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**Ithaca Energy Inc.**

**Another Outstanding Month of Production from the Jacky Field**

**London, UK - Calgary, Canada, 6<sup>th</sup> August, 2009** – 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, is pleased to announce that total production from the Jacky and Beatrice fields has now been optimized at daily rates exceeding 12,000 bopd.

Average production for the month of **July** from the two fields was approximately 11,770 bopd (5,652 bopd net to Ithaca).

The Jacky field continues to produce ‘dry’ oil which provides further encouragement that the likely ultimate total production volume could exceed current management expectations. Plans are on schedule to commence drilling a water injection well in September 2009 that will maintain reservoir pressure and support future production through 2010 and beyond. A further update on Jacky production performance will be announced after the injection well has been commissioned.

Partners in the Jacky field are Ithaca (47.5%), Dyas UK Ltd (42.5%) and North Sea Energy (UK) Ltd (10%).

Partners in the Beatrice Field are Ithaca (50%) and Dyas UK Ltd (50%).

In addition, the Company will be issuing its 2<sup>nd</sup> Quarter Financial Results shortly; these will reflect initial oil sales revenue from Jacky and Beatrice.

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

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*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.

The term "boe" may be misleading, particularly if used in isolation. A boe conversion of 6 Mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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

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