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October 31, 2003

**TSX - DRK
OTC BB - DRKOF
Form 20-F File No.: 0-30072**

IVANHOE ENERGY JOINS DEREK IN LAK RANCH PROJECT

(Vancouver, B.C., October 31, 2003) – **Derek Oil & Gas Corporation** reported today that the company and Ivanhoe Energy (USA) Inc. have agreed in principle to jointly develop Derek's LAK Ranch oil project in Wyoming.

The Agreement is subject to approval of Ivanhoe's Board of Directors and the terms will be announced following an Ivanhoe Board meeting scheduled to be held during the week of November 2, 2003.

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DEREK OIL & GAS CORPORATION

"Barry C.J. Ehrl"

Barry C.J. Ehrl, Director

For further information please contact Investor Relations 1-888-756-0066 or (604) 331-1757

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*The TSX Venture Exchange has neither approved nor disapproved
the information contained herein*

Cautionary Note to U.S. Investors: Investors are urged to consider closely the disclosure in our Form 20-F, File No. 0-30072, available from us at Suite 1550, 355 Burrard Street, Vancouver, British Columbia, Canada, V6C 2G8. You can also obtain this Form 20-F from the SEC by calling 1-800-732-0330 or you may find it online at www.sec.gov or at www.sedar.com where it is filed as the Company's Annual Information Form.