



CHINA CITIC GROUP

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IVANHOE ENERGY AND CITIC STRENGTHEN ALLIANCE TO JOINTLY DEVELOP STRATEGIC ENERGY PROJECTS WORLDWIDE

BEIJING – Wang Jun, Chairman of China International Trust & Investment Corporation (CITIC), and Robert Friedland, Deputy Chairman of Ivanhoe Energy Inc. (NASDAQ:IVAN; TSX:IE), announced today that the two companies have signed an agreement that will enable the companies to form a global strategic alliance, to investigate, explore, and develop oil, natural gas, metallurgical coal, liquefied natural gas and gas-to-liquid projects in China and around the world to help supply China's future energy requirements.

The new agreement builds upon the initial partnership formed between the two companies in October of last year and follows several months of discussion both between the two companies and with the asset owners of potential projects in China and in other parts of the world.

“During the next 10 to 20 years, China will have to participate in international energy trade on a substantial and sustained basis, and make environmental choices about fulfilling its burgeoning energy needs,” said Mr. Friedland. “The challenge of meeting China's energy needs presents a wealth of opportunities for Ivanhoe Energy, particularly in meeting the demand through clean energy sources.”

The alliance will see CITIC Energy, a wholly-owned CITIC subsidiary based in Hong Kong, combine resources with Sunwing Energy, Ivanhoe's China flagship subsidiary. This will assist in the financing and rapid development of Sunwing's exploration and development projects in China, including Sunwing's oil project in the Dagang Oilfield and the Zitong and Yudong natural gas projects in the Sichuan Basin. The immediate priority will be CITIC's direct investment in the development phase of the Dagang project.

The alliance will seek and identify suitable interests in international oil and gas development projects for joint development. Upon acquisition of these projects, the alliance may invite oil and gas companies in China such as CNOOC, PetroChina and Sinopec to invest in these projects. In addition, Ivanhoe Energy will assist in the introduction of gas-to-liquids (GTL) and other advanced clean, energy-sector technologies to China's domestic oil and gas industry.

CITIC is a giant Chinese state-owned enterprise that reports directly to the State Council. It holds major interests in many industries throughout the world that have strategic value to the expanding Chinese economy including power, banking, airlines, information technology, investment services, real estate, engineering services, heavy industries, infrastructure investment and resource industries. At the end of 2001, CITIC's total assets exceeded 400 billion RMB (US\$48 billion). CITIC reported an after tax net profit of 2.4 billion RMB (approximately US\$290 million) in 2001.

Ivanhoe Energy's mission is to create value for its shareholders and host countries, initially focusing on: (1) production of cleaner burning fuels from natural gas, using proven gas-to-liquids (GTL) technology; (2) conventional exploration and production (E&P), primarily natural gas in the United States; and (3) enhanced oil recovery (EOR) and natural gas projects, on a production-sharing basis with national petroleum companies.

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FORWARD-LOOKING STATEMENTS: This document includes forward-looking statements as well as historical information. Forward-looking statements include, but are not limited to, the continued advancement of Ivanhoe Energy's oil and gas drilling programs. When used in this document, the words "anticipate," "believe," "estimate," "expect," "intent," "may," "project," "plan" "should," and similar expressions are intended to be among the statements that identify forward-looking statements. Although Ivanhoe Energy believes that their expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Important factors that could cause actual results to differ from these forward-looking statements include the potential that Ivanhoe's oil and gas drilling will experience technological and mechanical problems, fluctuations in oil and gas prices, the ability to implement corporate strategies, the ability to obtain financing and other risks disclosed in our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission, a copy of which may be viewed on our website at www.ivanhoeenergy.com.