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## **Ithaca Energy Inc.**

### **Production and Operational Update**

LONDON, U.K. – CALGARY, ALBERTA, December 7, 2009 – Ithaca Energy Inc. (LSE-AIM: IAE, TSX-V: IAE) and its wholly owned subsidiary Ithaca Energy (UK) Limited, an independent oil & gas company with exploration, development and production assets in the UK sector of the North Sea, is pleased to announce that current daily production from Beatrice and Jacky metered ex-platform is exceeding 14,000 bopd (approximately 6,700 bopd net to Ithaca); which is the highest level since Ithaca became operator of the field.

Daily metered ex-platform production rates during November from Jacky were sustained at over 10,000 bopd gross. Combined production from Jacky and Beatrice averaged 10,123 bopd gross (4,878 bopd net to Ithaca) over the month as measured at the Nigg storage facility.

During November, Jacky oil production was stabilized and the downhole pump rate was increased in the production well. Pressure in the reservoir has steadily increased since water injection commenced on 5<sup>th</sup> November.

Well intervention operations, to refurbish and restart production wells tied into the Beatrice Bravo platform, have advanced smoothly and on schedule. In one well, the standby downhole pump has now been activated and final preparations are being made to start production; this well has been inactive since July 2007.

A second well has been fully refurbished. New tubing has been set and perforations added across the reservoir section; a new downhole pump is currently being installed. The Beatrice Bravo programme has been extended to retain the drilling rig Ensco 80 to undertake a third well intervention, maximizing the synergies of this operation. This intervention will involve perforating across a previously untapped section of the Beatrice reservoir to access an undrained area of the field.

The resultant production figures achieved through the Beatrice Bravo well intervention work will be announced as part of a December production update.

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

Joint Venture Partners in the Beatrice Field, including Beatrice Bravo are Ithaca (50%) and Dyas UK Ltd (50%).

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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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