



3 June 2014

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

Iodine Production Update

Iofina, specialists in the exploration and production of iodine and iodine specialty chemical derivatives, are pleased to update the market today on continued progress and production during the month of May (or "the Period").

The Company produced 40.5 metric tons (mt) of crystallised iodine at Iofina Resources in the Period, compared with 21.8 mt in April, an increase of 86% month on month. This improved production rate exceeds the Company's production target for the month. The Company was also profitable for the Period in terms of both EBITDA and net profit, following the implementation of operational efficiencies and cost controls put in place after the recent board and management changes.

IO#1 Production Plant

IO#1 had record monthly production, with the plant continuing to run at record capacity, with little to no downtime. IO#1 continues to make cost-improvements with chemicals and supplies. Early this month, IO#1 will be subjected to a test that could potentially eliminate a certain chemical, resulting in additional savings. If successfully tested, the elimination of this chemical could result in savings of circa \$4,000 a day through IO#1-IO#6 when combined.

IO#2 Production Plant

IO#2 achieved record monthly production, with the Company still seeing more optimisation potential in the coming months. Controllable run-time at the plant was excellent and should remain so with recent site upgrades which can fully bypass the Operators salt water disposal (SWD) tanks when they are down for maintenance or experience high-tank levels and go directly to the the SWD injection well. IO#2 received the greatest benefits from recent cost controls throughout the supply chain in the period.

IO#3 Production Plant

IO#3 had another record monthly production rate, despite its limited brine due to the producer's fracking schedule. IO#3's plant performance and run-time, excluding lower brine flows, is as expected. Also as expected, June appears to be an intensive month for fracking near the IO#3 plant. Iofina will continue to monitor and adjust costs and labor accordingly during these events.

IO#4 Production Plant

IO#4 had a record month but did not meet the Company's targets. Minor issues were addressed and performance is on track to meet June 2014 production. The issues were a result of debris still being contained within the system which needed to be removed and cleaned. We see consistent brine capacity at the site even during fracking which is encouraging. The Company is moving forward on

improvements to allow greater volumes of brine to IO#4 which currently is maximized at 20,000 barrels per day.

IO#5 Production Plant

IO#5 remained idle as the plant awaits connection to the power grid. Hard power is expected in the next 30 days. Once wired into the power grid, production at IO#5 will restart.

IO#6 Production Plant

IO#6 construction continues to progress with completion expected near month end. The improvements being made to IO#4 are being reflected in the design of IO#6 to ensure maximum brine supply. The commissioning time line is expected to be unchanged and, as previously guided, IO#6 is expected to be operational around the end of Q2.

The Company's focus to reduce supply chain operational expenditure through all areas of operation is being reflected in considerable savings on a daily basis. While these reductions have been significant, work is still ongoing to fully realise a smooth supply chain management resulting in lower production cash cost. The Company's May production cost remains favorable amongst iodine producers.

Commenting on today's announcement, Lance Baller, Non-executive Chairman and Co-founder stated: **"We are very pleased to have exceeded this month's targeted production, with an 86 per cent increase over last months' production. The dedication and focus of Iofina's employees continues to demonstrate the quality of the Company's strong assets and technology. We still have much to accomplish in the coming months but already are starting to make progress. We have started a rotating preventative maintenance program for all IOSorb® plants and cost-controls for capital projects, chemicals, labour, supplies, and utilities through means of a new Purchase Order system. We are looking forward to continued operational improvement and the addition of production from IO#5 and IO#6 in coming months."**

"The iodine market continues to be challenging, but the Company is pleased to be at low level inventory levels compared to other iodine producers. The Company had near record sales for the month which demonstrates good demand for our products. The Company will continue to manage this process as IO#5 and IO#6 production come online in coming months."

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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 production operations in the United States, specifically in Texas, Montana, Kentucky 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.

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