

**17 March 2010**

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

**Letter of Intent for Athena FPSO by Ithaca Energy**

Rheochem plc, the oil and gas business with oil services, production, development and exploration assets notes the announcement made on 15 March 2010 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.**

**Letter of Intent for Athena FPSO**

**LONDON, U.K. – CALGARY, ALBERTA, March 15, 2010** – Ithaca Energy Inc. (LSE-AIM: **IAE**, TSX-V: **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, is pleased to announce that further to its February 8, 2010 announcement, Ithaca has signed a Letter of Intent ("LOI") with BW Offshore for the use of the Floating Production, Storage and Offloading vessel 'BW Carmen' ("FPSO") for the production of oil from the Athena Field.

As a step towards the fully termed contract being signed during Q2 2010, specific engineering studies to develop the safety case and define the vessel upgrade will be carried out by BW Offshore. It has been agreed that the contract will contain an initial fixed charter period of 3 years with an option to extend throughout the life of the field. Under the agreed schedule, the FPSO will be deployed to the Athena field in mid 2011, as previously planned. Initial gross production rates are expected to be 22,000 barrels of oil per day ("bopd") (4,950 bopd net to Ithaca).

BW Offshore is one of the world's leading FPSO contractors and a market leader within advanced offshore loading and production systems to the oil and gas industry. BW Offshore has 25 years' experience and has successfully delivered 14 FPSO projects as well as 50 turrets and offshore terminals.

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

John Woods (Chief Developments Officer) commented: "This agreement represents another major step forward for the Athena Project. BW Offshore has shown an outstanding ability to adapt and innovate to meet the project requirements. Negotiations on the major contracts for subsea facilities and drilling services are progressing and we anticipate reaching agreement in the near future."

- Ends -

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