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

Purchase of iodine extraction facility assets marks move into brine-rich Oklahoma

The Board of Iofina, specialists in the exploration and production of iodine and iodine specialty chemical derivatives, is pleased to announce the purchase of an Oklahoma-based iodine extraction facility and associated assets from an undisclosed seller.

HIGHLIGHTS:

- Iofina now established in the brine-stream rich region of Oklahoma, USA;
- Consideration is contingent on average brine availability and iodine market price and shall be no more than \$1,000,000;
- Purchase of the existing facility and brine unit reduces cost and time to first production;
- WET® IOsorb™ upgrade expected to yield higher efficiencies, lower operating costs and process higher amounts of brine volume; and
- Iofina is well funded, well positioned and iodine prices remain robust.

The Group has today acquired all equipment, contracts, brine leases, and intellectual property associated with an Oklahoma iodine extraction facility. The purchase price of up to \$1,000,000, which is based on the average brine availability and market price of iodine, will be paid in five annual instalments commencing in 2013 with no funds paid upfront. The current facility consists of a forty foot by one hundred foot production building containing iodine extraction equipment, a thirty foot by one hundred twenty foot tank farm and all associated equipment. Under the previous owner, the facility had not reached its intended capacity and, as such, had not produced a profit.

Additionally, Iofina is acquiring all rights, title and interest in the brine leases and Plan of Unitization approved by the Oklahoma Corporation Commission. The brine is being produced as a by-product of existing oil and gas wells similar to Iofina's existing third party sites. The production from the wells is gathered into a single saltwater disposal site. Iofina has contracted with the oil and gas operator to extract iodine from this location as well as two additional sites. Iofina will be extracting the iodine from the brine stream and is only paying the costs associated with the extraction of iodine and not any of the cost to produce the oil gas wells or the cost of disposing of the brine.

The oil & gas operator plans to drill additional wells in the area, which will provide further production upside for Iofina.

All US domestic iodine production besides Iofina's is from iodine-rich natural brines in the deep subsurface of the Anadarko basin of northwestern Oklahoma. The first Oklahoma production began in 1977 and at present, three companies operate facilities for the recovery of iodine. The large plants are one hundred per cent owned by Japanese investors and companies.

Furthermore, Iofina is also upgrading the existing facility with the addition of one of Iofina's WET® IOsorb™ plants, which is expected to yield higher efficiencies, lower OPEX and process higher amounts of brine volume. Given the potential of this brine stream, Iofina has made the decision to install the IO#2 plant currently being manufactured for the Company at this site. The site is strategically located in one of the Group's core geographic areas. Estimated production from this site is expected to be over 200MT per annum once fully operational. Iofina will update shareholders with a more precise commissioning date once all of the IO#2 plant components have arrived onsite.

Commenting on today's news, Lance Baller, CEO and President stated:

"The purchase of these assets is strategically important in establishing Iofina's production base in Oklahoma. There are multiple iodine rich brine streams in the region. By purchasing an existing facility and brine unit, Iofina significantly compresses the time to first production while reducing cost.

We are excited to add additional sites with a new operator in this region. In addition we are securing additional elemental iodine solution at very favourable pricing that Iofina will recycle and turn into iodine derivatives."

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