12th May 2009

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

Iofina Reports Audited Full Year Financials

The directors of Iofina are pleased to announce its preliminary results for the year ended 31 December 2008.

Highlights of 2008

- Successful IPO and fundraising in May 2008 raising £15.1 million
- Completed field facilities with drilling rig delivered and buildings completed with production facilities installed
- Completed expansion of pipeline, opening additional Atlantis Prospect acreage for field development
- Fully funded through to cash generation

Highlights of 2009

- Commercial gas production started
- High pressure readings indicate gas and brine production could be ahead of levels previously indicated
- Additional c.230,000 acres acquired within the Atlantis Prospect, which includes 17 shut-in wells that will immediately be brought into gas production
- Successful fundraising in February 2009 raising £5 million to fund development of Iofina Chemicals into the higher margin iodine derivatives market
- Exploring further opportunities to work with US Oil & Gas producers to tap unexploited iodine from their brine streams utilizing Wellhead Extraction Technology® (WET®)

Dr David Schneider, Chief Executive Officer, commented:

"2008 was a year of significant progress for the Company as we achieved a successful listing on the AIM market which provided us with the funds to proceed with our ambitious strategy for growth.

As set out at the time of IPO, Iofina has always been focused on generating income from the extraction of iodine using its unique WET technology. We are now close to delivering iodine into the US market, and through the development of the Iodine Derivatives business, expect to derive stronger margins. We continue to be very excited about Iofina's prospects in 2009 and we look forward to providing further updates on future developments."

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CHAIRMAN'S STATEMENT

Introduction

We are pleased to report that the Group made substantial progress in 2008. The first half of 2008 was a period of rapid development for Iofina, in terms of both the assets and financial resources of the Group. In May, the Company completed the admission of its ordinary shares to trading on the London Stock Exchange's AIM Market ("AIM"). The Company raised over £15.1 million (gross) in an oversubscribed placing of ordinary shares during an extremely difficult time in the financial markets with backing coming from a number of leading international institutional investors. The successful fund raising in such conditions illustrates, the depth, commitment and experience of our management team, the quality of our prospects and the wider opportunity we have to develop the business in the future. We are now well capitalized, allowing management to execute its aggressive growth strategy over the next few years, while ensuring costs are carefully managed. Iofina remains on track to be the lowest cost producer of Iodine.

The second half of 2008 was focused on iodine and natural gas field development. To this end we completed the expansion of the pipeline by an additional nine (9) miles to the Iofina Express #1 pipeline which enabled the opening of additional Atlantis Prospect acreage to field development. We secured all the necessary company owned equipment for drilling, fracture stimulation, cementing, and pipeline excavation and in late October we took delivery of the Group's wholly owned drilling Rig #10 which was a new Versa-Drill® V-2095EXP. The first production wells in the Atlantis Prospect were drilled with this rig from the fourth quarter of 2008, albeit experiencing significant delays due to extreme weather. The iodine and gas separation buildings have been completed and the process facility and field laboratory installed. During 2008 we more than doubled our acreage position in Atlantis Prospect and in addition we acquired over 30,000 net acres within an area in south eastern Montana, which we named the Triton Prospect. Enhancements continue to be made to the Wellhead Extraction Technology® (WET®) which will result in higher iodine extraction recovery rates and lower operational costs. The Company ended the year with a strong balance sheet position with over £12.9million of cash and no further large infrastructure capital funding is expected.

In February 2009, the Company raised £5 million (before expenses) through a placing of 9,090,000 new ordinary shares of 1p each in the Company (the "Placing Shares"), at a price of 55p per share (the "Placing") to establish Iofina Chemical's entry into the iodine derivatives market. The Placing was priced at a 12% premium to the previous day's closing price. Despite extremely difficult capital market conditions, we were delighted by the response of both new and existing institutional investors who shared our excitement and vision with respect to vertically integrating Iofina into the iodine derivatives market. We believe vertical integration through both production and derivatives should result in significantly better margins for Iofina. Additionally, this move will enhance Iofina's strategic position in the US where the large domestic blue chip end users of iodine derivatives currently rely heavily on imports from Chile and Japan.

With approximately £17million of net cash on the balance sheet upon the completion of the Placing, Iofina is fully funded to progress the Atlantis Prospect through to full development and positive cash flow generation, while at the same time moving Iofina Chemical into the iodine derivatives market. We have been in detailed discussions with a number of JV partners for the iodine chemical derivatives business and continue to assess potential acquisition targets.

