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### **Ithaca Energy Closes Beatrice Transaction**

**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 pleased to announce that final agreements have been signed with Talisman Energy (UK) Limited (“**Talisman**”) for leasing of the Beatrice oilfield and Nigg Oil Terminal. Transfer of Operatorship will take place today (10<sup>th</sup> November). Ithaca has appointed Wood Group Engineering to be the Duty Holder for the Beatrice facilities under UK offshore regulations.

Under the previously announced terms of the deal, Ithaca will acquire a lease for a 100% interest in Beatrice from Talisman for a minimum of three years, extendable at Ithaca’s election for the duration of production, in consideration for the sum of £10 million (approximately US\$16.5 million). Although the effective date of the transaction is the date of signing the agreement resulting in immediate production to Ithaca, the consideration is to be paid following commencement of production from the nearby Jacky oilfield. After cessation of production Beatrice will be returned to Talisman who will conduct decommissioning and abandonment of the facilities.

Beatrice currently produces approximately 2,000 bopd. A second platform, Beatrice Bravo is shut-in and Ithaca intends to restore production by connecting it to a pipeline to be constructed to Jacky. Bravo was producing approximately 800 bopd when it was shut-in last year. Jacky is an Ithaca discovery immediately north east of the Beatrice field.

The Company is proceeding with the development of the Jacky discovery with delivery of the platform to Invergordon early last week ready for installation. Pipelines will be laid this December allowing Beatrice Bravo production to recommence. Tie-in of the Jacky production well will be done using the Ensco 92 rig early in 2009 with production rates of approximately 7,500 bopd gross expected.

Ithaca has previously 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:**

“Finalising this transaction with Talisman is a milestone for Ithaca and secures our first production as well as an offtake route for our Jacky field development. Our negotiations with Talisman have continued in good faith through very difficult financial times and we are delighted to have brought the deal to closure.

“We look forward to working with Wood Group and our Partners to maximize the benefits from Beatrice production and to establishing significant cash flow by bringing our Jacky oilfield on stream early in the New Year.”

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## NEWS RELEASE

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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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