



27 September 2011

Iofina plc
("Iofina" or "the Group")

Interim Results
for the six months ended 30 June 2011

Iofina PLC (LSE AIM: IOF), specialists in the exploration and production of iodine, produced water and natural gas, with complete vertical integration into specialty chemical iodine derivatives, announces Interim Results for the six months ended 30 June 2011.

KEY FINANCIAL POINTS:

- Group-wide EBITDA positive in recent months;
- Reduced like-for-like Losses of £427,300 (2010: net loss of £1,547,900);
- Revenue of £5,944,437 (30 June 2010: 5,982,176);
- Basic loss per share 0.35p; and
- Cash balance on 30 June 2011 of £5,539,360.

KEY OPERATIONAL POINTS:

- Iodine prices continue to surge with recent spot pricing near \$100 a kilogram;
- Strengthening of iodine recovery team with addition of world renowned iodine engineering and production expert Dr. Igor Khalev;
- Iofina Chemical on track for record sales for a second consecutive year;
- Atlantis Field Phase 2 development plan finalized, anticipated to be back on line in Q2 2012 with a potential Joint Venture ("JV") partner;
- End user agreement secured to purchase 100,000 barrels per day (BPD) of water in both Montana and North Dakota for industrial use;
- Continued improvement to iodine recovery efficiency;
- New patents secured on portfolio of WET® Iodine extraction and infield crystallization methods to protect intellectual property; and
- Site secured for the potential expansion of Iofina's specialty chemicals business.

Commenting on the Interim Results, Lance Baller, CEO and President, stated:

"The first half of 2011 reflected a strong improvement across all parts of the Iofina Group. The Board remains focused on increasing production by year-end, while also developing new growth opportunities in order to be a major producer of iodine and iodine derivatives. The Atlantis Field is anticipated to be back on line in Q2 2012 with our JV partner when an agreement is finalised. Furthermore, the proposed

water treatment arrangement, once concluded, will enable Iofina to create a new revenue stream and enter into a market that management believes can be highly lucrative.”

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Overview

Iofina is involved in the exploration and production of iodine, water and natural gas, with complete vertical integration into the specialty chemical iodine derivatives business. Iofina’s Mid-Stream business also provides third party oil and gas operators that co-produce brine streams with a turnkey fee based solution to extract iodine. The presence of both iodine and natural gas has been discovered on acreages which the Group holds through its wholly owned subsidiary Iofina Natural Gas, Inc. The presence of iodine, produced water and natural gas allows the Group to generate three revenue streams over a single cost structure.

Financial Review

During the period under review, the Group reported a 72% reduction in net losses to £427,300 (30 June 2010: net loss of £1,547,900). The basic loss per share was 0.35p and no dividend is being declared. The Group ended the period with £3,988,779 in intangible assets excluding goodwill (30 June 2010: £4,760,271), £4,155,346 of net property, plant and equipment (30 June 2010: £5,042,733) and cash and cash equivalents of £5,539,360.

There were no material events arising after the balance sheet date that need to be reflected in these interim financial statements.

Third party iodine collection

The Board is pleased to announce the appointment of Dr. Igor Khalev as Vice President of Engineering and Iodine production for Iofina Natural Gas. Dr. Khalev joins with over 23 years’ experience working as a Director of Corporate Engineering for Troy Corporation, a specialty chemical producer and one of the largest iodine end users in the US.

