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Iofina plc.
("Iofina" or the "Group")
(LSE AIM: IOF)

2013 Review and 2014 Outlook

Iofina, specialists in the exploration and production of iodine and iodine specialty chemical derivatives, provides the market today with a consolidated review of 2013 and the Board's outlook for the year ahead.

The Group's IO#1 iodine extraction pilot plant based on Iofina's WET® IOsorb™ technology ("IO#1"), recently celebrated its successful first year anniversary. This combined with the continued production at IO#2, which recently underwent extensive planned maintenance to refresh high levels of iodine production in the tower, and completion of the first digitally designed plant, IO#3, confirms the rollout and successful implementation of the Group's corporate strategy. Although not fully optimized, the three combined plants are averaging in excess of 1,000 kilograms of iodine per day, satisfying the Group's internal iodine demand while building inventory for future outside sales.

Construction of IO#4 and IO#5 plants has now reached the mechanical fit out stage. Steel fabricated structures await the delayed towers, one comprising of titanium and one set in fibre glass. Both sets are expected on site by the end of December. Anticipated plant start-up is in Q1 2014, as previously advised. Construction on IO#6 has commenced with the decision to proceed with a site in close proximity of the Group's IO#2 and IO#3 plants. The combined annual production rate from IO#1 through IO#6 is expected to be in the range 700-1,000 tonnes of crystallized iodine.

Current planning now envisages construction of up to three additional full size plants in 2014 beyond the plants currently in construction. These plants will bring the number of plants to nine with the anticipated inclusion of some additional mobile plants. The planned mobile unit's conceptual design is being finalised and the Company is planning to seek turnkey contracts for construction shortly. The number and location of these mobile plants is under evaluation.

Overall revenue in 2013 is likely to be comparable to 2012 levels. This is due to expected 2013 shipments at Iofina Chemical now being delayed into 2014. External iodine sales which were previously expected in 2013 are now expected to commence in 2014, resulting in an inventory build-up. To the extent that iodine produced by the Group is used in the production of iodine derivatives and not sold outside the Group, the value of such iodine production is a component of the derivatives revenue at Iofina Chemical and will not appear as raw iodine revenue from Iofina Resources. The Group's overall margins benefit from using iodine produced at Iofina

Resources, due to its advantageous production cost. Considering the lower revenue expectations, EBITDA excluding share option charges, will likely be similar to 2012 levels.

In 2013 a decline in iodine prices of greater than 20% has occurred. The Board believes the Group remains well positioned competitively as a result of its advantage of lower operating costs as compared with other producers. As a result of the announced shut in of production from certain higher cost iodine producers in 2014 the Group believes the price of iodine will stabilize and may begin to rise in the second half of 2014.

The Board also believes the mix of product sales achieved in 2013 sets the stage for good growth in derivatives revenue in 2014. Third party sales of produced iodine will commence in 2014. The Group intends to market both crystal and prilled iodine. Prilling unit design has been completed and site selection is underway. The earliest expected completion of any prilling unit is second half 2014.

While the Group continues to secure additional sites for Iofina conventional production plants, the opportunity to take on closed down oil and gas production sites which have high iodine levels in the produced brine is being examined. With the success of Iofina's technology, this approach could well prove to be commercially attractive from iodine production alone with no capital cost for wells.

Commenting on today's news, CEO George Lantz, said: "Whilst we expect revenues and EBITDA to be comparable to 2012, 2013 has seen the successful deployment of Iofina's IOsorb technology along with the continued growth of its derivatives business. Taking stock of the iodine production opportunities, increased derivative sales and prilling that are open to Iofina, 2014 signifies an exciting year for the rapidly expanding Group."

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About Iofina

Iofina specializes in the exploration and production of iodine, iodine specialty chemical derivatives, produced water and natural gas. 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 iodine production operations in the United States, specifically in Texas, California, Montana, Oklahoma and Wyoming. The Group 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. The Group utilizes its portfolio of patented and patent pending technology, proprietary methods and trademarks throughout all business lines.