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**Ithaca Energy Inc.**

**Production Guidance**

**London, UK - Calgary, Canada, 10<sup>th</sup> 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 offer additional guidance on production performance from the Jacky and Beatrice oilfields.

Cumulative production since start up on 6<sup>th</sup> April, 2009 from Jacky now exceeds 1.5 million barrels (“**mmbbls**”) gross (0.713 mmbbls net to Ithaca). Proved reserves assessed by independent petroleum consultants, Sproule International Limited (“**Sproule**”) at year end 2008 were 1.422 mmbbls gross. A revised reserves report is currently being prepared by Sproule.

Overall, Ithaca expects to achieve its target production rate of 5,000 barrels of oil per day (“**bopd**”) net to Ithaca for the second half of 2009.

The recently completed Jacky water injection well is now operating with injection rates over 18,000 barrels of water per day. Revised Jacky oil production rates will be reported once injection rates have been stabilized.

During September, Jacky oil production was shut in, as planned, for 12 days to allow drilling rig operations. Nevertheless, oil production from Jacky and Beatrice averaged 6,296 bopd (3,044 bopd net) over the month. Daily peak rates were sustained at over 13,000 bopd gross.

During October the downhole pump in the Jacky production well was slowed down to prevent reservoir pressure falling below acceptable operating levels. This combined with a further 2 days of planned downtime due to drilling operations held Jacky production slightly below that seen in previous months and combined production from Jacky and Beatrice averaged 10,078 bopd gross (4,853 bopd net to Ithaca). The pump rate is expected to be increased during November as the reservoir responds to the pressure support provided by the new water injection well.

The drilling rig Ensco 80 has now moved to the Beatrice Bravo platform where it will conduct workover operations on two currently shut-in production wells. These interventions are being undertaken to boost production from the field and work will last approximately one month. In one well an existing standby downhole pump will be activated and in the other a failed pump will be replaced.

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:**

## NEWS RELEASE

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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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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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