

3 December 2008

**Rheochem Plc
("Rheochem" or the "Company")**

Master Services Agreement

Rheochem plc, the oil and gas business with oil services, production, development and exploration assets, is pleased to announce that it has signed a Master Services Agreement with ARC Energy Limited ("ARC") for the provision of drilling fluids and associated services and to support drilling and production operations in onshore Western Australia for a period of two years. ARC is a wholly owned subsidiary of ASX listed Australian Worldwide Exploration Limited.

Haydn Gardner, Chief Executive of Rheochem, commented:

"We are extremely pleased to be working with ARC and this agreement adds further depth to our order book over the next two years. Despite the current world economic uncertainty, Rheochem is in an excellent financial position to continue its growth, with a strong Balance Sheet and good cash flows."

In accordance with AIM guidelines, Haydn Gardner, B.App.Sc and CEO of Rheochem is the qualified person that has reviewed the technical information contained in this press release. Haydn Gardner has 20 years of experience in the oil and gas industry.

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