Throughout his career, Dr. Khalev has put into operation five new chemical plants and one microbiological plant, as well as being responsible for numerous modifications and improvements to existing facilities with a focus on iodine based chemicals. From 1997-2000, Dr. Khalev engineered, built, and oversaw the commission of a new iodine extraction plant with a capacity of 500 metric tons per year in Krasnodar region of Russia. The plant was capable of processing iodine brine waters co-produced from oil and gas fields with an iodine concentration of 37 ppm and with water temperature ranging from 60 to 90 degrees Fahrenheit. This plant had an iodine yield efficiency of 90%. From 2006-2009, Dr. Khalev repeated that process for Azer-Yod LLC located in Neftchalla, Azerbaijan, about 100 miles south of Baku. The facility had iodine concentrations of 40 ppm with a yield efficiency of 92%. From 2009-2011, Dr. Khalev increased the capacity of an iodine derivatives producer of iodine salts while concurrently overseeing the preparation of a feasibility study for the construction of a small iodine plant with a capacity of 60 metric tons per annum. Dr. Khalev will lead iodine engineering and production and will be based in Denver, Colorado.

At Iofina's West Coast Operations in California, the initial design was successfully modified to meet the operator's requirements. Iofina and its regulatory consultants are currently reviewing regulatory compliance to determine if any additional permitting is required from the various local agencies. While the new plant equipment is under construction, modifications have been made to the existing WET® unit to maximize throughput enabling iodine production to be increased from 5,000 BPD to 8,500 BPD. During the construction period the Group will continue to extract iodine with the existing WET® POD at a rate of 8,500 BPD. Iofina has recently focused on maximizing recovery efficiencies to the highest level possible to take advantage of the current high iodine price, recently nearing \$100 a kilogram.

At Iofina's Southwest Operations in Texas, a flocculation process is being added to pre-treat the water. Enhanced pre-treatment will enable the Group to improve the collection of iodine due to the chemistry of the brine at this location. The test run at 5,000 BPD for 60 days is underway. Anticipating a successful trial period, the Company expects to increase production to 8,500 BPD in Q4 2011 with a rapid rollout to additional nearby locations in 2012.

At Iofina's Central Operations in Wyoming, results from the Pilot WET® POD are highly encouraging with exceptional yields. The pre-treated water coming to the POD is contributing significantly to the recovery with reduced chemical costs due to less pre-treatment of the brine stream also being necessary. The Company plans to continue to increase production utilizing a full scale POD unit capable of handling 6,000 to 8,000 BPD to run through the winter or alternatively a unit which can handle the full 12,000 BPD and withstand the winter weather conditions at this location.

Iofina continues to collect large volumes of iodine rich brine samples from numerous sites around North America – particularly in California, Texas, Saskatchewan, Louisiana and Oklahoma. The Board is focusing its efforts in the Los Angeles Basin in California and Texas in order to utilize the extraction knowledge garnered to date at the existing locations. Discussions with various Oklahoma operators continue to be encouraging.

Patents

Iofina is working on patenting a portfolio of infield iodine extraction and crystallization processes. This initiative is prompted by the extensive work conducted to date on the various brine streams that are being developed. The Company believes it is important to capture this intellectual property to protect the Group's interests and enhance the overall value of our technology.

Water treatment

Iofina is actively working on securing the sites for multiple out take water depot and waste water disposal sites in North Dakota and Montana. The Company is finalising a Joint Venture (JV) Agreement with a strategic blue chip partner to cover water rights, developmental costs, water treatment facilities, water depots, and full development drilling at the Atlantis field in Montana.

Iofina Chemical

In the first eight months of the year, sales at the Group's iodine derivatives manufacturer, Iofina Chemical, were the highest eight month revenue performance in the Group's history. In the first eight months Iofina Chemical posted EBITDA of USD\$1.59 million (2010: USD\$1.05 million) up 51% over the prior year. At the present time, the order book and outlook for the second half of the year is encouraging. A site has been secured that will allow for the expansion of our specialty chemicals business whilst providing minimum disruption to our production capabilities.

Outlook

The first half of 2011 reflected a strong improvement across all parts of the Iofina Group. The Company remains focused on increasing production by year-end while also developing new growth opportunities in order to be a major producer of iodine and iodine derivatives. The Atlantis field is also anticipated to be back on line in Q2 2012 with our JV partner when an agreement can be finalised. Furthermore, the proposed water treatment arrangement with our JV partner, once concluded, will enable Iofina to create a new revenue stream and enter into a market that management believes can be highly lucrative as the full water solution division develops. The Board remains bullish on the iodine markets, though anticipates a brief decline in iodine prices in the second quarter of 2012.

