



NEWS RELEASE

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Ithaca Energy Inc.

Ithaca Files Final Prospectus

London, UK - Calgary, Canada, July 23, 2010 – Ithaca Energy Inc. (TSX Venture: **IAE**, LSE AIM: **IAE**) ("Ithaca" or "the Company") announces that, further to the announcements made on July 7, July 9 and July 14, 2010, the Company's Final Prospectus has been filed with the Alberta Securities Commission and is publically available on www.sedar.com. The Company has received conditional approval of the TSX Venture Exchange for the listing of the shares issued under each of the previously announced bought deal offering and UK private placement, subject to standard filing requirements. In addition, application has been made to the London Stock Exchange for admission of all such shares to trading on AIM. Closing and listing/admission are scheduled for July 28, 2010.

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Forward-looking statements

This news release contains certain forward-looking statements, which include assumptions with respect to (i) completion of the bought deal offering; (ii) completion of the private placement; and (iii) listing of shares. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. All such forward-looking statements involve substantial known and unknown risks and uncertainties, certain of which are beyond Ithaca's control. Such risks and uncertainties include, without limitation, risks associated with oil and natural gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources, the impact of general economic conditions in the UK, Canada, the United States and globally, industry conditions, changes in laws and regulations (including the adoption of new environmental laws and regulations) and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified personnel or management, fluctuations in foreign exchange or interest rates, stock market volatility and market valuations of companies with respect to announced transactions and the final

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valuations thereof, and obtaining required approvals of regulatory authorities. Ithaca's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what benefits, including the amount of proceeds, Ithaca will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive. All subsequent forward-looking statements, whether written or oral, attributable to Ithaca or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and Ithaca does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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