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**Ithaca Energy Completes Polly well as oil Discovery and now plans to drill Manuel**

LONDON, U.K. – CALGARY, ALBERTA, February 11, 2008 – Ithaca Energy Inc. (LSE-AIM: IAE, TSX-V: IAE), a Canadian independent oil & gas company with exploration and development assets in the UK North Sea, is pleased to announce that it has completed drilling operations on the 12/26c-5 well on the company's Polly prospect at a depth of 7809 feet subsea and that the well has been suspended for future evaluation having encountered oil in the Beatrice Sandstone.

The well which is owned by Ithaca (80%) and North Sea Energy (20%) encountered 60 feet of gross Middle Jurassic Beatrice 'A' sand of which 10 feet is regarded as effective reservoir and has tested water-free oil in MDT tests. The remainder of the reservoir could not be tested conclusively and the interpretation of reservoir quality and contents remains undetermined. Evaluation of the well information will be carried out in the immediate future.

The Galaxy II rig used for the drilling of the Polly prospect will be moved to the company's Manuel prospect, which lies to the southwest of the Beatrice field. The Manuel well is planned to drill to 6696 feet subsea and is to test the potential of several Upper and Middle Jurassic sands. The well is expected to commence on February 19 and take approximately 20 days to drill. Participants in the prospect are Ithaca 73.4%, North Sea Energy 13.3% and Challenger Minerals 13.3%.

**Nick Muir, Ithaca Energy's Chief Exploration Officer commented:**

"The Polly well has proved movable oil in a significant structure to the east of the Beatrice field. The magnitude of the discovery will be the subject of further evaluation of the well information and seismic data. Should the company consider reserves to be economic; the accumulation will be produced through the Beatrice producing facilities. The prospect lies within drilling distance of the Beatrice Bravo production platform. This well marks the commencement of an exciting exploration programme for the company in the Beatrice area, a region that the company considers to carry substantial remaining potential.

The Manuel well will test a prospect with the potential for significant reserves of crude oil with a commensurate higher degree of risk. Success at Manuel would point to significant additional potential in the area to the southwest of the Beatrice oil field. Located only 8 miles from the Beatrice Alpha platform, it too would be tied in to that facility if productive and commercial. The entire Beatrice area has become a core region for the Company following the announced intention to acquire the Beatrice oilfield effective January 1, 2008."

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## Notes to Editors

Ithaca Energy Inc. (LSE-AIM: IAE, TSX-V: IAE) is an independent oil & gas company with exploration and development assets in the UK North Sea. The Beatrice field comprises UK Offshore Licenses P187, P982 and P1031 of the United Kingdom's Continental Shelf

*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, other than as required by the AIM Rules for Companies.

In accordance with AIM Guidelines, Lawrie Payne, BA Economics (Alberta) and MA Marine Geology (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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