

17 December 2010

**Rheochem Plc**  
**(“Rheochem” or the “Company”)**

**Santos Offshore Contract Extension**

Rheochem plc, the oil and gas business with oil services, production, development and exploration assets is pleased to announce that its 100% owned subsidiary Rheochem Ltd has renewed its site services contract to supply drilling fluids and related engineering services to Santos Limited (“Santos”) for its Australian offshore operations for a period of twelve months. This is an extension of the previous contract which will now continue until 31 December 2011.

An Australian energy pioneer since 1954, Santos is one of the country’s leading gas producers, supplying Australian and Asian customers. Santos is a top 25 ASX-listed company, with operations throughout Australia and in Indonesia, Papua New Guinea, Vietnam, India, Bangladesh and the Kyrgyz Republic.

**Haydn Gardner, CEO of Rheochem said:**

“We are delighted that Santos has chosen Rheochem to continue to provide these services for their offshore operations in Australia in 2011. This contract, in conjunction with our current Santos onshore contract and other recently awarded Australian contracts, gives Rheochem great visibility of forward income for 2011 and beyond.”

- Ends -

For further information please contact:

<b>Rheochem</b> Haydn Gardner, CEO	+61 (8) 9410 8200
<b>Financial Dynamics</b> Billy Clegg / Edward Westropp / Alex Beagley	+44 (0) 20 7269 7207
<b>Northland Capital Partners</b> Shane Gallwey	+44 (0) 20 7492 4775
<b>McCall, Aitken, MacKenzie</b> Andy Yeo	+44 (0) 20 7763 6025