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### **Work Begins on next Athena Development Well**

LONDON, U.K. - CALGARY, ALBERTA, June 9th, 2008 -- Ithaca Energy Inc. (LSE-AIM: IAE, TSX-V: IAE), and its wholly owned subsidiary Ithaca Energy (UK) Limited announces that, on behalf of the Athena Joint Venture Partners, it has commenced drilling the Athena 'D' development well in the core area of the field in UKCS block 14/18b. The work is being conducted by the Stena Spey drilling rig as part of a multi-client work programme being managed by Senergy Ltd.

The Well was spudded on June 6<sup>th</sup> and operations are expected to continue for about 50 days. After evaluation is complete, casing will be run and the well suspended for future completion as a production well. Completion activities are likely to be in late 2009 when the well will have a submersible pump fitted to increase production rates.

Ithaca Energy (UK) Ltd holds a 70% interest in the Athena Development along with its partners EWE Atingellinschaft (20%) and Zeus Petroleum (10%). The field will be developed as a subsea tie-back to a stand- alone production facility.

As announced on May 29<sup>th</sup>, 2008, Ithaca has an exclusivity agreement in place with Bluewater Energy Services BV to negotiate the provision of a Floating Production, Storage and Offloading vessel (FPSO) in late 2009 to process produced fluids from the field.

John Woods, Chief Development Officer said "With the FPSO development scheme now underway, this well will be an important milestone for meeting our timeline to delivering Athena first oil in late 2009".

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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

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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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