

2 February 2010

**Rheochem Plc**

**(“Rheochem” or the “Company”)**

**Geothermal contract renewal**

Rheochem Plc the oil and gas business with oil services, production, development and exploration assets is pleased to announce that it has extended its drilling fluids and related services supply agreement with Contact Energy Ltd for up to a further six geothermal wells. This is the seventh subsequent extension since the contract was originally signed in April 2005.

Contact Energy is one of New Zealand’s leading electricity generators and retailers, and one of the country’s largest publicly listed companies. It is also New Zealand’s largest generator of renewable geothermal electricity.

Rheochem has an established position in the geothermal market with operations in Australia and New Zealand. This represents a large opportunity for Rheochem and given the high barriers to entry due to the technical expertise needed to operate in the space, Rheochem has a unique position and competitive advantage.

**Commenting on the announcement today Haydn Gardner, CEO of Rheochem, said:**

“We are very pleased to have signed the seventh extension to our contract with Contact Energy. It is a testament to our expertise and service that Contact has continued to utilise our products and services for their geothermal programme and we look forward to working with them on this exciting project.”

- Ends -

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