



*This announcement does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares or other securities of Ithaca Energy Inc., nor shall any part of it nor the fact of its distribution form part of or be relied on in connection with any contract or investment decision relating thereto, nor does it constitute a recommendation regarding the securities of Ithaca Energy Inc.*

**NOT FOR RELEASE IN THE UNITED STATES OR DISTRIBUTION TO US NEWS SERVICES**

*The securities of Ithaca have not been registered under the US Securities Act 1933, as amended, or any state securities law, and they may not be offered or sold in the United States unless an exemption from registration is available.*

## **Ithaca Energy Inc.**

### **Ithaca Energy announces partial exercise of Over-Allotment Option and signing of contract for semi-submersible rig for first North Sea test**

London, England, and Calgary, Alberta, Canada -- Ithaca Energy Inc. of Calgary, Alberta (LSE-AIM and TSX Venture: IAE), June 13, 2006 announces that its wholly-owned subsidiary Ithaca Energy (UK) Limited has entered into a contract with Dolphin Drilling for the employment of the semi-submersible rig, Bredford Dolphin, to drill Ithaca's first well on its North Sea Licenses and the partial exercise of an Over-Allotment Option.

Ithaca plans to drill an appraisal well on its 90-percent-owned Athena Project on block 14/18b in the Outer Moray Firth area of the United Kingdom Continental Shelf in the North Sea. The well is expected to commence drilling in early August 2006 to a depth of approximately 9700 feet to appraise Scapa sands previously proven to be oil-bearing in two wells drilled by another operator. The well is expected to take approximately 30 days to drill and test, and, if successful, it will be cased and completed for future production.

Lawrie Payne, CEO of Ithaca said, "Obtaining the services of this rig in a very tight rig market is a major accomplishment for the company and reflects Ithaca's aggressive approach to the development of its assets. It will allow us to initiate appraisal and development of one of Ithaca's most significant assets much earlier than previously anticipated."

In connection with Ithaca's Initial Public Offering, Research Capital Inc. and CIBC World Markets Inc. were granted an Over-Allotment Option to acquire up an additional 2,660,952 Common Shares of Ithaca at the Offering Price for a period of 30 days following the closing of the Offering, to cover over-allotments and for market stabilization purposes. Ithaca announces that the Agents have partially exercised the Over-Allotment Option to acquire 1,300,000 shares for net proceeds to Ithaca of \$2,620,800 Cdn. The balance of the Over-Allotment Option of 1,360,952 Common Shares may be exercised until July 5, 2006.

Ithaca Energy Inc. ([www.ithacaenergy.com](http://www.ithacaenergy.com)) is a Canadian company focused on the exploration and development of oil and gas in the North Sea. On June 5, 2006, the company completed an Initial Public Offering on the AIM market in London and on the TSX Venture Exchange, raising GBP 28.3 million (\$59.5 million Cdn) before expenses. Ithaca's shares began trading on June 5, with a total of approximately 60.7 million shares issued and outstanding. After the partial exercise of the Over-Allotment Option the company now has approximately GBP 36.3 million (\$76.1 million Cdn) of working capital which is to be utilized for appraisal and development drilling on three near-term North Sea development projects, of which Athena is one. The company also has a 20 percent interest in the Barbara gas and condensate discovery, which is expected to see further development drilling this year,



and a 100 percent interest in an extension to the Beatrice oilfield which is expected to be drilled in 2007.

*The Ithaca securities have not been registered under the US Securities Act of 1933, as amended, or any state securities law, and they may not be offered or sold in the United States unless an exemption from registration is available.*

**Not for Distribution to U.S. Newswire Services or for Dissemination in the United States**

***Forward-looking statements***

*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.*

**13 June 2006**

- ENDS -

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this news release.

**For more information, please contact:**

Lawrence Payne, CEO  
London, England: 0207 590 3028  
From Canada: 011 44 207 590 3027

Charles Vivian  
Pelham Public Relations  
Email: [charles.vivian@pelhampr.com](mailto:charles.vivian@pelhampr.com)  
London: 0207 743 6672  
From Canada: 011 44 207 743 6672