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ITHACA ENERGY COMMENCES THIRD WELL AT ATHENA

LONDON, U.K. - CALGARY, ALBERTA, March 11, 2008 - Ithaca Energy Inc. ("Ithaca" or the "Company") (LSE-AIM: IAE, TSX-V: IAE), of Calgary, Alberta, announces that its wholly-owned subsidiary Ithaca Energy (UK) Limited has commenced the drilling of the 14/18-17 well, its third well on the Athena oil project intended to appraise the potential of an extension to the known accumulation.

On Monday 10th March 2008, the rig, *Byford Dolphin*, managed by AGR, spudded a well on Ithaca's 70%-owned Block 14/18b to test a potential southern extension of the Athena oil pool. A deviated well will be drilled to a depth of approximately 9,000 feet TVDSS to test significant potential upside identified following the recent delivery and interpretation of 3D seismic reprocessing. This well will take approximately 30 days to reach the targeted Lower Cretaceous Leek sands which constitute the Athena field. On success, the well will be tested and suspended for future production.

Ithaca and its co-venturers, EWE Aktiengesellschaft (20%) and Zeus Petroleum Limited (10%), have successfully drilled and flow-tested two wells to date, being 14/18b-15 and 14/18b-16. Both wells tested at rates of approximately 1,300 bopd and are predicted to flow on production at rates of 5,000 bopd after the installation of Electrical Submersible Pumps (ESPs).

Lawrie Payne, CEO, commented:

"This is an important phase of drilling which will determine the scale of the future Athena development. We are very pleased to have secured the services of AGR. Securing drilling slots in a difficult market is important to Ithaca in order to maintain the momentum of this development and target first oil in the first half of 2010."

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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. On November 30, 2007 Ithaca announced its intention to acquire Talisman Energy's 100% share in and take of operatorship of the Beatrice field

which comprises UK Offshore Licenses P187, P982 and P1031 of the United Kingdom's Continental Shelf. The transaction is expected to complete in mid 2008.

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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