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**Ithaca Energy**

**(“Ithaca” or “the Corporation”)**

**Director Dealings**

LONDON, U.K. - CALGARY, ALBERTA, 19 July, 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 on 18 July 2007, certain of its directors exercised options and disposed of a minority of their shareholdings. The options were exercised at a price of US\$0.90 per share. The shares were sold at a price of CAD\$3.30, or approximately £1.55 per share.

<b>Director</b>		<b>No. of Options Exercised</b>	<b>No. of Shares Post Exercise</b>
John P. Summers	Chairman	100,000	225,000
Lawrence H. Payne	CEO	400,000	2,857,334
Neill A Carson	COO	400,000	2,505,556
Bradley G. Gunn	CFO	300,000	987,500
Franklin M. Wormsbecker	Non-executive	100,000	250,000
Jay M. Zammit	Non-executive	100,000	500,000

Certain Directors also declare their intention to sell shares. Following these disposals and acquisitions, their respective holdings are as follows:

<b>Director</b>	<b>No of Shares Sold</b>	<b>No. of shares held post disposal &amp; acquisition</b>	<b>% of total issued share capital post disposal &amp; acquisition</b>
John P. Summers	50,000	175,000	0.2%
Lawrence H. Payne	400,000	2,457,334	2.9%
Neill A Carson	150,000	2,355,556	2.8%
Bradley G. Gunn	300,000	687,500	1.0%
Franklin M. Wormsbecker	100,000	150,000	0.2%
Jay M. Zammit	100,000	400,000	0.5%
Michael B. A. Nobbs	0	100,000	0.1%

Pursuant to a lock-in agreement (“Lock-In Agreement”) entered into at the time of the Initial Public Offering (“IPO”), the Directors, officers and certain employees of the Corporation had agreed not to dispose of any securities of the Corporation for 12 months following the IPO, and to obtain certain permissions for any disposals in the ensuing 9 months. The Corporation confirms that the above directors have complied with such agreement.

For further information, please contact:

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*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.

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

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