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Ithaca Energy Awarded Seven Blocks in the United Kingdom's 24th Seaward Licensing Round and Appoints Vice-President, Finance

LONDON, U.K. - CALGARY, ALBERTA, February 1, 2007 -- Ithaca Energy Inc. (LSE-AIM: IAE, TSX-V: IAE), a Canadian independent oil and gas company with exploration and development assets in the UK North Sea, announces that the United Kingdom's Secretary of State for Trade and Industry has awarded the Company seven North Sea Blocks in the UK's 24th Seaward Licensing Round, including Blocks 14/17(part) and 14/18c which are adjacent to the Company's Athena project.

The Blocks awarded to Ithaca comprise a 100% interest in Blocks 13/21d, 14/17(part), 14/18c, 48/9d, 49/28c, 53/4e, 53/4f, and a 60% interest in Block 48/9d (EWE Aktiengesellschaft 40%).

Blocks 14/17(part) and 14/18c lie in the Outer Moray Firth area of the UK North Sea and expand Ithaca's core area surrounding its Athena project. Block 14/18c lies just 4km to the east of Ithaca's Athena discovery and contains a satellite discovery previously made by well 14/18-1, known as Athena East (formerly known as Bordeaux) which tested oil in Upper Jurassic reservoirs at an exploration test rate of 1,250 barrels of oil per day. A water contact has not yet been established which leads management to believe the project has upside potential. Block 14/18c may also contain upside with the extension of the Athena Lower Cretaceous discovery tested by well 14/18-15 drilled by Ithaca in 2006. Block 14/17(part) is immediately west and on trend with Athena.

Block 13/21d lies south-west of the Company's 90% owned Blocks 13/16b, 13/17 and 13/18. The Company believes that 13/21d may contain an extension to its Triton prospect.

Blocks 48/9d, 49/28c, 53/4e, and 53/4f, and 48/9d lie in the Southern Gas Basin. Block 48/9d lies immediately south of Ithaca's multi-prospect Blocks 48/3a and 48/4 in which the Company's Morpheus prospect is located.

All the Ithaca awarded Blocks were made on a Traditional License basis.

Ithaca is also pleased to announce the appointment of Mr. Rod McKinnon to the position of Vice-President, Finance. Mr. McKinnon is a senior professional with over 20 years of experience in accounting and finance with Enterprise Oil plc, Shell Exploration & Production, Energy North Sea, Weatherford UK Ltd., and most recently as a consultant with Venture Production plc. Mr. McKinnon completed a BSc. (Hons) in Physics & Electronics at St. Andrews University in 1982 and has been a member of the Institute of Chartered Accountants of Scotland since 1987.

Nick Muir, Ithaca's VP Exploration, added "We are excited about these awards as we have captured projects around our core areas that allow us to extend our appraisal and exploration drilling programs, many all of which lie within a few kilometres of established infrastructure".

Lawrie Payne, Ithaca's CEO, said "I am very pleased to welcome Rod McKinnon to our management team. He has a very strong background in finance and accounting in the oil and gas industry and will be a valuable addition to our team as we drive toward establishing a significant UK-focused production company."

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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.

In accordance with AIM Guidelines, Lawrie Payne, MA Marine Geology (Alberta & Columbia) and CEO of Ithaca Energy is the qualified person that has reviewed the technical information contained in this press release.

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

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