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Ithaca Energy Acknowledges Receipt of Non-Binding Proposed Offer

LONDON, U.K. - CALGARY, ALBERTA, June 20, 2008 -- Ithaca Energy Inc. (LSE-AIM: IAE, TSX-V: IAE), an independent oil & gas company with exploration and development assets in the UK North Sea, confirms that it has received an unsolicited non-binding proposed offer (the “Non-Binding Proposed Offer”) from Endeavour International Corporation to acquire the entire issued share capital of Ithaca for a combination of cash and shares at an indicative price of US\$3.25 per Ithaca share.

Ithaca advises that its board of directors will carefully review and evaluate the Non-Binding Proposed Offer consistent with its fiduciary duties and in consultation with its legal and financial advisers. The Board will consider the various terms, conditions and merits of the Non-Binding Proposed Offer in the context of Ithaca’s long term strategic plan with a view toward pursuing the course of action which best maximizes shareholder value. The Board will respond once it has completed this process.

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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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