



International Isotopes Inc.

FOR IMMEDIATE RELEASE:

November 15, 2011

***INTERNATIONAL ISOTOPES INC. ANNOUNCES
THIRD QUARTER AND NINE MONTHS 2011 FINANCIAL RESULTS***

***Company reports the strongest nine-month revenue performance
in its operating history***

25% increase in revenue for the three-month period

65% increase in revenue for the nine-month period

56% increase in gross profits for the nine-month period

Idaho Falls, ID. November 15, 2011 – International Isotopes Inc. (OTC Bulletin Board: INIS) announces financial results for the third quarter and nine-months ended September 30, 2011.

Revenue for the three-month period ended September 30, 2011 was \$2,229,947, as compared to \$1,783,047 for the same period in 2010, an overall increase of \$446,900, or approximately 25%. Revenue for the nine-month period ended September 30, 2011 was \$7,258,006, as compared to \$4,377,891 for the same period in 2010, an increase of \$2,880,115, or approximately 66%. All business segments reported increases in revenue for the nine-month period, and all segments, with the exception of the cobalt products segment, reported increases for the three-month period comparison. The cobalt product segment reported a decrease in revenue of \$431,113 for the three-month period comparison but this decrease is due to there were no bulk cobalt sales for the three months ended September 30, 2011 whereas the Company reported \$551,728 in bulk cobalt sales for this same period in 2010.

The Company's three most significant business segments are Radiochemical Products, Nuclear Medicine Standards, and Cobalt Products. Revenue from the sale of radiochemical products for the three-month period ended September 30, 2011 was \$480,562 compared to \$446,533 for the same period in 2010. This represents an increase of \$34,029, or approximately 8%. Revenue from the sale of radiochemical products for the nine-month period ended September 30, 2011, was \$1,397,763, compared to \$1,295,193 for the same period in 2010. This represents an increase in revenue of \$102,570, or approximately 8%. Increases in this segment's performance are attributable to increased sales of radiochemical iodine-131 which have remained strong for the three and nine-month periods.

Revenue from nuclear medicine products for the three-month period ended September 30, 2011, was \$1,246,417, compared to \$459,769 for the same period in 2010. This represents an increase in revenue attributable to this segment of \$786,648, or approximately 171%. Revenue from nuclear medicine products for the nine-month period ended September 30, 2011 was \$3,825,973, compared to \$1,376,807 for the same period in 2010. This represents an increase in revenue attributable to this segment of

\$2,449,166, or approximately 178%. In December 2010, we entered into a 50/50 joint venture with RadQual, LLC and formed TI Services, LLC. Revenues generated by TI Services, LLC during the three and nine-month periods ending September 30, 2011 are being reported on a consolidated basis in our nuclear medicine business segment. Total revenue generated by TI Services, LLC for three-month period was \$716,728 and for the nine months was \$2,272,096.

Revenue from the sale of cobalt products for the three-month period ended September 30, 2011 was \$401,745 compared to \$832,858 for the same period in 2010. This represents a decrease in revenue of \$431,113, or approximately 52%. Revenue from the sale of cobalt products for the nine-month period ended September 30, 2011 was \$1,635,989, compared to \$1,479,120 for the same period in 2010. This represents an increase in revenue of \$156,869, or approximately 11%. The decrease in revenue from the sale of cobalt products for the three-month period as compared to the same periods in 2010 is largely the result of the timing of large bulk cobalt product sales that occurred during the periods, which have a dramatic effect on period-to-period comparisons.

Gross profit for the three-month period ended September 30, 2011 was \$775,879, compared to \$618,860 for the same period in 2010. This represents an increase of \$157,019, or approximately 25%. Cost of sales increased to \$1,454,068 for the three-month period ended September 30, 2011 from \$1,164,187 for the same period in 2010. Cost of sales for the period ended September 30, 2011 includes \$551,515 of cost of sales for TI Services, LLC, whereas there was no such expense reported for the same period in 2010. The overall increase of \$289,881 is due to consolidated reporting of TI Services, LLC's cost of sales along with a total combined decrease of all other business segment's cost of sales. The gross profit percentage for the three months ended September 30, 2011 was 35%, which is unchanged from the same period in 2010.

Gross profit for the nine-month period ended September 30, 2011 was \$2,694,137, compared to \$1,731,461, for the same period in 2010. This represents an increase of \$962,676, or approximately 56%. Gross profit for the nine-month period ended September 30, 2011 includes TI Services, LLC revenues in the amount of \$2,272,096 and TI Services, LLC cost of sales in the amount of \$1,786,246. The first year of reporting TI Services, LLC activity on a consolidated basis with all other business segments was 2011, therefore, there are no corresponding sales or cost of sales to report for TI Services, LLC in 2010.

Operating expenses increased to \$3,237,630 for the three-month period ended September 30, 2011 from \$2,239,548 for the same period in 2010, an increase of \$998,082 or approximately 45%. This increase was attributable to recording of a \$1,127,990 non-cash equity-based compensation expense related to outstanding stock options, the issuance of Class H Warrants, and a modification in the terms in all outstanding warrants in connection with a discounted warrant exercise offering made by us during the period. Research and development costs decreased by \$229,682, or approximately 16% during this period as a result of economizing on funds spent on licensing and engineering design work being done for the planned uranium de-conversion facility.

