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Ithaca Energy Drilling Results at Athena Project

LONDON, U.K. - CALGARY, ALBERTA, October 9, 2007 -- Ithaca Energy Inc. (LSE-AIM: IAE, TSX-V: IAE), an independent oil & gas company with exploration and development assets in the UK North Sea, is pleased to announce that drilling of its second well on the Athena discovery (14/18b-16) in the outer Moray Firth area has reached total depth of 11,000 feet and the well is being completed for testing and future production.

The well encountered a total of 355 feet of Upper Leek sandstone of which 92 feet is considered productive with an average porosity of 14.3%. This is comparable to the previously drilled #15 well which had 127 feet of pay.

The well intersected the top of the Upper Leek formation at 8617 feet True Vertical Depth Subsea which is 291 feet high to the 14/18b-15 well. The entire Upper Leek section is above the previously established oil/water contact giving rise to a total gross oil column of 638 feet. From MDT analysis, the well is in hydraulic communication with the #15 well.

Ithaca's first well on the Athena accumulation (#15) tested oil from the Upper Leek sandstone at up to 1330 bopd. The #16 well was directionally drilled from the same drill centre as the #15 well and the Upper Leek was intersected at a distance of 2500 feet northeast of the bottom hole location of the #15 well.

Currently, production casing is being run to total depth and the well will be perforated for testing purposes. It is anticipated that testing will require approximately 9 days, to be conducted while the rig is on location. Depending upon the successful results of the tests, the well will be suspended for future production.

Ithaca is the operator with the beneficial interest of the participating companies being 70% Ithaca, 20% EWE Akteingesellschaft (EWE) and 10% Zeus Petroleum (previously Wimbledon). Gemini Oil and Gas Fund II provided Ithaca with \$6 million for the drilling of the well in return for a gross revenue interest ranging from 3.86% to 1.29% against Ithaca's interest.

Lawrie Payne, CEO of Ithaca commented:

"The results so far from the 14/18b-16 well are very encouraging. They confirm our seismic interpretation and our expectation that the Athena accumulation extends to the east of the original discovery with the potential to extend further east from this latest well. Subject to successful testing and rig availability, we anticipate that a third well will be drilled in the first half of 2008. In the meantime the company is preparing to make application for field development"

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+44 (0) 207 743 6672**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.

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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