Operational Update

I am pleased to announce that in the last 30 days the Company began production at our flagship Atlantis Prospect located in Montana, USA. In the January 2009 drilling update it was announced that the initial flare testing had confirmed that gas volumes exceeded the anticipated rates and we continue to remain encouraged following additional testing and processing of early production data. More detailed gas production figures will be released in due course when stabilized flow rates are achieved and the iodine extraction from the brine stream commences. We experienced unexpected delays due to technical issues surrounding brine injection. However, following approval being obtained to inject at higher pressures and completion of fracture stimulation we are now successfully underway.

Iofina continues to acquire leases for iodine and gas production whilst evaluating other similar opportunities in other parts of the United States. The price of natural gas on the NYMEX Henry-Hub Natural Gas market in the US has reduced from over $13 Mcf in July 2008 to the current price of $4.25 Mcf due to over supply from the newly drilled shale gas and declining industrial use resulting from the global recession. As at Friday, May 1, working gas in underground storage in the US was 1,918 billion cubic feet (Bcf), which is 23.3 percent above the 5-year (2004-2008) average and 34 percent above the average of 1.43 trillion cubic feet one year ago. While the current price of natural gas affects the Group we have looked for opportunities to capitalize on the recent weakness in order to build long term benefits for the Group.

Recognising this as an opportunity we have identified potential US oil and gas industry partners that may have iodine present in their existing brine streams which could benefit from working with Iofina. We have had several successful negotiations with these targeted producers and are currently obtaining brine samples that are being analyzed by our Kentucky technical center. Currently these large existing brine streams are being re-injected without the extraction of iodine. These producers had commercially viable fields on the oil and gas alone so any profit sharing that can be realized from the production of iodine from existing brine streams will be beneficial in the light of the current weakness in the price of natural gas. The Group's WET® is well suited for the extraction of iodine, gas and oil from these brine streams. All the target operators are producing between 35,000 bbls per day to 300,000 bbls per day per well cluster. Without having the CAPEX associated with the drilling of a production well, injection well, electric infrastructure, brine lines or surface facilities, Iofina is able to have a low cost CAPEX and OPEX model utilizing these different brine streams within our current WET® process and enabling us to bring on near immediate production. We are working in collaboration with the operators with a view to establishing a working relationship and mutual royalty agreement.

Additionally, Iofina's management recognized that due to the current natural gas market weakness, additional acreage in Montana at the Atlantis Prospect could be acquired at significantly reduced land acquisition cost. I am pleased to announce that we have recently acquired a further c.230,000 net acres, 17 shut-in wells, c.35 plugged wells that can be re-entered, surface facilities, access roads, pipelines and gathering systems, well and land files, land title opinions, land surveys, engineering data, and extensive seismic coverage over our project area of 2D and 3D proprietary data. The wells were drilled in 2004-2006 but encountered the co-production of iodine rich brine over time and thus were shut-in to avoid dealing with the co-produced water. The recently acquired wells, for which Iofina had previously already leased the iodine rights, will immediately be brought on-line for production, injection wells awaiting approval, clusters designed and WET® units employed to begin production. This acquisition means we have secured nearly all the attractive acreage in the Atlantis Prospect.

We continue to remain excited about Iofina's prospects in 2009 and our ability to continually create value for our shareholders.

Dr. Chris Fay CBE
Non-Executive Chairman
Iofina plc
May 2009

FINANCIAL REVIEW

Iofina reported a net gain of £788,729 in the year ended 31 December 2008 (2007: net loss of £394,428). The basic earnings per share was 0.94p and no dividend is being declared.

The Group's most significant financial event of the year was the public market capital financing. Following the decision made late last year to pursue a public listing in London to accelerate Iofina's growth plans, the Group was successfully admitted to AIM market of the London Stock Exchange on 9 May 2008. Iofina simultaneously raised £15.1m before expenses. The Group's unique story and growth potential was well received by the investment community resulting in a significantly oversubscribed placing and a number of new well respected international institutional shareholders becoming shareholders.

In the second half of 2008, the Group initiated the necessary infrastructure for development of the Atlantis Prospect. The Group ended the year with £956,396 in intangible assets (2007: £200,002) and £2.89 million of net property, plant and equipment (2007: nil).

The Group was also able to use funds raised from the IPO to generate £724,178 in interest and investment income (2007: £10,420).

With a net cash inflow from financing activities of £14.1 million, relating to monies raised from the AIM flotation, the Group ended the year well funded with a net cash position of £12.9 million. The Directors believe that this will be sufficient to complete the development of the Atlantis Prospect as set out at the IPO, including taking Iofina into cash generation.

