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**Ithaca Energy Inc.**

**Grant of Share Options under the Company’s Stock Option Plan**

**LONDON, U.K. – CALGARY, ALBERTA, January 6<sup>th</sup>, 2010** – Ithaca Energy Inc. (LSE-AIM: IAE, TSX-V: 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, announces that effective January 5<sup>th</sup>, 2010, in accordance with the Company’s Stock Option Plan, the Board of Directors approved the granting of 4,345,000 share options to Directors and Employees at a price of CDN \$1.54 which was the closing price on the Toronto Stock Exchange (TSX) Venture Exchange on Tuesday, January 5<sup>th</sup>, 2010. The options shall be granted effective January 6<sup>th</sup>, 2010 and may be exercised for a period of four years from that date. One third of the options will vest at the end of each of the first, second and third years from the effective date.

Of the recipients, a total of 2,600,000 share options were granted to Directors and senior employees as follows:

Iain McKendrick	CEO and Director	800,000
Nicholas Muir	Officer	600,000
John Woods	Officer	600,000
Lawrence Payne	Director and Chairman	100,000
Brad Hurtubise	Director	100,000
Jack Lee	Director	100,000
John Summers	Director	100,000
Frank Wormsbecker	Director	100,000
Jay Zammit	Director	100,000

Upon granting the options, the company will have a total of 14,842,875 shares under option representing approximately 9.15% of total shares outstanding and under option. Fully diluted, the company will have 177,104,850 on issue.

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