

21 September 2010

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

Athena Field US\$14m Funding Agreement

Rheochem Plc, the oil and gas business with oil services, production, development and exploration assets, is pleased to announce the signing of a US\$14m drawdown loan facility with Gemini Oil & Gas Fund II, LP.

In conjunction with today's announcement that the Athena Field is now in development, Gemini has agreed; subject to certain conditions, to provide Zeus Petroleum Limited, a fully owned subsidiary of Rheochem plc, with up to US\$14m of funding for operations relating to the development of the Athena Field. Loan interest and repayments are to be paid out of Zeus' future share of the Athena gross oil revenues. Zeus holds a 10% interest in North Sea Block 14/18b which contains the Athena discovery.

The Company is confident that together with other funding strategies currently under consideration which include but are not limited to other debt instruments; farm out or trade sale of E&P assets; trade sale of the services business, equity raising, and the demerger of the E&P subsidiary with independent funding, Rheochem will have adequate funds available to allow Zeus to meet its Athena commitments.

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

"I am delighted to report that, not only has the Athena field moved into the development phase, but that we have taken a significant step forward in our debt funding programme with the signing of the loan facility with Gemini."

- Ends -

Enquiries:

Rheochem Plc +61 (8) 9410 8200
Haydn Gardner, CEO

Financial Dynamics +44 (0) 20 7269 7207
Billy Clegg / Alex Beagley

Astaire Securities Plc +44 (0) 20 7492 4750
Shane Gallwey

McCall, Aitken, McKenzie +44 (0) 20 7464 4062
Andy Yeo

Further information

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.

Gemini Oil & Gas Fund II, L.P. (Gemini II)

Is a closed-ended, international oil and gas royalty fund, which was established in Jersey, Channel Islands in June 2005. Gemini II has raised investor commitments totalling US\$140 million and is continuing the strategy developed by the first fund, Gemini I, of acquiring oil and gas royalties through provision of investment funds to companies.