



7 March 2013

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

Operations Update

Iofina, a specialist in the exploration and production of iodine and specialty chemical iodine derivatives, is pleased to announce to shareholders today an Operations Update.

HIGHLIGHTS:

- IOsorb™ iodine production process proving successful, with 80-95% recovery of iodine contained in iodine rich brine streams;
- Production at IO#2 plant is in line with expectations and further optimisation is planned;
- Delivery of IO#3 expected into the US by the end of March;
- IO#1 and IO#2 are expected to be producing cumulatively over 300 metric tonnes per year
- Updates on Iofina Chemical and the Atlantis Water Project will be contained in the upcoming year-end trading report

WET® IOsorb™ IO#1 ("IO#1") and IO#2 ("IO#2") plants, which are located within the Group's Southwest Operations Group, started production late in the third quarter 2012 and early first quarter 2013 respectively. These initial two plants have already proved that the Group's proprietary iodine production model is a successful process with iodine yield efficiency in the range of 80-95 per cent, with ultimate recovery dependent on brine temperature and iodine part per million contained in each specific brine stream.

As previously announced in December 2012, IO#1 was initially limited by both a shortfall of brine, owing to trucking and disposal sites, and issues as to iodine content within the brine. The major independent oil and gas operator has subsequently increased the current average daily brine volume along with iodine content to this location. Iofina created a robust sampling program of the individual wells which translates into a geologic model for the area. Some wells in the area contained marginal iodine content and others are circa 200ppm. The Group now has a better understanding of the well completion techniques that cause this variance and will incorporate this knowledge into its business development strategy for the Company going forward on new sites. Further optimisation of the brine volume and iodine contained in the brine will continue at IO#1 with the goal of obtaining maximum capacity while increasing the overall iodine contained in the brine along with warmer temperatures.

IO#2, which, in contrast to IO#1, receives its brine input directly from the producing wells, enjoys far greater certainty as to iodine concentration and higher brine temperatures, which are greater than 40 degrees Celsius. The optimal water temperature helps yield improved efficiency for volume throughput which is now averaging in the low 90 per cent range on extraction efficiency. Initial throughput has been in line with expectations and will continue to increase over the next few weeks. Further wells will be tied in on a regular basis when wells are drilled and completed. IO#2 is performing in line with expectations and further fine tuning will continue to take place over the next 90 days in order to incorporate all the operational improvements learned from IO#1. As things currently stand we expect IO#1 and IO#2 to be producing circa 300 metric tonnes per year cumulatively.

As a result of the experience gained from IO#1 and IO#2 to date, the Company is implementing new design improvements, which lend to more efficient construction and plant commissioning, are currently being updated and incorporated. The Group has expanded the in house engineering design team to include drafting, electrical design and programmable logic controller programming and site project management. The Group remains focused on bringing its WET® IOsorb™ IO#3, IO#4, IO#5 and IO#6 plants into production. The delivery of the Group's WET® IOsorb™ IO#3 plant ("IO#3") is expected by the end of March 2013. The final construction of IO#3 is being carefully planned to target the most optimal brine streams available which will lead to higher overall production of iodine in 2013 and beyond.

Commenting on the update, Lance Baller, CEO and President, stated:

"We are excited about our WET® IOsorb™ and the opportunity they afford to the Group. Iofina remains focused on becoming a world leader in the production of Iodine and Iodine derivatives and the Board looks forward to what it anticipates to be a fourth consecutive year of record revenues in 2013."

For further information, please contact:

Lance Baller, CEO
Iofina plc
Tel: +44(0)20 3006 3135
www.iofina.com

Ben Colegrave/Chris Sim/Neil Elliot
Investec
Tel: +44(0)20 7597 5970

Media Contact:
Dominic Barretto/Anna Legge
Yellow Jersey PR Limited
Tel: +44(0) 7768 537 739

About Iofina

Iofina specialises 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 utilises its portfolio of patented and patent pending technology, proprietary methods and trademarks throughout all business lines.