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Ithaca Energy Inc.

Rig Completes Jacky Injection Well Under Budget

London, UK - Calgary, Canada, 2nd November, 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 it has drilled and completed the Jacky water injection well ahead of schedule and under budget.

The well encountered good reservoir quality across the field oil/water contact and is in pressure communication with the Jacky production well, as expected. It is ideally located for providing pressure support to help maintain existing Jacky oil production. Water injection will start over the next week and the impact on Jacky production will be reported once injection rates have been optimized.

The EnSCO 80 drilling unit was mobilised to the Jacky Field on Wednesday the 9th September and completed the well on Sunday 1st November, 2 days ahead of schedule. The rig will now mobilise to Beatrice Bravo for two workover operations, which is expected to boost production from the Beatrice reservoir. Details will be given once the rig is positioned and the operations are underway.

As previously announced, Ithaca will now seek an updated Independent Reserves Audit report for the Jacky field to reflect the significantly better than expected (dry oil) production performance 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%).

Commenting, Iain McKendrick, CEO of Ithaca, said:

“Work on sustaining and boosting Jacky and Beatrice production will maintain significant cash flow throughout 2010 and beyond. This gives the Company the capability and flexibility to schedule Stella and its other opportunities and to enhance production from existing assets and resources whilst maintaining capital discipline. The Stella transaction announced last week, whereby Ithaca becomes operator, is a timely example of the Company moving to control the pace of investment and development”.

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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.

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.

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