



NEWS RELEASE

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Ithaca Energy Announces Formation of a Special Committee of the Board

LONDON, U.K. - CALGARY, ALBERTA, June 23, 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, announced on June 20, 2008 that it had 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 has formed a special committee (the "Committee") to carefully review and evaluate the Non-Binding Proposed Offer consistent with the fiduciary duties of the board of directors and in consultation with the board's legal and financial advisers. The Committee 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.

Enquiries:

Ithaca Energy Inc:
Lawrie Payne, CEO

lpayne@ithacaenergy.com

+44 (0) 207 590 3027

Pelham Public Relations
Charles Vivian
Phillip Dennis

charles.vivian@pelhampr.com

+44 (0) 207 743 6672

philip.dennis@pelhampr.com

+44 (0) 207 743 6363

Nabarro Wells & Co. Limited
Marc Cramsie

marccramsie@nabarro-wells.co.uk

+44 (0) 207 710 7400

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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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