



NEWS RELEASE

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### **Ithaca Energy Announces Response to Endeavour's Non-Binding Proposal**

LONDON, U.K. - CALGARY, ALBERTA, July 21, 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, announces that its Board of Directors has unanimously determined that the unsolicited non-binding proposal (the "Proposal") received from Endeavour International Corporation to acquire all of the issued and outstanding shares of Ithaca Energy is not in the best interests of Ithaca Energy shareholders.

After careful consideration, including of the report and recommendation of a Special Committee of Independent Directors and in consultation with its financial and legal advisors, the Board of Directors has concluded that the Proposal does not recognize the value of Ithaca Energy's assets and prospects. "Ithaca has a number of ongoing initiatives that will be concluded in the near term which we believe will provide greater value for Ithaca's shareholders" said John Summers, Chairman of Ithaca's Board of Directors.

RBC Capital Markets and Tristone Capital acted as financial advisors to the Special Committee in its review of the Proposal.

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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

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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.

In accordance with AIM Guidelines, Lawrie Payne, MA Marine Geology (Alberta & 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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