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Ithaca Energy obtains bank commitments for US\$240 million to complete Beatrice acquisition and fund near term projects, Jacky and Athena

London, UK - Calgary, Canada, 11th July 2008 – Ithaca Energy Inc (“**Ithaca Energy**” or the “**Company**”) (TSX Venture: **IAE**, LSE AIM: **IAE**) and its wholly owned subsidiary Ithaca Energy (UK) Limited, an independent oil & gas company with exploration and development assets in the UK sector of the North Sea, is pleased to announce that it has received credit approved offers of finance, conditional upon closing, totalling US\$240 million to support the acquisition of the Beatrice oilfield and its near term development projects Jacky and Athena.

The funding represents the bank financing required to enable the Company to: a) complete the acquisition of the Beatrice oilfield which produces approximately 1,800 barrels of oil per day (bopd); b) fund the development of the Jacky discovery which is expected to deliver first production at the end of 2008 through the Beatrice facility; and c) fund the further development of the Athena field where production is anticipated to commence at the end of 2009 through a Floating Production, Storage and Offloading facility.

Five banks comprising Société Générale Corporate & Investment Banking; Bank of Scotland Corporate; BNP Paribas; Lloyds TSB Capital Markets and Natixis have each obtained credit approval for an aggregate of US\$ 240 million comprising: (a) a borrowing base facility of US\$180 million; (b) a cost overrun tranche of US\$30 million, and (c) a pre-development tranche for the Athena project of US\$30 million that will be added to the borrowing base facility upon field development plan approval. The banks are now working towards finalising transaction documentation and completing an audit of the bank model.

Steven Turner, Chief Financial Officer, said, “Ithaca is delighted to have attracted such a strong group of leading banks, each with significant expertise in the UKNS oil sector. Given the prevailing difficulties in the credit market we have been particularly pleased with the level of commitments received, the support in structuring the deal and the speed at which the banks have acted. This financing is an important part of the funding strategy of Ithaca as it moves towards developing its core projects.”

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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.

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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 except as required by applicable securities laws.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this news release.

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