



8 May 2013

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

Successful Arrangement of US\$15m Convertible Bond

Iofina, specialists in the exploration and production of iodine and iodine specialty chemical derivatives, is pleased to announce that it has today agreed to issue to Stena Investments Sarl. ("Stena"), a two year US\$15 million convertible bond (the "Bond"). The Company intends to use the net proceeds from the issue of the Bond primarily for the accelerated roll out of its IOsorb™ plants to increase the rate of production growth and to provide additional working capital to finance trade receivables.

The Bond will be issued at par by the Company and have an annual coupon of 6.5% payable quarterly in arrears and will be convertible into fully paid ordinary shares of the Company ("Ordinary Shares"). The conversion price was set at a price of US\$3.21 (GBP 2.06 converted into US dollars at the GBP:USD exchange rate as of 3 May 2013) (the "Conversion Price") representing a 10 per cent. premium to the closing price of GBP 1.8725 on 3 May 2013.

Based on the issue size of US\$15 million, the Ordinary Shares to be issued upon conversion of the Bond would represent approximately 4,672,897 Ordinary Shares or 3.67% of the current issued share capital of the Company.

The closing date is expected to be on or before 17 May 2013 (the "Closing Date") and is subject to the finalisation of documentation for the Bond. If not converted or previously redeemed the Bond will be redeemed at par upon their maturity 2 years from the Closing Date. The Company has the right to redeem the Bonds without penalty at any time at which point Stena may elect to convert or receive repayment. The Bond can also be converted or redeemed by Stena in the event that the Company is taken over.

Related Party Transaction

As Stena is a Substantial Shareholder in the Company, pursuant to AIM Rule 13, the issue of the Convertible Bond is a Related Party Transaction. The Company's board of directors (excluding Chris Fay, who is a non-executive director of Stena International Sarl, an advisory board of the Stena Group of companies (the "Independent Board")) considers, having consulted with Iofina's Nominated Adviser, Investec Bank Plc, that the terms of the Convertible Bond are fair and reasonable insofar as the shareholders of Iofina are concerned.

Commenting on the closing of the financing package, Iofina's Executive Chairman, Dr. Chris Fay said

"The US\$15m debt package will provide us with the funding required to accelerate our rollout of our IOsorb™ plants, to maintain the current momentum afforded by our business model and to benefit from favourable iodine markets. As our business grows the additional funding will provide sufficient working capital to enable the rollout of our IOsorb™ plants while pursuing sales growth through our iodine derivatives business and the additional carry time of those receivables while using the Group's produced iodine. "

About Iofina

Iofina specialises in the exploration and production of iodine, iodine specialty chemical derivatives, produced water and natural gas. 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, California, Montana, Oklahoma and Wyoming. The Group 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. The Group utilises its portfolio of patented and patent pending technology, proprietary methods and trademarks throughout all business lines.

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