



Iofina plc

Placing of £5 million

12 February 2009

The Directors of Iofina plc ("Iofina" or the "Company"), the gas and iodine production and development company, are pleased to announce that the Company has conditionally 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 derivatives market that have recently emerged. If entered into, the Directors believe the ensuing vertical integration through both production and derivatives should result in significantly better margins.

The Placing Shares will be subscribed for by certain new and existing institutional shareholders of the Company. The Placing is conditional, *inter alia*, on admission of the Placing Shares to trading on AIM ("Admission").

The Placing Shares will represent 8.83 per cent. of the then enlarged issued share capital of the Company immediately following Admission. The number of ordinary shares of 1p each ("Ordinary Shares") in issue following the Placing, and the total number of voting rights, will be 102,906,114. The Placing Shares will rank *pari passu* with existing Ordinary Shares. Application will be made for Admission which is expected to take place on 18 February 2009.

David Schneider, Chief Executive, commented:

"Despite extremely difficult capital market conditions, we have been delighted by the response of both new and existing institutional investors who share our excitement and vision with respect to vertically integrating Iofina into the iodine derivatives market. The Placing was done at a 12% premium to the previous day's closing price.

With approximately £17m of net cash on the balance sheet on completion of the Placing, Iofina will be fully funded both to progress the Altantis prospect through to full development and positive cash flow generation, while at the same time move Iofina Chemical into the iodine derivatives market. 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. We continue to remain excited about Iofina's prospects and our ability to create value for our shareholders.

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About lofina

lofina is involved in the exploration and production of both iodine and natural gas which have been discovered on acreages which the Company holds. The presence of both iodine and natural gas allows the lofina group of companies (the "Group") to generate dual revenue streams over a single cost structure. The dual revenue approach has worked successfully in the Mobarra field in Japan which has been producing iodine and natural gas for over the past 50 years. Iodine is a rare element that is only produced in a few countries in the world with over 79 per cent. coming from Chile (58 per cent.) and Japan (21 per cent.). This has resulted in the US and Western Europe becoming major net importers to meet growing demands from pharmaceutical and industrial manufacturers. Iodine demand is growing at 6.6 per cent. per annum driven by a combination of increased usage in a wide variety of sectors from pharmaceutical manufacturing, LCD screen manufacturing, medical imaging, cosmetics, biocides in paints and pesticides, as well as the emergence of new uses for iodine and greater consumption from developing countries such as India and China. The Group's proprietary Wellhead Extraction Technology® method will allow low cost production metrics and high operational efficiencies compared to other large iodine/gas fields in Mobarra, Japan and Oklahoma, USA. lofina owns a thirteen mile pipeline that ultimately links to the TransCanada pipeline. lofina currently has leased over 60,000 net acres in the Atlantis Prospect and approximately 30,000 net acres in its Triton Prospect. MHA Petroleum Consultants, Inc., the Competent Person, estimates that as of 1 February 2008 and, based on lofina's core c.28,000 acres at that time in the Atlantis Prospect, lofina has 100.6 million kg of iodine in place and has 155.6Bcf of natural gas in place, making the Atlantis Prospect the largest known iodine resource in North America. The directors of the Company believe that lofina's low cost development strategy and its dual revenue streams are expected to provide both excellent margins and reduced revenue volatility since the two product streams are unrelated relative to their respective markets.

lofina is traded on the London Stock Exchange's AIM Market under the ticker: IOF.

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