30 September 2016

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

Completion of US$20 million Convertible Secured Loan Notes Restructure and additional US$10 million Secured Facility

Iofina, specialists in the exploration and production of iodine and iodine specialty chemical derivatives, is pleased to report the completion of the restructuring of convertible secured loan notes in the amounts of US$15 million to Stena Investment S.á.r.l. ("Stena") and US$5 million to Panacea Limited ("Panacea") (together, the "Notes" and the "Noteholders"). The general terms of this debt restructuring were first reported in June 2016, and the documentation between the parties has now been completed.

Highlights:

Restructuring of $20m Convertible Notes

- Reissued as Convertible Secured Notes redeemable 1 June 2019
- Convertible in three equal tranches at 18p, 25p and 32p per share
- Interest payable at 5% per annum or may be rolled-up and capitalised

New $10m Secured Facility with Stena

- Repayable on 1 June 2019
- Interest payable at 6% per annum
- Funds to be used to support and develop the Group's iodine operations

Cumulative effect of these agreements is to remove uncertainty surrounding the Group's balance sheet and funding position, and provide operational flexibility to develop the Group's iodine production and derivatives operations.

Commenting on today's announcement, Dr. Thomas Becker, President & CEO of Iofina plc stated:

"The Board is delighted to announce the completion of the documentation for the convertible debt restructuring and the additional debt facility, the terms of which were first announced in June. Iofina values the partnerships with Panacea and Stena and the Group now has additional resources to execute growth plans."

Details of the agreements:

On 29 September 2016 the Company executed two Convertible Secured Loan Note Instruments on the same terms and conditions, under which loan notes with a nominal value of US$1 each were issued to Stena in an aggregate principal amount of US$15,000,000 and to Panacea in an aggregate principal amount of US$5,000,000. These new loan Notes have refinanced and replaced in their entirety the previously issued loan notes in the same principal amounts as regards Stena and Panacea respectively. The principal terms and conditions attaching to the Notes are as follows:

(a) unless previously converted into ordinary shares of £0.01 each in the capital of the Company ("Ordinary Shares") or redeemed, the Notes are redeemable at par together with capitalised, accrued and unpaid interest on 1 June 2019;
(b) the Company is entitled to redeem any of the Notes at any time prior to 1 June 2019 without penalty;
(c) any or all of the Notes outstanding may be converted into Ordinary Shares by the Noteholders at any time subject to prior written notice to the Company of 28 days or such shorter period as may be agreed by the Company;
(d) the conversion rates to be used for the conversion of the Notes into Ordinary Shares are, as regards the total amount of the Notes outstanding, one third at 18p per share, one third at 25p per share, and one third at 32p per share;
(e) the Company may require that any or all of the Notes outstanding be converted into Ordinary Shares following the publicly quoted closing price per Ordinary Share being 50p or more for at least five consecutive trading days;
(f) interest is payable quarterly in arrears at the rate of 5% per annum. The Company may at its sole discretion elect to roll-up quarterly interest payments without limit, in which case the interest rolled-up will be capitalised and form part of the principal balance of the Notes;
(g) the Noteholders may resolve to accept payment of any capitalised or accrued interest by the issuance of Ordinary Shares, using a conversion rate of 32p per share;
(h) unless the prior consent of the Company has been obtained, the Noteholders are not entitled to sell or transfer the Notes except to certain related parties; and
(i) no conversion shall be permitted in the event that, upon such conversion, it would have the effect of establishing or otherwise increasing a holding in Ordinary Shares of a Noteholder (whether by itself or in conjunction with the holdings of any "concert parties" (as defined in The City Code on Takeovers and Mergers (the "Code))) which could potentially trigger a mandatory offer having to be made for other Ordinary Shares under Rules 9 and 37 of the Code. A conversion may be so permitted if the Company and the relevant Noteholder agree to it in writing but subject at all times to the receipt of any prior written approval which may be required from The Panel on Takeovers and Mergers.

The Notes are secured against the assets of the Group, by a share pledge and a debenture granted by the Company, and by further pledges, security agreement and guarantees granted by certain subsidiaries of the Company.

On 29 September 2016 the Company entered into an agreement for a Term Loan Facility of up to US$10,000,000 (the "Facility") with Stena. The principal terms and conditions attaching to the Facility are as follows:

(a) the Facility is to be utilised for capital expenditure and working capital purposes in connection with (i) the Company's iodine and iodine derivatives production, refinement, marketing and sales activities; (ii) water depot project; and (iii) iodine and natural gas operations, as carried out at the Company's sites in the United States of America;
(b) the Company may draw down up to US$3,000,000 of the Facility on request and in tranches of not less than US$250,000 or such other amount as may be agreed;
(c) drawdowns of amounts of the Facility in excess of US$3,000,000 are dependent upon completion of a detailed due diligence exercise and satisfaction with the results by Stena regarding the prevailing state of affairs relating to the Group and its assets;
(d) interest is payable quarterly in arrears at the rate of 6% per annum. The Company may elect to capitalise the interest, in which case the interest will be rolled-up and treated as principal outstanding and repaid on 1 June 2019;
(e) all amounts outstanding under the Facility are repayable in full on 1 June 2019;

(f) the Company may repay any amounts outstanding under the Facility at any time without penalty. The Company may reborrow amounts previously repaid subject to the consent of Stena;

(g) for so long as amounts are outstanding under the Facility the Company is not to make any payments to shareholders or other debt providers, including principal amounts outstanding under the Notes, without Stena's prior consent; and

(h) without the prior consent of Stena, the Group is not to take on further borrowings, except for debt at an interest rate lower than the Facility rate that is used to repay amounts outstanding under the Facility.

The Facility is secured against the assets of the Group under the same arrangements as set out above in relation to the Notes.

Conversion premiums to current share price:

The premiums over the closing price per Ordinary Share of 13.75p on 29 September 2016 represented by the conversion rates applicable to the Notes are as follows:

- Stena
  - US$5 million at a conversion price of 18p, which represents a premium of 31% to the closing price of 13.75p on 29 September 2016;
  - US$5 million at a conversion price of 25p, which represents a 82% premium to the closing price of 13.75p on 29 September 2016; and
  - US$5 million plus any capitalised or accrued interest at a conversion price of 32p, which represents a 133% premium to the closing price of 13.75p on 29 September 2016
- Panacea
  - US$1.67 million at a conversion price of 18p, which represents a premium of 31% to the closing price of 13.75p on 29 September 2016;
  - US$1.67 million at a conversion price of 25p, which represents a 82% premium to the closing price of 13.75p on 29September 2016; and
  - US$1.67 million plus any capitalised or accrued interest at a conversion price of 32p, which represents a 133% premium to the closing price of 13.75p on 29 September 2016

Conversion shares percentage of enlarged share capital:

Based on the par value of the Notes of US$20 million and the current GBP/USD exchange rate (and excluding any interest which may be converted) and assuming all Notes were converted, the Ordinary Shares to be issued on the conversion of the total principal amount of the Notes would represent approximately 65 million shares or approximately 34% of the then enlarged issued share capital of the Company.

For further information, please contact:

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About Iofina:

Iofina specialises 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 operations in the United States, specifically in 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. Iofina utilises its portfolio of patented and patent pending technology, proprietary methods and trademarks throughout all business lines.

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