IOFINA PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2011

	Note	Unaudited Six months ended 30 June	Audited Year ended 31 December
		2011	2010
		£	£
Continuing operations			
Revenue		5,944,437	5,982,176
Cost of sales		<u>(4,810,033)</u>	<u>(5,220,071)</u>
Gross profit		1,134,404	1,304,925
Administrative expenses		(1,560,228)	(2,315,828)
Finance income		2,546	5,823
Loss before taxation		<u>(423,278)</u>	<u>(1,547,900)</u>
Taxation		(4,022)	-
Loss for the year attributable to owners of the parent		<u>(427,300)</u>	<u>(1,547,900)</u>
Other comprehensive income			
Foreign currency differences on translating foreign operations		(342,592)	1,552,984
Other comprehensive income for the period, net of income tax		<u>(342,592)</u>	<u>1,552,984</u>
Total comprehensive income for the period		(769,892)	5,084
Basic and diluted loss per share (pence)	4	<u>(0.35)</u>	<u>(1.47)</u>
			<u>(3.16)</u>

**IOFINA PLC
CONSOLIDATED BALANCE SHEET
30 JUNE 2011**

		Unaudited 30 June		Audited 31 December 2010
	Note	2011 £	2010 £	£
Assets				
Intangible assets		3,988,779	4,760,271	4,250,005
Goodwill		2,082,493	1,681,827	2,129,830
Plant, property and equipment		4,155,346	5,042,733	4,588,596
Other non-current assets		51,140	65,441	52,600
Total non-current assets		<u>10,277,758</u>	<u>11,550,272</u>	<u>11,021,031</u>
Trade and other receivables		2,902,295	2,780,650	1,201,260
Inventories		1,147,774	695,969	1,341,446
Cash and cash equivalents		5,539,360	5,453,224	3,745,945
Total current assets		<u>9,589,429</u>	<u>8,929,843</u>	<u>6,288,651</u>
Total assets		<u>19,867,187</u>	<u>20,480,116</u>	<u>17,309,682</u>
Equity and liabilities				
Current liabilities				
Trade and other payables		1,719,196	1,475,862	1,145,567
Non-current liabilities				
Deferred tax liability		642,500	791,799	642,500
Total liabilities		<u>2,361,696</u>	<u>2,267,660</u>	<u>1,788,067</u>
Equity attributable to owners of the parent				
Issued share capital	5	1,157,131	1,051,938	1,051,938
Share premium		23,233,335	20,584,760	20,584,760
Share-based payment reserve		732,659	516,884	732,659
Retained earnings		(7,672,797)	(5,517,680)	(7,245,497)
Foreign currency reserve		55,163	1,576,553	397,755
Total equity		<u>17,505,491</u>	<u>18,212,456</u>	<u>15,521,615</u>
Total equity and liabilities		<u>19,867,187</u>	<u>20,480,115</u>	<u>17,309,682</u>

