



11 July 2016

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

## **CORPORATE & PRODUCTION UPDATE**

Iofina, specialists in the exploration and production of iodine and iodine specialty chemical derivatives, today provides an update to the market regarding first half 2016 ("H1") iodine production, corporate activities in the period and the outlook ahead.

### **Key Points:**

- Production target achieved - in line with production forecast range of 250-270MT
- 131 metric tonnes of crystalline iodine produced in Q2 2016 from five IOsorb® plants
- Continued focus to reduce iodine production costs as well as corporate costs
- Successful agreement of Heads of Terms for the restructuring of convertible debt and creation of a new USD\$10M Debt Facility
- H1 Iofina Chemical revenues up despite a reduction in the price of iodine

Crystalline iodine production for second quarter 2016 ("Q2") was 131 metric tonnes ("MT") and a total of 255.6MT was produced in the H1 2016 (294.1MT: H1 2015) from Iofina's five IOsorb® iodine plants. These results are in line with the Company's production forecast range of 250-270MT. The Board is pleased with H1 2016 production, which has been achieved despite recent higher than expected diversion of brine for fracking and power outages across our operating regions due to adverse weather conditions.

Iofina has continued to execute its plan to reduce production costs. The regulations imposed on Salt Water Disposal ("SWD") sites marginally reduced the like for like amount of brine processed. As previously communicated, in light of the current regulatory landscape, the Company has in conjunction with its partners begun projects to increase brine availability to its IOsorb® plants to access its partners' main brine pipelines passing near Iofina's plants. The Company is therefore less dependent on brine flow to individual SWDs. IOsorb® plant IO#4 is currently being adapted to process additional brine and this is anticipated to be complete within the next 10 days. Completion of a project to allow for increased brine processing at IOsorb® plant IO#2 is expected to follow shortly. In co-operation with brine supply partners, the Company is currently modelling different scenarios at its other production sites to determine cost versus benefits for Iofina.

Iofina expects to produce between 250-270 MT of crystalline iodine in H2 2016.

Iofina Chemical has performed well year to date. H1 2016 revenues are up despite a reduction in the price of iodine compared to the same period in 2015. Iodine prices, while much lower than historical trends, continue to remain fairly stable and currently are generally at or below \$24/kg for large volume buyers.

On 7 June 2016, the Board was delighted to announce an Agreement of Heads of Terms to extend its current convertible debt and create a new USD\$10M Debt Facility. The Board remains focused on working through the underlying details of these agreements with the Company's debt holders, and is making progress to complete. Additionally, the Company expected to receive a ruling in Q2 2016 on the Judicial Review of the non-core Atlantis Water Depot water permit. To date the Company has not received a ruling and it is not certain when this ruling will be announced.

Commenting, President and CEO Dr. Tom Becker, stated:

**“The Board is pleased with production levels at its IOsorb® plants in H1 2016. The Company is making progress to ensure brine supply to Iofina's plants and Iofina Chemical continues to perform well against a challenging iodine environment backdrop.**

**“The restructuring of the convertible debt and creation of a Debt Facility gives Iofina the means to execute its business plans in a challenging market and to reap the benefits of a return to normality for iodine prices.”**

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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 operations in the United States, specifically in 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. Iofina utilizes its portfolio of patented and patent pending technology, proprietary methods and trademarks throughout all business lines.

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