In February 2009 the Company raised £5 million (before expenses) through a placing of 9,090,000 new ordinary shares of 1p each in the Company (the "Placing Shares"), at a price of 55p per share (the "Placing") with respect to vertically integrating Iofina into the iodine derivatives market.

Lance Baller
Finance Director
Iofina plc
May 2009

IOFINA PLC

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	Year ended 31 December 2008 £	Year ended 31 December 2007 £
Continuing operations		
Revenue	-	-
Cost of sales	-	-
Gross loss	-	-
Administrative expenses	(1,243,263)	(400,329)
Finance income	2,071,542	10,420
Finance expense	-	(4,519)
Profit/(Loss) before taxation	828,279	(394,428)
Taxation	(40,000)	-
Profit/(Loss) for the year attributable to shareholders	788,279	(394,428)
Basic and diluted earnings/(loss) per share (pence)	0.94	(0.65)

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2008

	Year ended 31 December 2008 £	Year ended 31 December 2007 £
Assets		
Intangible fixed assets	956,396	200,002
Plant, property and equipment	2,897,674	-
Total non current assets	3,854,070	200,002
Other receivables and repayments	20,728	3,922
Cash and cash equivalents	12,968,678	1,319,281
Total current assets	12,989,406	1,323,203
Total assets	16,843,476	1,523,205
Liabilities		
Trade and other payables	643,524	231,275
Total current liabilities	643,524	231,275
Equity		
Issued share capital	938,161	221,205
Share premium	14,537,403	1,685,233
Share-based payment reserve	516,884	20,025
Accumulated losses	207,907	(580,371)
Foreign currency reserve	(403)	(54,161)
Total equity	16,199,952	1,291,930
Total equity and liabilities	16,843,476	1,523,205

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital £	Share Premium £	Share-based payment reserve £	Retained loss £	Foreign currency Reserve £	Total equity £
Balance at 1 January 2007	**196,000**	**-**	**-**	**(185,944)**	**(40,232)**	**(30,176)**
Loss for the year	-		-	(394,428)	-	(394,428)
Currency translation adjustment					(13,929)	(13,929)
Net expense recognized directly in equity	-		-	-	(13,929)	(13,929)
Total recognized income and expense for the year	-		-	(394,428)	(13,929)	(408,357)
New share capital subscribed	25,205	1,685,233	-	-	-	1,710,438
Share-based payment reserve	-	-	20,025	-	-	20,025
Balance at 31 December 2007	**221,205**	**1,685,233**	**20,025**	**(580,372)**	**(54,161)**	**1,291,930**
Profit for the year	-		-	788,279	-	788,279
Currency translation adjustment	-		-	-	53,758	53,758
Net income recognized directly in equity	-		-	-	53,758	53,758
Total recognized income and expense for the year	-		-	788,279	53,758	842,037
New share capital subscribed	716,545	14,383,455	-	-	-	15,100,000
Share issue costs		(1,530,874)				(1,530,874)
Share-based payment reserve	-	-	496,859	-	-	496,859
Balance at 31 December 2008	**937,750**	**14,537,814**	**516,884**	**207,907**	**(403)**	**16,199,952**

IOFINA PLC

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	Year ended 31 December 2008	**Year ended 31 December 2007**
	£	**£**
Cash flows from operating activities		
Profit/(Loss) after taxation	(788,279)	(394,428)
Adjustments for:		
Depreciation	19, 887	
Investment Income	(724,178)	(10,420)
Interest expense	-	4,519
Currency translation adjustment	53, 758	(13,929)
	137, 746	(414,258)
Decrease/(Increase) in other receivables and prepayments	(16,807)	63,045
Increase in trade and other payables	412,249	174,542
Cash used in operations	533,188	(176,671)
Interest paid	-	(4,519)
Net cash outflow from operating activities	533,188	(181,190)
Cash flows from investing activities		
Interest received	724,178	10,420
Acquisition of property, plant and equipment	(2,917,560)	
Acquisition of intangible assets	(756,394)	(33,933)
Net cash outflow from investing activities	(2,949,776)	(23,513)
Cash flows from financing activities		
Proceeds from the issue of ordinary share capital	15,100,000	1,487,914
Cost of issue of ordinary share capital paid	(1,034,015)	(102,225)
Net cash inflow from financing activities	14,065,985	1,385,689
Net increase in cash and cash equivalents	11,649,398	1,180,986
Cash and cash equivalents at beginning of year	1,319,281	138,295
Cash and cash equivalents at end of year	12,968,678	1,319,281

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting Policies

The Company is a public limited company incorporated and domiciled in England.

