



Iofina plc

(“Iofina” or “the Company”)

13th January 2009

Well Test Completion Update

The directors of Iofina are pleased to announce an operational update with respect to the recently completed testing of the Eastlee #1 well which is adjacent to the Company’s new iodine extraction facility.

Iofina is involved in the exploration and production of both iodine and natural gas which have been discovered on acreages which the Company holds. The Group holds a land bank position of 60,000 net acres in its development project called the Atlantis Prospect (“Atlantis”) and 30,000 net acres of the Triton Prospect (“Triton”). Both projects, in which the Company and its subsidiaries (“the Group”) hold a 100 per cent. interest, are 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 using its unique Wellhead Extraction Technology®.

Eastlee #1 Well Test Highlights

- **High flow rates** - Naturally artesian combined brine water flow exceeded 2,700 barrels a day, significantly higher than the 600 barrels per day estimated in the Competent Person’s Report prepared in connection with the Company’s admission to AIM in May 2008 (“Admission”).
- **Thick “Payzone”** - Perforated in three formations from 920 feet through 1,236 feet
- **Additional Discovery** - New brine/gas producing formation discovered in the Telegraph Creek.
- **High Pressure** - Instant shut-in casing pressure is 92 psi with water at surface.
- **Good Gas Content** - Flare testing confirms gas volume largely exceeds anticipated rates.
- **Remaining Upside** - Fracture stimulation has not yet been performed which could enhance flow rates further.
- **Confirmation** -The strong flow of gaseous brine confirms the Company's geological interpretation of the area and gives even greater confidence to the strategy of continued acreage acquisition.

Well Test Update

The first well to be tied in, called Eastlee #1, was perforated in three formations from 920 feet through to 1,236 feet. The lowermost formation, the Telegraph Creek, which was not produced previously, exhibited pressure and flowed small volumes of water and natural gas. The target Virgelle formation was perforated and blended with the Telegraph Creek, and produced brine and natural gas to the surface under artesian pressure as anticipated without the use of pumps. The target Eagle formation was also perforated and produced brine to surface with higher than expected levels of natural gas.

Initial testing revealed a naturally artesian combined flow exceeding 2,700 barrels per day along with unmeasured volumes of natural gas. This compares favourably with the 600 barrels per day assumed in the Competent Person's Report prepared in connection with the Company's Admission to AIM in May 2008. The combination of greater daily volumes of water from wells, together with the previously announced enhancements made to the iodine extraction technology (WET®) should have a material impact on the annual levels of iodine processed over the medium term.

The strong artesian flow of gas cut brine confirms the Company's geological interpretation of the Atlantis Prospect and underpins the strategy of hiring more landmen and doubling of the Group's acreage through acquisition in 2008. With the positive readings from the initial well, the Group anticipates that 2009 will be another busy year for acreage expansion from the current 60,000 net acres owned.

David Schneider, Chief Executive commented:

"Drilling is progressing well and we are very pleased with the strong flow rates from the initial well tests. This coupled with the increasing demand and price rises in the iodine market means that 2009 looks set to be an exciting year for Iofina and its shareholders."

For further information, please contact:

Lance Baller
Iofina plc
Tel: +44(0)20 3006 3135 x301

Nominated Adviser:
James Harris/Angela Peace
Strand Partners Limited
Tel: +44(0)20 7409 3494

Broker:
Rory Scott
Mirabaud Securities Limited
Tel: +44(0)20 7878 3360

Media Contact:
Chelsea Hayes
Pelham Public Relations
Tel: +44 (0)20 7743 6675

About Iofina

Iofina is involved in the exploration and production of both iodine and natural gas which have been discovered on acreages which the Company holds. 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 Mobara field in Japan which has been producing iodine and natural gas for over the past 50 years. Iodine is a rare element that is only produced in a few countries in the world with over 79 per cent. coming from Chile (58 per cent.) and Japan (21 per cent.). This has resulted in the US and Western Europe becoming major net importers to meet growing demands from pharmaceutical and industrial manufacturers. Iodine demand is growing at 6.6 per cent. per annum driven by a combination of increased usage in a wide variety of sectors from pharmaceutical manufacturing, LCD screen manufacturing, 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 Group's proprietary Wellhead Extraction Technology® method will allow low cost production metrics and high operational efficiencies compared to other large iodine/gas fields in Mobara, Japan and Oklahoma, USA. Iofina owns a thirteen mile pipeline that ultimately links to the TransCanada pipeline. Iofina currently has leased over 60,000 net acres in the Atlantis Prospect and approximately 30,000 net acres in its Triton Prospect. MHA Petroleum Consultants, Inc., the Competent Person, estimates that as of 1 February 2008 and, based on Iofina's core c.28,000 acres at that time in the Atlantis Prospect, Iofina has 100.6 million kg of iodine in place and has 155.6Bcf of natural gas in place, making the Atlantis Prospect the largest known iodine resource in North America. The directors of the Company 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 are unrelated relative to their respective markets.

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

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