IOFINA PLC

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share Premium	Share-based payment reserve	Retained loss	Foreign currency reserve	Total equity
	£	£	£	£	£	£
Balance at 31 December 2009	1,051,938	20,584,760	516,884	(3,917,343)	23,569	18,259,808
Transactions with owners						
Share-based payment	-	-	215,775	-	-	215,775
Total transactions with owners	-	-	215,775	-	-	215,775
Loss for the year attributable to owners of the parent	-	-	-	(3,328,154)	-	(3,328,154)
Other comprehensive income						
Exchange differences on translating foreign operations	-	-	-	-	374,186	374,186
Total other comprehensive income	-	-	-	-	374,186	374,186
Total comprehensive income	-	-	-	(3,328,154)	374,186	(2,953,968)
Balance at 31 December 2010 (Audited)	1,051,938	20,584,760	732,659	(7,245,497)	397,755	15,521,615
Transactions with owners						
New share capital subscribed	105,193	-	-	-	-	105,193
Share premium	-	2,648,575	-	-	-	2,648,575
Total transactions with owners	105,193	2,648,575	-	-	-	2,753,768
Loss for the year attributable to owners of the parent	-	-	-	(427,300)	-	(427,300)
Other comprehensive income						
Exchange differences on translating foreign operations	-	-	-	-	(342,592)	(342,592)
Total other comprehensive income	-	-	-	-	(342,592)	(342,592)
Balance at 30 June 2011 (Unaudited)	1,157,131	23,233,335	732,659	(7,672,797)	55,163	17,505,491

IOFINA PLC
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2011

	Unaudited		Audited
	Six months ended 30 June		31 December
	2011	2010	2010
	£	£	£
Cash flows from operating activities			
Loss before taxation	(423,278)	(1,547,900)	(3,323,192)
Adjustments for:			
Depreciation and amortization	450,290	476,660	862,131
Finance income	(2,547)	(5,823)	(91,510)
Share based payment	-	-	215,775
Effects of foreign exchange rate changes	(342,591)	1,552,984	92,482
	(318,126)	475,921	(2,244,314)
Increase in trade & other receivables	(1,699,574)	(1,748,941)	(3,765)
Decrease in inventories	193,672	460,864	110,716
Increase/(Decrease) in other payables	944,970	52,081	(317,160)
Taxes paid	(4,022)	-	(4,962)
Cash used in operations	(883,080)	(760,075)	(2,459,485)
Interest paid	-	-	-
Net cash outflow from operating activities	(883,080)	(760,075)	(2,459,485)
Cash flows from investing activities			
Interest received	2,547	5,824	5,049
Acquisition of intangible assets	-	-	(4,925)
Acquisition of property, plant and equip.	(41,199)	(452,850)	(504,508)
Net cash outflow from investing activities	(38,652)	(447,026)	(504,384)
Cash flows from financing activities			
Proceeds from the issue of ordinary share capital	2,840,230	-	-
Cost of issue of ordinary share capital paid	(86,462)	-	-
Net cash inflow from financing activities	2,753,768	-	-
Net increase in cash and cash equivalents	1,832,036	(1,207,101)	(2,963,869)
Foreign exchange on USD cash balances	(38,621)	-	49,489
	1,793,415	(1,207,101)	(2,914,380)
Cash and equivalents at beginning of year	3,745,945	6,660,325	6,660,325
Cash and cash equivalents at end of year	5,539,360	5,453,224	3,745,945

1. Nature of operations and general information

Iofina plc (“Iofina” or the “Company”) is the holding company of a group of companies (the “Group”) involved in the exploration and production of both iodine and natural gas as well as the manufacturing of specialty chemicals primarily derived from iodine. Iodine is a rare element that is only produced in a few countries in the world with over 83 per cent. coming from Chile (58 per cent.) and Japan (25 per cent.). Through the Group’s wholly owned subsidiary Iofina Chemical, Inc., the Group is vertically

integrated into the iodine derivatives market. Ensuring vertical integration through both production and derivatives results in better margins for the Group while controlling the products end use.

Iofina plc was incorporated on 15 March 2005 in England and Wales and changed its name from Commodore Resources plc to Iofina plc on 8 February 2006, to Iofina Natural Gas plc on 24 February 2006 and back to Iofina plc on 12 November 2007.

The address of Iofina plc's registered office is 82 St. John Street, London EC1M 4JN.

Iofina plc's shares are listed on the London Stock Exchange's AIM market.

Iofina's consolidated financial statements are presented in Great British Pounds (£), which is the functional currency of the parent company.

This condensed consolidated interim financial information has not been audited.

