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**Ithaca Energy
25th Round Success & Completion of Barbara Sale**

London, UK - Calgary, Canada, 14 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, is delighted to announce success in the UKCS 25th Seaward Production License Round and completion of the sale of its 20% interest in Block 23/16c, part of the Barbara discovery, to Dyas UK Limited for the consideration of US\$8.25 million.

25th Round Awards

Ithaca has been offered a total of six new licenses from the 25th Round of which it will operate three. The licences cover 8 blocks and are spread across Northern, Central and Southern North Sea, thus expanding the Company’s position in existing core areas and taking the Company into a new part of the basin.

The award includes the following:

Northern North Sea

Block 3/3b (Ithaca 35% and Operator) contains the undeveloped Orlando discovery made by well 3/3-11 drilled in 1988 and which lies close to the Ninian oilfield. The discovery well encountered an 800 ft section of Brent reservoir section and a 157 ft oil column. A drill stem test over a 12 hours period flowed on average 2,708 bopd, with a maximum rate of 2,814 bopd through a 3/4” choke. Ithaca will operate the potential development of Orlando and surrounding area. The licensees will be committed to drill one well over the four year term of the license.

Blocks 211/11b & 16b (Ithaca 35% and Operator) lie close to prolific oilfields such as Otter, Eider and Magnus, all of which produce high quality oil from Brent reservoirs. Ithaca recognises significant exploration upside potential straddling both blocks. The company has mapped a large closure updip from the 211/16b-7 well drilled in 1991 which encountered oil and gas shows in the Middle Jurassic Brent formation. This prospect will be matured for drilling as a matter of priority. The licensees will be committed to drill one well over the four year term of the license.

Central North Sea

Blocks 29/4b & 29/5e (Ithaca 100% and Operator) and 29/10b (Ithaca 50%, operated by Maersk) lie adjacent to the Stella discovery in Block 30/6 which Ithaca acquired from Shell and Esso earlier this year. Access to this acreage has established a new core area for Ithaca in which numerous prospects, leads and small discoveries have been identified. The Company intends to use leading edge seismic technology to unlock the remaining hydrocarbon potential of this area. The Licensees of Blocks 29/4b and 29/5e will be committed to conduct 90 sq. kilometres of 3-D seismic over the four year term of the license. Block 29.10b will carry no specific commitment.

NEWS RELEASE*Southern North Sea*

Blocks 43/28 and 43/29 (Ithaca 30%, operated by Venture) provide the Company with the opportunity to continue to expand its gas basin portfolio. The additional acreage is also close to Ithaca's interests in Block 43/21b where drilling will start on the Carna prospect in late 2008. The Licence will carry no specific commitment.

Barbara Sale

Ithaca Energy Inc, through its wholly owned subsidiary Ithaca Energy (UK) Limited ("Ithaca"), has also completed the sale of its 20% interest in Block 23/16c containing the Barbara gas and condensate discovery to Dyas UK Limited ("Dyas") for the consideration of US\$8.25 million. This transaction is independent of and precedes the strategic sale of interests to Dyas recently announced and represents Ithaca's entire interest in License P.749 which covers a portion of the Barbara discovery. Pre-development technical and commercial discussions are ongoing between the various licensees of the Barbara and Phyllis discoveries regarding unitization. In December 2007 the independent reserves auditors Sproule International allocated 1 million barrels of oil equivalent net to Ithaca's license interest in License P.749.

Iain McKendrick, COO of Ithaca said:

"We are delighted to have had such success in the 25th Round. These awards will considerably strengthen Ithaca's portfolio and add to its aggressive programme of future developments and exploration drilling. In addition, Ithaca is pleased to have completed the Barbara transaction that started the relationship between Dyas and Ithaca and which has subsequently been built on so successfully. Ithaca is a focused operator in the North Sea and selling this interest just prior to a stage of intensive non-operated pre-development technical and commercial work has allowed early monetization at an attractive price which shows a good return on our investment on this asset. Ithaca will now be better positioned to focus its resources on material opportunities elsewhere in its portfolio."

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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.

Not for Distribution to U.S. Newswire Services or for Dissemination in the United States*Forward-looking statements*

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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