



23 April 2014

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

### **Production Update**

Iofina, specialists in the exploration and production of iodine and iodine specialty chemical derivatives, provides the market with an update on forecast production at its existing IOsorb™ production sites.

The Group has recently gained insight into its principal Operator's planned fracking scheduling for the next three months. The Operator's schedule is expected to significantly reduce the brine supply and as a consequence, plant runtime for IOsorb™ plants IO#3, IO#4, IO#5 and IO#6 will be affected. Current indications are that the fracking program will continue through the end of 2014 at levels similar to those projected for the next three months. Whilst this has a significant impact on current brine supply, the increased drilling is a positive indication of the operator's view to continue expansion, which should bode well for the longer term prospects of the Company. Plants IO#1 and IO#2 remain profitable are unaffected by fracking schedules and continue to produce iodine as planned.

The Group has reviewed its production forecasts in light of the above and on the basis that the principal Operators fracking schedule for the three months continues for the remainder of the year, anticipates that production for the current calendar year will be circa 400 metric tonnes of crystallized iodine. Whilst this is a significant increase over 2013 production, it is materially below current market expectations.

In light of this development, steps are being taken to minimise expenses both at corporate and operational level, including curtailing production at IO#5, which is powered by mobile power generation until hard power is installed from the local utility expected in the next 90 days, reduction in staffing to reflect plant down time, reducing production payments to the operator and reviewing mobile plant deployment. Such measures are being undertaken to conserve the Group's cash position which was \$2.3M at the end of March. The Company is also working on ways to re-route additional water from the Operator.

Production for the first quarter was 47 metric tonnes of crystallized iodine and was affected by more fracking than was originally anticipated and extreme winter weather experienced in the location of the plants. Iofina Chemical has enjoyed a good start to the year and has performed ahead of management's expectations.

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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 iodine production operations in the United States, specifically in Texas, Montana 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 in Europe, North America and Asia. Iofina utilises its portfolio of patented and patent pending technology, proprietary methods and trademarks throughout all business lines.