

12 January 2011

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

**Athena Field Development-Operations & FPSO Modifications Progress as Planned by
Ithaca Energy**

Rheochem plc, the oil and gas business with oil services, production, development and exploration assets notes the announcement made on 12 January 2011 by Ithaca Energy Inc relating to the Athena project. Rheochem has a net 10% interest in this field through its 100% ownership of Zeus Petroleum Limited.

"Ithaca Energy Inc.

Athena Field Development-Operations & FPSO Modifications Progress as Planned

Ithaca Energy Inc. (TSX VENTURE:IAE)(AIM:IAE) and its wholly owned subsidiary Ithaca Energy (UK) Limited ("Ithaca" or "the Company"), an independent oil & gas company with exploration, development and production assets in the UK sector of the North Sea, announces that the Sedco 704 drilling unit is now being anchored on location over the Athena field ready to commence an approximate 180 day campaign to drill a fourth production well and a water injector well and complete the three existing wells on the field as producers. In addition, modification and re-certification of the Floating Production Storage and Offtake ("FPSO") vessel (BW Athena) is well underway in a Dubai shipyard.

The Sedco 704 drilling unit will initially drill one water injection well, followed by a fourth production well (three suspended appraisal wells are to be completed for production as part of this campaign). The four production wells will be installed with downhole submersible pumps to maximise field production rates. Initial production from the field is estimated at a gross rate of 22,500 barrels of oil per day ("bopd") (5,062 bopd net to Ithaca). Applied Drilling Technology International (a division of Transocean Drilling UK Ltd) will manage the programme on a 'turnkey' basis which is anticipated to last approximately 180 days. Subsea work will follow in Q3 2011, to install field pipelines and subsea manifolds. The Company will update the market as and when drilling and/or completion work reaches key milestones.

The FPSO 'BW Athena' is at dockside in Dubai and preparation works have commenced to re-certify existing equipment and install new equipment. In Q2 2011 the vessel will be 'dry docked' for the installation of a turret mooring section amidships, extending the FPSO by approximately 65ft. Steelwork for the mooring section is being prepared alongside the dry dock. All work is anticipated to be completed in Q3 2011 allowing the vessel to return to UK waters and arrive on location at Athena at end Q3 2011. Installation of the FPSO vessel to the mooring buoy, as well as, hook up and commissioning will be completed in anticipation of targeted first oil in Q4 2011. Both BW Offshore's Site Office and the Ithaca Representative's Office in Dubai are manned and operational.

John Woods, Ithaca's Chief Development Officer, commented:

"The drilling programme at Athena has commenced on schedule enabling the rig to complete its scope of work ahead of other field construction activities. Work on the Athena field remains very much in line with targeted first production from the field in Q4 this year at a gross rate of 22,500 barrels of oil per day. Work on the FPSO in Dubai and the other project construction activities have also all commenced on schedule and within budget giving the project team an excellent start to the New Year."

The Athena Joint Venture Partners are Ithaca (operator, 22.5%), Dyas UK Ltd (47.5%), EWE Aktiengesellschaft (20%) and Zeus Petroleum Limited (10%).

In accordance with AIM Guidelines, Lawrie Payne, MA Marine Geology (Alberta & Columbia) and Chairman of Ithaca Energy is the qualified person that has reviewed the technical information contained in this press release.”

- Ends -

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