Operating expenses were \$8,283,997 for the nine-month period ended September 30, 2011, compared to \$6,076,597 for the same period in 2010. This represents an increase of \$2,207,400, or approximately 36%. This increase is again attributable to the significant amount of non-cash equity-based compensation in the amount of \$1,429,839 recorded during the nine-month period ended September 30, 2011, as compared to the same period in 2010, in which we reported non-cash equity-based compensation in the amount of \$593,847. Research and development costs generated by work related to the continued planning and licensing of the uranium de-conversion facility increased by \$750,232 for the nine-month period ended September 30, 2011 to \$4,238,229, as compared to \$3,487,997 for the same period in 2010.



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Our net loss for the three-month period ended September 30, 2011 was \$4,869,604, compared to \$1,764,385 for the same period in 2010. This is an increase in loss of \$3,105,219, or approximately 176%, and is primarily attributable to reporting non-cash equity-based compensation expense and \$2,372,143 in non-cash expense related to the maturity of convertible debentures, which were converted in October 2011. The debentures were converted at a per share price of \$0.18 which was less than market value per share at the date the agreement was entered into in February 2010, and thus presented a beneficial conversion feature to holders of the debentures. The value of this beneficial feature was recorded as additional interest expense at the time of conversion.

Our net loss for the nine-month period ended September 30, 2011 was \$8,254,802, as compared to \$4,736,317 for the same period in 2010. This is an increase in loss of 3,518,485, or 74%, and was largely attributable to \$2,372,143 of non-cash interest expense recorded upon the maturity of convertible debt which was incurred to support the on-going development of the depleted uranium project, to \$591,238 of non-cash compensation expense related to the issuance of Class H Warrants, and to non-cash expense in the amount of \$476,294 resulting from a discounted warrant exercise offering.

Steve T. Laflin, President and CEO of International Isotopes Inc. said, “The continued strong performance of our major business segments, coupled with the positive contribution of TI Services, LLC revenue, has made this the Company’s strongest nine-month revenue performance in our operating history. I believe these trends in business revenue performance are likely to continue for the remainder of the year. I would also like to specifically call attention to the large amount of non-cash expense the Company has had to record during this recent quarter as the result of several transactions. The combined effect of the Class H warrant transaction, the discount warrant exercise, and completion of the convertible debenture transaction resulted in the Company recording a total of more than \$3.4 million in non-cash equity-based compensation and interest expense. I wish to point out that most of these were one-time transactions all happened within a relatively short period of time and within a single quarterly reporting period. These non-cash expenses should be taken into consideration when evaluating the Company’s overall financial performance for the three and nine month periods.”

“The Company is also pleased to report continued progress on efforts related to our planned depleted uranium de-conversion and fluorine extraction processing facility. During the third quarter the Company made significant further progress towards the completion of the licensing for the facility with the Nuclear Regulatory Commission (NRC), completed the selection of the design and build contractor for the project, and completed the title transfer for acquisition of the real property for the facility in Lea County New Mexico. We continue to anticipate the NRC license review to be completed by June 2012. Overall, the project is progressing quite well but, as we have noted in the past, our ability to successfully complete the licensing, design, and construction of this project will require substantial additional funding. We will continue to manage our expenditures on this project and utilize the cash produced from our core business segments to sustain our operations and support budgeted work on the planned project until such time that market conditions for further debt or equity financing improve.”

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| | <u>Three Months Ended Sept. 30</u> | | <u>Nine Months ended Sept. 30</u> | |
|----------------------------------|------------------------------------|---------------|-----------------------------------|---------------|
| | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> |
| Sales | \$ 2,229,947 | \$1,783,047 | \$7,258,006 | \$4,377,891 |
| Gross Profit | \$ 775,879 | \$ 618,860 | \$2,694,137 | \$1,731,461 |
| Total Operating Expense | \$3,237,630 | \$2,239,548 | \$8,283,997 | \$6,076,597 |
| Operating (Loss) | (\$2,461,751) | (\$1,620,688) | (\$5,589,860) | (\$4,345,136) |
| Other (Expense) | (\$2,415,982) | (\$143,697) | (\$2,664,942) | (\$391,181) |
| Net (Loss) | (\$4,869,604) | (\$1,764,385) | (\$8,254,802) | (\$4,736,317) |
| Net (Loss) Per Common Share | (\$0.01) | (\$ 0.01) | (\$0.03) | (\$0.02) |
| | | | | |
| Weighted Ave. Shares Outstanding | 335,249,349 | 293,941,928 | 327,291,515 | 293,913,991 |

About International Isotopes Inc.

International Isotopes Inc. manufactures a full range of nuclear medicine calibration and reference standards and a variety of cobalt-60 products such as teletherapy sources. The Company also provides a wide selection of radioisotopes and radiochemicals for medical devices, calibration, clinical research, life sciences, and industrial applications and provides a host of analytical, measurement, recycling, and processing services on a contract basis to clients.

International Isotopes Inc. Safe Harbor Statement

Certain statements in this press release are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements with respect to expected trends in business performance, progress on the planned depleted uranium de-conversion project, the expectation of NRC license issuance in 2012, the progress or outcome of the Company's ability to obtain additional funding to complete the planned depleted uranium de-conversion project. Information contained in such forward-looking statements is based on current expectations and is subject to change. These statements involve a number of risks, uncertainties and other factors that could cause actual results, performance or achievements of International Isotopes Inc. to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Other factors, which could materially affect such forward-looking statements, can be found in International Isotopes Inc.'s filings with the Securities and Exchange Commission at www.sec.gov, including our annual report on Form 10-K for the year ending December 31, 2010. Investors, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are only made as of the date of this press release and International Isotopes Inc. undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.



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