The registered office is located at 82 St. John Street, London, EC2M 4JN. The principal activities of the Company are that of investment holding, geological and chemical consulting.

Basis of preparation of financial statements

The consolidated financial statements are presented in pounds sterling and have been prepared on the historical cost basis.

The Group has prepared its financial information under International Financial Reporting Standards as adopted by the European Union. The preparation of financial statements under IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The preparation of financial statements, in conformity with IFRS, requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements including the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Going concern assumption

In common with many exploration companies, the Group raises finance for its exploration, appraisal and development activities in discrete tranches. Further funding is raised as and when required. In February 2009, the Company raised an additional £5 million (before expenses) to pursue opportunities in the iodine specialty chemical derivatives market. At its current stage of development, the directors consider that the Group does not need to raise additional funds in order to realise its business plan with respect to the Atlantis Prospect.

2. Segment reporting

a. **Business segments -** The Group's only business segment is the exploration for, and development of, natural gas and associated iodine in certain areas of the USA. Business segments are the primary segments of the Group as products and services represent the predominant source and nature of risks and returns.

b. **Geographical segments -** The Group also reports by geographical segment. All the Group's activities are related to exploration for, and development of, natural gas and associated iodine in certain areas of the USA with support provided by the UK office. In presenting information on the basis of geographical segments, segment assets and the cost of acquiring them are based on the geographical location of the assets. There was no Group turnover in the year.

	31 December 2008	31 December 2007
Total assets	**£**	**£**
UK	12,408,466	1,374,800
USA	4,435,010	148,405
Total	**16,843,476**	**1,523,205**
Capital expenditures		
UK	-	-
USA	3,673,954	33,933
Total	**3,673,954**	**33,933**

3. Finance income and expense

	Year ended 31 December 2008 £	Year ended 31 December 2007 £
Foreign exchange gain	1,347,364	-
Interest and investment income	724,178	10,420
Total	2,071,542	10,420
Interest expense	-	(4,519)

4. Earnings per share

The calculation of earnings per ordinary share is based on a profit after tax of £788,279 (2007: loss £394,428) and the weighted average number of ordinary shares outstanding of 84,113,001 (2007:

60,993,406). The warrants and options are not dilutive and there is, therefore, no difference between the diluted loss per share and the basic loss per share.

5. Intangible assets

	Deferred exploration costs £
Cost	
Balance at 1 January 2007	166,069
Additions	33,933
Balance at 31 December 2007	200,002
Additions	756,394
Balance at 31 December 2008	956,396
Accumulated Amortization	
Balance at 31 December 2007	-
Additions	-
At 31 December 2008	-
Carrying amounts	
At 31 December 2007	200,002
At 31 December 2008	956,396

Deferred exploration costs primarily relate to the costs of acquiring leases to explore, drill and produce oil and gas in certain areas of Montana.

Impairment reviews for deferred exploration and evaluation costs are carried out on a project by project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise.

6. Cash and cash equivalents

	31 December 2008 £	31 December 2007 £
Cash in US Dollar Accounts	6,790,275	255,993
Cash in Pound Sterling Accounts	6,178,403	1,063,288
Cash at bank	12,968,678	1,319,281

7. Post balance sheet events

In February 2009, the Group raised £5 million (before expenses) through a placing of 9,090,000 new ordinary shares of 1p each in the Company (the "Placing Shares"), at a price of 55p per share (the "Placing").The net proceeds of the Placing will be primarily applied to pursue several new opportunities in the iodine specialty chemical derivatives market that have recently emerged.

8. Publication of non statutory accounts

The summary accounts set out above do not constitute statutory accounts as defined by Section 240 of the UK Companies Act 1985. The summarised consolidated balance sheet at 31 December 2008 and the summarised consolidated income statement, summarised consolidated statement of changes in equity and the summarised consolidated cash flow statement for the year then ended have been extracted from the Group's 2008 statutory financial statements upon which the auditors' opinion is unqualified. The results for the year ended 31 December 2007 have been extracted from the statutory accounts for that period, which contain an auditors' report which is unqualified.

9. Annual Report

The Annual Report for the year ended 31 December 2008 will be posted to shareholders shortly. Copies of the report will be available from the Company's registered office at 82 St. John Street, London EC1M 4JN and also from the Company's website www.iofina.com.