

8 February 2011

Rheochem Plc

(“Rheochem” or the “Company”)

New Zealand Geothermal contract renewal

Rheochem Plc (AIM:RHEP), 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 eight geothermal wells. This is the eighth 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 listed companies. It is also one of the biggest generators of renewable geothermal electricity in New Zealand.

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 eighth 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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