

2 December 2010

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

**Athena Field: Flowline Installation and FPSO Mooring System Contract Awarded by
Ithaca Energy**

Rheochem plc, the oil and gas business with oil services, production, development and exploration assets notes the announcement made on 2 December 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.

**Athena Field: Flowline Installation and FPSO Mooring System Contract
Awarded**

London, UK - Calgary, Canada, December 2nd, 2010 – Ithaca Energy Inc. (TSX Venture: **IAE**, LSE 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 contracts for the installation of subsea equipment and the installation of the FPSO mooring system for the Athena development has been awarded to Bibby Offshore Limited ("**Bibby Offshore**"). The contracts were awarded after an extensive tendering exercise with bids being received from a number of installation contractors active within the North Sea.

For the subsea installation contract, Bibby Offshore will install subsea manifolds, flowlines, power cables and umbilicals between the subsea wellheads and the floating production, storage and offloading ("**FPSO**") vessel 'BW Athena'. This work includes both the 2km seabed sections (which will be trenched) and the dynamic riser sections leading to the buoy connecting the system to the FPSO.

For the FPSO mooring system contract, Bibby Offshore will install an APL STP Buoy. The STP Buoy is a mooring line tethered buoy utilised to locate the FPSO at the Athena site. This work includes the installation of nine suction piles, and associated anchor lines.

Notes:

The initial development consists of four production wells supported by one water injection well. Production will be routed via the subsea manifold and a two kilometre, 8 inch flowline to the FPSO. Oil production will be exported via shuttle tankers. Produced gas will be used to generate power on the FPSO.

On September 9, 2010, the Company announced the award of two major contracts; the provision of an FPSO and the provision of a semi-submersible drilling rig.

On September 20, 2010, The Company received Field Development Plan approval from the Department of Energy and Climate Change. First production from the field is planned for Q3 2011.

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

- Ends -

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