



4 May 2010

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

## Issuance of Permit

Iofina PLC (LSE AIM: IOF) is pleased to announce a significant development in the Company's growth plans. The Montana Department of Environmental Quality has today granted Iofina a permit to discharge 30,000 barrels of treated produced water per day into the Fresno Reservoir, located within one mile of the Atlantis Field. The issuance of the permit required years of research and development in collaborations with scientists from the Colorado School of Mines ("CSM") and Montana State University ("MSU").

The permit provides Iofina with a number of benefits:

- Produced water can be treated to concentrate the iodine before being pumped through the stripping plant improving iodine extraction rates
- Costs savings associated with being able to discharge water direct to the Reservoir rather than back into the ground via re-injection wells

The Company will begin field pilot testing and review the construction of a new water treatment facility.

### The importance of this development

Iofina co-produces saltwater from its wells in the Atlantis Field. Produced water is shipped approximately 12 miles to the iodine recovery plant via its 100% owned brine pipeline. After recovery of the iodine and natural gas, the spent brine is currently re-injected in the subsurface. The Company received no value for this spent brine water subsequent to the recovery of iodine and natural gas and incurs the costs of drilling reinjection wells and disposing of the water.

The granted permit now allows Iofina to treat the produced water at the Atlantis Field first to improve the concentration of iodine in the water. The concentrated iodine enriched water will then be piped to the extraction plant resulting in reduction in operating costs and increased operational efficiencies. These increased efficiencies include, iodine extraction and stripping

process, increased pipeline capacity and fewer reinjection wells. Further, the treated produced water can now be discharged direct to the nearby Fresno Reservoir, operated by the Federal Bureau of Reclamation, as a part of a water exchange agreement with the United States Fish and Wildlife which requires water for its Bowdoin Wildlife Refuge, downstream of the reservoir.

The balance of the water that the Company produces may be offered to users downstream of the reservoir along the Missouri River.

**Commenting on today's announcement, Paul Mendell, co-founder and geologist of Iofina Natural Gas stated:**

*"This is a very material development for the Company. Scott Formolo, the Chief Geohydrologist at Iofina Natural Gas, has worked tirelessly on this effort for over two years. His leadership efforts of Iofina's strategy, along with scientists and engineers from CSM and MSU, have culminated an important collaboration between industry, Government, and environmental agencies rarely seen in our industry.*

*The value of water discharge in the region is undeniable and as the development of the Atlantis builds out Iofina will become a major producer of scarce water in the area."*

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## **About Iofina**

Iofina is involved in the exploration and production of iodine, natural gas and water and has achieved complete vertical integration into the specialty chemical iodine derivatives business. It also provides third party brine stream operators with a turnkey fee based solution to extract iodine. The presence of both iodine and natural gas has been discovered on acreages which the Company holds through its wholly owned subsidiary Iofina Natural Gas, Inc. The presence

of both iodine and natural gas, together with the ability to sell the co-produced water, allows the Group to generate triple revenue streams over a single cost structure.

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

[www.lofina.com](http://www.lofina.com)

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