



**NEWS RELEASE**

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## **Ithaca Energy Receives Field Development Approval for Jacky Field**

**London, UK - Calgary, Canada, 10<sup>th</sup> November 2008** – Ithaca Energy Inc (“Ithaca” or the “Company”) (TSX Venture: IAE, LSE AIM: IAE) and its wholly owned subsidiary Ithaca Energy (UK) Limited, an independent oil & gas company with exploration and development assets in the UK sector of the North Sea and its partner North Sea Energy (UK) Ltd (“NSE”) are pleased to announce that the UK Department for Energy and Climate Change (“DECC”) has approved the Field Development Plan for the Jacky oilfield.

The Jacky oilfield is owned 90% by Ithaca and 10% by NSE. It is situated some 10 km North East of the Beatrice field in the Inner Moray Firth area of the United Kingdom Continental Shelf. It contains some 5.2 million bbls of Proven and Probable reserves (source – Sproule International Ltd). The field will be developed via a small wellhead platform with initially one production well assisted by downhole pumping. Initial production rates are expected to be approximately 7,500 bopd.

The platform was delivered to the nearby Cromarty Firth early last week in anticipation of field development approval. Installation of the platform will proceed as soon as weather permits and pipelines are planned to be installed this December. Although additional approvals will be required from DECC for the final tie-in of the well, it is expected to be tied-in and brought on stream early in 2009.

This announcement coincides with the handover of the Beatrice oilfield facilities from Talisman Energy UK Ltd to Ithaca operatorship. Ithaca is leasing and operating the Beatrice oilfield facilities and Jacky production will be processed on Beatrice and exported via the Beatrice pipeline to the Nigg Oil Terminal (also leased by Ithaca) for storage and offloading to tankers.

Ithaca intends to invest in enhancing production from Beatrice and as part of this, the pipeline from Jacky to Beatrice will also be used to restore production from the Beatrice Bravo facility which was shut-in last year by Talisman.

In an earlier statement, Ithaca announced agreement with Dyas UK Ltd. for Dyas to purchase 25.25% of Ithaca’s holding in Beatrice, Jacky and other assets.

### **Lawrie Payne, CEO of Ithaca said:**

“We are delighted to receive approval of the Jacky Field Development Plan from DECC. Our small team of highly motivated professionals have worked hard over the last 18 months since the discovery well was drilled to bring the field to production. We can now proceed with the installation activities leading up to the well tie-in and first production early next year.

This field is expected to provide significant cashflow for Ithaca and its partners as well as funding for the continued development of the Beatrice area and other projects”.

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

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Some of the statements in this announcement are forward-looking. Forward-looking statements include statements regarding the intent, belief and current expectations of Ithaca Energy Inc. or its officers with respect to various matters. When used in this announcement, the words “expects,” “believes,” “anticipates,” “plans,” “may,” “will,” “should” and similar expressions, and the negatives thereof, are intended to identify forward-looking statements. Such statements are not promises or guarantees, and are subject to risks and uncertainties that could cause actual outcome to differ materially from those suggested by any such statements. These forward-looking statements speak only as of the date of this announcement. Ithaca Energy Inc. expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any forward-looking statement is based except as required by applicable securities laws.

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