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Ithaca Energy Receives Independent Engineering Evaluation For Athena Project

LONDON, U.K. - CALGARY, ALBERTA, November 28, 2006 -- Ithaca Energy Inc. (LSE-AIM: IAE, TSX-V: IAE), a Canadian independent oil and gas company with exploration and development assets in the UK North Sea, announces that it has received an independent engineering evaluation of its 70% owned oil discovery at Athena on Block 14/18b in the Outer Moray Firth area of the North Sea. The evaluation was conducted to confirm the results of the 14/18b-15 well recently drilled by the Company which tested up to 1,330 barrels of oil per day (“bopd”) from the Upper Leek reservoir.

There will be an conference call with the Company to discuss the evaluation on November 28,2006 at 3:00 P.M. (GMT) (10:00 A.M (ET)). To access the conference call, dial 020 8515 2309 in the UK. In the US or Canada dial 011 44 20 8515 2309.

The evaluation was a comprehensive study of the wells, geology and seismic data in the area. Having evaluated all data, Sproule International Limited (“Sproule”) of Calgary, Alberta confirmed that the Athena accumulation at October 31, 2006 represented 27.99 million barrels of gross recoverable probable undeveloped reserves or 19.59 million barrels net to Ithaca’s 70% interest. These reserve estimates represent a 17% increase over reserves estimated previously by Gaffney Cline & Associates prior to the drilling of the 14/18b-15 well.

In the Company’s opinion, confirmed by Sproule, Athena has significant upside development potential to be evaluated by future drilling, giving rise to additional gross possible reserves of 12.042 million barrels or 8.429 million barrels net to the company. Total probable and possible reserves are 40.03 million barrels gross or 28.02 million barrels net to the Company.

Sproule have evaluated the commerciality of the pool and have calculated a net present value of Probable reserves net to Ithaca’s interest, discounted at 10% per annum, of US\$314.76 million before tax and a comparable after tax net present value of US\$165.44 million. Total Probable and Possible reserves are evaluated as having a value of US\$481.23 million before tax and US\$254.02 million after tax. Even though Sproule’s assessment of the gross P90 technical reserves for Athena was 18.9 million barrels or 13.23 million barrels net to the Company, they did not assign any proved reserves to the field for this evaluation because there is no approved development plan for the field.

Neill Carson, Ithaca’s COO, stated “Sproule has confirmed that Athena is a viable discovery as it stands and that there is potential for reserve enhancement which could have a significant beneficial economic impact. Appraisal and development drilling to confirm the upside potential is to commence in April of 2007. Ithaca is in consultation with government authorities preparatory to filing a Field Development Plan.”

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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.

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.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this news release.

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