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Company Announcements Office

ITHACA ENERGY COMPLETES THE DRILLING OF MANUEL

Ithaca Energy Inc. ("Ithaca") (LSE-AIM: IAE, TSX-V: IAE), of Calgary, Alberta, announces that its wholly-owned subsidiary Ithaca Energy (UK) Limited has completed the drilling of an exploration well (11/29-1) near the Beatrice field in the inner Moray Firth area of the North Sea. The 11/29-1 well on the Manuel Prospect, reached a total depth of 8147 ft TVDSS and is now being plugged and abandoned.

The well encountered oil saturated sands of Jurassic age of less than reservoir quality. Wireline logs have been run and MDT pressure and fluid sampling has been undertaken but no oil sample was recovered.

The well was drilled to target multiple reservoir sand units defined within a large stratigraphic closure known as the Manuel prospect lying 12 kilometres to the southwest of the Beatrice field. The prospect had been delineated using 2D seismic data which Ithaca complemented with its own seismic acquisition shot in November 2006. The results of this well will allow Ithaca to calibrate the existing seismic data and undertake a full technical work programme to determine future drilling locations.

Equity positions in the Manuel well are:

- Ithaca 68.34%
- Norwest 5.00%
- Challenger Minerals 13.33%
- North Sea Energy 13.33%

About Norwest

Norwest is a Perth-based exploration and production company with project interests in Australia and the UK. It also has a 1.25% over-riding royalty interest in production from the Puffin Field operated by AED Oil Limited. Norwest maintains a UK office to support its North Sea activities as well as to seek out UK and European exploration and production opportunities and it also maintains a representative office in New Delhi.

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