2. Accounting policies

The condensed consolidated financial information for the six months ended 30 June 2011 has been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. The condensed consolidated financial statements for the six months ended 30 June 2011 should be read in conjunction with the annual financial statements for the year ended 31 December 2010 which have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The Group's principal accounting policies used in preparing this information are as stated in the financial statements for the year ended 31 December 2010, which are available on our website www.iofina.com.

3. Segment reporting

(a) Business segments

The Group reports its business segments in line with IFRS, which requires reporting based on the information that is presented to the chief operating decision makers. This is determined to be the Board of Directors. The Board receives management accounts for each company within the Group and as such the reporting is carried out on this basis. The PLC segment represents the activities of Iofina Plc and are essentially unallocated corporate expenses.

	Unaudited		Audited
	Six months ended 30 June		31 December
	2011	2010	2010
	£	£	£
Total assets			
Iofina plc	843,032	3,708,802	2,109,467
Iofina Natural Gas, Inc	9,388,107	7,841,232	6,583,594
Iofina Chemical, Inc	9,636,048	8,930,081	8,616,621
Total	19,867,187	20,480,115	17,309,682

Total liabilities

Iofina plc	36,163	97,790	81,083
Iofina Natural Gas, Inc	274,071	567,308	328,582
Iofina Chemical, Inc	2,051,460	1,602,562	1,378,402
Total	2,361,694	2,267,660	1,788,067

Total capital expenditure

Iofina plc	-	-	-
Iofina Natural Gas, Inc	1,769	179,144	427,698
Iofina Chemical, Inc	39,430	273,706	76,810
Total	41,199	452,850	504,508

(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 and the manufacturing of specialty chemicals in 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.

	Unaudited		Audited
	Six months ended 30 June 2011	2010	31 December 2010
	£	£	£
Total assets			
UK	843,032	3,708,802	2,109,467
USA	19,024,155	16,771,313	15,200,215
Total	19,867,187	20,480,115	17,309,682
Capital expenditure			
UK	-	-	-
USA	41,199	452,850	504,508
Total	41,199	452,850	504,508

	PLC	Natural Gas	Chemical	Total
	£	£	£	£
Six months ended June 30, 2010 (Unaudited)				
Revenue	-	16,088	5,966,088	5,982,176
Loss after tax	(185,253)	(1,784,343)	421,696	(1,547,900)
Year ended December 31, 2010 (Audited)				
Revenue	-	16,300	8,842,357	8,858,657
Loss after tax	(973,561)	(2,530,567)	175,974	(3,328,154)
Six months ended June 30, 2011 (Unaudited)				
Revenue	-	-	5,944,437	5,944,437
Loss after tax	(175,283)	(854,003)	601,986	(427,300)

4. Loss per share

The calculation of loss per ordinary share is based on losses of £427,300 (2010: £1,547,900) and the weighted average number of ordinary shares outstanding of 115,713,098 (2010: 105,193,726). The warrants are not dilutive and there is, therefore, no difference between the diluted loss per share and the basic loss per share.

5. Share capital

		Unaudited 30 June 2011	Unaudited 30 June 2010	Audited 31 December 2010
Authorised:				
Ordinary shares of £0.01 each	- number of shares	<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>1,000,000,000</u>
	- nominal value	<u>£10,000,000</u>	<u>£10,000,000</u>	<u>£10,000,000</u>
Allotted, called up and fully paid:				
Ordinary shares of £0.01 each	- number of shares	<u>115,713,098</u>	<u>102,906,114</u>	<u>105,193,726</u>
	- nominal value	<u>£1,157,131</u>	<u>£1,029,061</u>	<u>£1,051,938</u>

6. Income tax

No income tax expense was recognised for the period due to the loss during the period of the group as well as the carried forward losses of the group. A deferred tax asset has not been recognised due to uncertainty over the timing of the recovery of these tax losses.

7. Post balance sheet events

There were no material events arising after the balance sheet date that need to be reflected in these interim financial statements.