused in North America based on Iofina's WET® IOsorb™ technology. Iofina has production operations in the United States, specifically in Texas, Montana, Kentucky and Oklahoma. It has complete vertical integration from the production of iodine in the field to the manufacture of the chemical end-products derived from iodine to the consumer and the recycling of iodine using iodinated side-streams from waste chemical processes in Europe, North America and Asia. Iofina utilises its portfolio of patented and patent pending technology, proprietary methods and trademarks throughout all business lines.

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