



Iofina plc

(“Iofina” or “the Company”)

Placing and Admission to AIM

Iofina today announces the admission (“Admission”) of its ordinary shares to trading on the London Stock Exchange’s AIM Market (“AIM”) under the ticker: IOF. The Company has raised over £15.1 million in a placing of ordinary shares of 1 pence (“Ordinary Shares”) at a placing price of 55 pence per ordinary share (“Placing Price”). The market capitalisation of the Company at the Placing Price is approximately £51.6 million.

Highlights

- Iofina is involved in the exploration and production of both iodine and natural gas which have been discovered on acreages which the Group has acquired, and is currently acquiring, which the Company has named the Atlantis Prospect. The Atlantis Prospect is located in the state of Montana, USA.
- The presence of both iodine and natural gas allows the Group to generate dual revenue streams over a single cost structure. The dual revenue approach has worked successfully in the Mobarra field in Japan which has been producing iodine and natural gas for over the past 50 years
- Iodine is a rare element which has resulted in the US and Western Europe becoming major net importers to meet growing demands from pharmaceutical and industrial manufacturers.
- The Company plans to market its iodine to the largest commercial customers in the US and Europe including the pharmaceutical industry and the dairy industry. Uses include pharmaceutical manufacturing, LCD screen manufacturing, medical X-ray contrast media, human and animal consumption, pesticides and biocides.
- The Group’s proprietary Wellhead Extraction Technology™ (WET™) method will allow low cost production metrics and high operational efficiencies compared to other large gas/iodine fields in Mobarra, Japan and Oklahoma, USA.
- The Directors believe that Iofina’s low cost development strategy and its dual revenue streams are expected to provide both excellent margins and reduced revenue volatility since the two product streams relate to separate unrelated market conditions.

The Group intends to become a leading global iodine producer and the largest single producer of iodine in North America within five years.

Placing Statistics

Number of Existing Ordinary Shares	66,361,569
Placing Price	55p
Number of Placing Shares	27,454,545

Number of Ordinary Shares in issue on Admission	93,816,114
Percentage of Enlarged Issued Share Capital represented by the Placing Shares	29.26 per cent.
Percentage of Enlarged Issued Share Capital held by the Directors on Admission	29.25 per cent.
Gross proceeds of the Placing	£15.1 million
Estimated proceeds of Placing receivable by Company (net of expenses)	£13.7 million
Market capitalisation of the Company on Admission at the Placing Price	£51.60 million

The net proceeds of the Placing will be applied towards providing the Group with additional funding, principally for drilling, production and extraction operations. The remainder of the funds will be applied towards acquiring additional leases, seeking additional prospects and further working capital to support the growth and development of the business.

Strand Partners Limited is nominated adviser to the Company and Mirabaud Securities Limited is broker. The admission document can be found at the Company's website: www.iofina.com

Commenting, David Schneider, PhD., CEO of the Group, said:

“We are delighted that our new investors, who include a number of leading international institutional investors, have recognised this unique opportunity. We believe we will have a very strong position in a market where the dynamics are working strongly in Iofina’s favour because of our utilisation of cost effective methods and chemical expertise.”

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Key Highlights

Iofina has acquired over 30,000 acres in the Atlantis Prospect with leasing rights for the production of both gas and iodine. The Atlantis Prospect is an unconventional natural gas resource located between two of the most significant biogenic gas fields in North America which so far have produced 6.5Tcf valued at over US\$67.8 billion at current prices. The water bearing nature of the structure has historically made the Atlantis Prospect difficult to commercialise for traditional E&P companies. Iofina expects to turn the cost of handling this water into a significant revenue stream by capitalising on the dual revenue of natural gas and iodine, thereby, “converting cost into cash flowTM”

The gas/water deposits are shallow and can flow naturally under artesian pressure which substantially lowers drilling and artificial lift costs..

MHA Petroleum Consultants, Inc., the Competent Person, estimates that as of 1 February 2008 and, based on Iofina’s core c.28,000 acres, Iofina has 100.6 million kg of iodine in place, making the Atlantis Prospect the largest known iodine resource in North America.

Iodine is a rare element that is only produced in a few countries in the world with over 89 per cent. coming from Chile (60 per cent.) and Japan (29 per cent.). Supply is relatively restricted due to its scarcity and the fact that Japan and the United States’ ability to operate at full capacity is now limited by the lack of iodine-rich brine streams and their position relative to existing production facilities. As a result production from the current major sources will continue to decline. Meanwhile demand is growing at 6.6 per cent. per annum driven by a combination of increased usage in a wide variety of sectors from pharmaceuticals, manufacturing (LCD screens), medical imaging, cosmetics, biocides in paints and pesticides as well as the emergence of new uses for iodine and greater consumption from developing countries such as India and China.

The US accounts for just five per cent. of global iodine production, from one site in Oklahoma. Given the strong demand from domestic end-users, the US imports approximately 72 per cent. of its annual requirements. Based on the current acreage and planned drill strategy, Iofina could become the largest producer of iodine in the US within five years and the only independent producer, with the other three producers in the US owned by Japanese producers.

The US domestic market for natural gas is strong and growing. The Atlantis Prospect is well located to supply the US markets and the local infrastructure is highly developed given the extensive gas production in the surrounding Medicine Hat and Tiger Ridge fields. Iofina owns a four mile pipeline ultimately linking to the TransCanada pipeline. MHA estimates that, based on Iofina’s core c.28,000 acres, the Group has 155.6Bcf of natural gas in place.

The extraction strategy is based around an efficient cluster approach with a number of local wells feeding the gas/brine stream into a central single collection/processing point. The commercially ready gas is separated from the brine and sent straight to the pipeline. The brine is then run through the WETTM method where the iodine is collected directly onto the resin column and the water is reinjected. A similar process has been used for over 50 years in Japan’s Southern Kanto gas and iodine field.

All of the assumptions relating to the Group’s resources are based only on the c.28,000 acres leased by the Group as at 1 February 2008. The Group has identified and is acquiring portions of the remaining 270,000 acres in the Atlantis Prospect which the Directors believe have similarly favourable saturations of iodine and natural gas. The Directors believe that there are other iodine/gas formations around the world that Iofina’s know how and leadership could be profitably applied to either solely or via joint ventures.

The management and non-executive Directors of Iofina have strong track records in both oil and natural gas discovery/production, as well as iodine processing and sales. Dr. David Schneider, the Company’s CEO, has profitably produced iodine derivatives over the last 20 years. The iodine derivatives market is estimated to be worth \$2.5-3 billion per annum, offering substantial profit margins to participants.

The Board also includes Jeffrey Ploen, Non Executive Chairman, who was former Chief Executive Officer of Tamaron Corp, Paradigm Holdings Inc and Tonga Capital Corp and Christopher Fay CBE, who is currently non-executive Chairman of Expro International Group plc and was Chairman and Chief Executive of Shell U.K. Limited.

The other Board member is Lance Baller, the Finance Director, who is the former managing partner of Shortline Equity Partners, Inc., and who has also served on investment, audit and finance committees and on the board of directors of companies in Asia and the United States.

