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Ithaca Energy Inc.

Ithaca Mandates Bank of Scotland for US\$140 Million Facility

London, UK - Calgary, Canada, April 22, 2010 – Ithaca Energy Inc. (TSX Venture: **IAE**, LSE AIM: **IAE**) and its wholly owned subsidiary Ithaca Energy (UK) Limited (“**Ithaca**” or “**the Company**”), an independent oil & gas company with exploration, development and production assets in the UK sector of the North Sea, is pleased to announce that it has mandated Bank of Scotland Plc (“**BOS**”), part of Lloyds Banking Group, as Lead Arranger for the provision of a US\$140 million Senior Secured Borrowing Base Facility (“the Facility”) to principally fund the development of the recently appraised Stella field and the satellite discoveries Harrier and Hurricane and/or fund future potential acquisitions of production properties in the North Sea.

A Term Sheet has been agreed between the Company and BOS. The Term Sheet is structured such that US\$30 million is immediately available to the company on execution of the Facility documents. Engineering scoping work has already started on the Stella development and satellite discoveries, Harrier and Hurricane based on the outcome of the Stella appraisal well. A full development plan will be defined during 2010. The facility contemplates that a further US\$110 million can be made available to Ithaca for the Greater Stella Area development based on an engineering assessment of the field(s), FDP approval and final credit approval.

Flexibility within the Facility also permits Ithaca to debt finance acquisitions of production asset(s) subject to credit approval.

Under the terms of the Mandate Letter, the parties shall negotiate and finalize the Facility documents on or before June 30, 2010. The completion of the Facility documents are subject to customary conditions including completion of due diligence. An update will be provided upon execution.

Iain McKendrick (Chief Executive Officer) commented:

“Further to our strong 2009 financial results and the very encouraging Stella appraisal well, the Company is well positioned to grow. This facility provides a major building block towards funding the capital expenditure required for the development of the Greater Stella Area but also the flexibility to finance a significant acquisition. The high level of support offered by the Bank of Scotland to Ithaca reinforces our view of the underlying strength of the Company cash flow and reserves”.

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Forward-looking statements

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