



Not for Distribution to U.S. Newswire Services or for Dissemination in the United States

Ithaca Energy Inc.

Rig Moves to Jacky to Drill Injection Well

London, UK - Calgary, Canada, 10th September, 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 the Ensco 80 drilling rig has been mobilised to the Jacky Field to drill the injector well as planned.

The Ensco 80 drilling unit was mobilised to the Jacky Field on Wednesday the 9th September to drill a water injection well that will support continued production through 2010 and beyond. The drilling and completion of the well is scheduled to last approximately 55 days.

Ithaca can also confirm that Jacky Field production continues to perform well and that the combined average levels of production for the Beatrice Complex seen in July have been maintained throughout August at 11,578 barrels of oil per day. Despite continued high production levels of ‘dry’ oil from Jacky, reservoir pressure has continued to decline, as predicted, and it is now prudent and good production management to intervene and provide pressure support by water injection.

After the successful completion of the Jacky injection well, the Ensco 80 rig will be moved to the Beatrice Bravo facility where it will conduct up to two well interventions; this is expected to result in increased oil production levels. At the same time, the water injection system at Beatrice Bravo will be re-instated as part of a long term plan to support and increase the overall production from the Beatrice Complex.

On conclusion of the drilling and commissioning of the Jacky injection well, Ithaca shall seek an updated Independent Reserves Audit report on field reserves in order to reflect the performance of the field to date.

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, including Beatrice Bravo are Ithaca (50%) and Dyas UK Ltd (50%).

Enquiries:

Ithaca Energy Inc:

Iain McKendrick, CEO	imckendrick@ithacaenergy.com	+44 (0) 1224 650 261
John Woods, CDO	jwoods@ithacaenergy.com	+44 (0) 1224 650 273
Steven Turner, CFO	sturner@ithacaenergy.com	+44 (0) 1224 652 151

Pelham Public Relations:

Charles Vivian	charles.vivian@pelhampr.com	+44 (0) 207 743 6672
Philip Dennis	philip.dennis@pelhampr.com	+44 (0) 207 743 6363

Cenkos Securities plc:

Jon Fitzpatrick

jfitzpatrick@cenkos.com

+44 (0) 131 220 9773

Ken Fleming

kfleming@cenkos.com

+44 (0) 131 220 9772

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.

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.

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.

-ENDS-