



3 December 2010

Iofina plc
("Iofina" or "the Company")

Operational Update

Iofina plc (LSE AIM: IOF), the holding company of a group of companies involved in the exploration and production of iodine and natural gas, is pleased to report robust progress across all three operating divisions.

- Improvements in our filtration and absorption capabilities in the field
- Significant improvement in our stripping process
- Complete utilization of Company produced raw iodine in the derivatives product line
- Developing long term strategic relationships
- Secured all appropriate export licenses
- Iodine price at all time high with 5-7% price increases anticipated for first half of 2011

Third Party Brine Mid-Stream Business

POD units are currently in place at three third party sites- Warren, West Johnson and Termo. Much experience and in turn solutions have been incorporated to adapt the pods to accommodate the impurities we have encountered in the brine streams including the need to upgrade filtration and oil separator facilities. Warren and West Johnson are on track to produce between 41 and 48 metric tonnes (MT) per year. Additional facilities are being planned/progressed to increase this to between 121 and 141 MT per year. Other contracts already in place have the ability to produce between 64 and 75 MT per year and further new contracts are in negotiation. No production is budgeted from Termo due to the operator needing to upgrade the facilities. When on line up to 5MT is anticipated. We are now well placed to engineer solutions for a wide range of brines.

Atlantis

Our own Atlantis field produced 5½ MT during the summer. Our stripping process has shown excellent results, both in terms of recovery efficiencies and costs. Stripping is the process whereby the iodine is removed from the absorption media to useable elemental iodine.

Significantly, we have utilized this raw iodine to produce all of our iodine derivative products at Iofina Chemical. The finished goods produced meet all of our quality standards. This demonstrates that the

iodine produced from the field through our process will deliver the complete advantage to increasing production margins.

The field has now been winterised, operating cost minimised and wells closed in for the winter. Recent tests have shown that the wells are capable of producing between 3 and 6 times current flow levels. During the winter plans will be made to install electrical submersible pumps and possibly drill larger bore wells in the spring. The main plant will remain available to receive and strip the iodine from third party locations.

Iofina continues to work towards adding significant value to Atlantis by obtaining the water rights to the water we would otherwise dispose of by water injection. In turn an iodine enriched brine stream will then flow to the main separation facility. Surveys and preliminary engineering of our outfall location close to the Fresno reservoir have been completed. Letters of intent to purchase the water are being pursued along with feasibility studies to form the basis for engaging interested parties in our water treatment and water development business. No additional capital is foreseen in pursuing this or any other of Iofina's current business plans.

New Business

Our business development efforts have made significant inroads in developing new 3rd party opportunities and major strategic alliances. We continue working on our proprietary data set to develop more potential leads. This data is a very important asset to Iofina going forward. The database created a more focused approach to identify new regions, such as Texas. We are able to benefit from the lessons learned from our initial site in a region. We are more broadly defining potential brine streams to a particular geologic formation and geographic location so that once we secure the rights to the brine stream our operational solution for filtration and absorption can be more readily deployed. We also believe that this approach will have a cascading effect on generating new business. We are confident in our ability to sign up additional 3rd parties. We have also been in discussions with other iodine producers to pursue potential joint ventures with the goal to produce more iodine rather than compete against each other.

We have also secured an export license that will give us a competitive advantage in dealing with potential iodine derivative suppliers outside of the US and will set the ground work for Iofina to be able to export its own iodine, outside the US, thus broadening our options.

Iofina Chemical

Iofina Chemicals was ahead of budget in the first half of 2010. Whilst the second half has seen reduced demand there are promising signs that business will pick up in 2011. With the approval of Iodomethane (methyl iodide) by the California Department of Pesticide Regulation (CDPR) late last week, new opportunities for our products have increased. The new management has successfully rationalised working capital, reduced operating costs and built good customer relationships.

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About Iofina

Iofina is involved in the exploration and production of both iodine and natural gas with complete vertical integration into the specialty chemical iodine derivatives business. Iofina provides third party brine stream operators with a turnkey fee based solution to extract iodine through our iodine collection mid-stream business utilizing our Wellhead Extraction Technology (WET®) on their current disposal brine streams. Additionally, the presence of both iodine and natural gas has been discovered on acreages which the Company holds in the United States. The presence of both iodine and natural gas allows the Group to generate dual revenue streams over a single cost structure.

Iofina is traded on the London Stock Exchange's AIM Market under the ticker: IOF

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