



1 August 2013

Iofina plc

("Iofina" or the "Company")

(LSE AIM: IOF)

Operational Update

Iofina, specialists in the exploration and production of iodine and iodine specialty chemical derivatives, is pleased to report that production in the second quarter totaled 45 tonnes of iodine paste compared with 17.5 tonnes in the first quarter, largely as a result of an increase in overall plant runtime from approximately 40% to 80%. The Company also recorded a daily high of over 1000kgs in the second quarter compared with a high of 695kgs in the first quarter.

Despite these operational improvements the total available produced water for processing continues to be below forecast at WET® IOsorb™ IO#2 due to temporary disruptions attributable to the operators ongoing drilling and completion programs. Additional new wells are expected to be drilled and tied in in the coming months.

In addition, during the month of June, the Company experienced large ingresses of produced oil at WET® IOsorb™ IO#2. This was effectively handled, by the operation team resulting in techniques that will be incorporated into the Company's operation both at WET® IOsorb™ IO#2 and future sites where required. Iodine ppm levels and volumes at WET® IOsorb™ IO#1 continue to improve as well.

In July the Company processed at more consistent flow rates than in the previous quarter. This has resulted in a higher daily average of iodine produced. The Board fully expects the production volumes to increase to the previously reported production estimates of 800-900 kilograms per day. The Board anticipates this to occur during the third quarter as the Company improves runtime and efficiencies along with the tie-in of additional wells by the operator. An update on FY guidance will be provided in the interim results.

Construction of WET® IOsorb™ IO#3 is ongoing, with completion expected at the end of September. Locations for WET® IOsorb™ IO#4, IO#5 and IO#6 have been selected and procurement of plant equipment is largely complete and site leasing is in progress. The Company has seen increased demand in manufacturing for the energy sector in the US as deliveries for the Company's fibreglass equipment, especially towers, are at least four weeks longer than previously envisaged. An additional set of titanium towers have also been ordered and are currently being fabricated. IO#4, IO#5 and IO#6 are scheduled to complete in the fourth quarter of 2013.

Iofina has updated and expanded its Iodine Extraction Agreement with one of the largest independent oil and gas producers in the US, most significantly, now covering four separate locations. In addition, this agreement provides a unique mechanism to rapidly add additional locations providing a growth path for future expansion. Based on the Company's exploration and sampling program, Iofina has already identified several locations beyond the four committed sites. Through this on-going exploration, the Board is pleased to announce the discovery of multiple sites with extremely high iodine concentrations. The Company is developing a unique Hydrosorb processing unit to match the characteristics of these sites. This plant will be able to produce significant volumes of iodine without the expense of processing large water volumes. The Company is also in the process of developing its Mobile and MaxSorb units to meet the needs of additional production profiles.

Budgeting for 2014 is being undertaken with planning currently incorporating six additional plants, one every two months.

Iofina is also progressing on its Water Depot project. The next step in the Montana Department of Natural Resources and Conservation permitting process is to prepare a detailed engineering report. An engineering firm has been retained to complete this study. This study is anticipated to be completed in mid-August. Finalised agreements for the terminal's physical location, the necessary flow line right of ways, and pump stations have been completed. Additionally, the Company has been in contact with several oil and gas operators, service companies, and trucking companies to obtain additional letters of intent to purchase water.

For further information, please contact:

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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.