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Ithaca Energy Inc.

Compulsory Acquisition by Delek and Cancellation from trading on AIM and TSX

2 June 2017

Ithaca Energy Inc. (TSX: IAE; LSE: IAE) ("Ithaca" or the "Company") announces that, following the take-up and payment by Delek Group Ltd ("Delek"), through its affiliate DKL Investments Limited (the "Offeror"), of 318,833,909 common shares of Ithaca pursuant to the previously announced takeover offer (the "Offer"), the Offeror has today mailed a notice of compulsory acquisition (the "Notice of Compulsory Acquisition") to all remaining holders of Ithaca common shares in accordance with the compulsory acquisition provisions in the *Business Corporations Act* (Alberta) ("ABCA") (the "Compulsory Acquisition").

Under the terms of the Compulsory Acquisition, and subject to the terms of the ABCA, the holders of all the remaining common shares not currently owned by the Offeror ("Remaining Shareholders") will be entitled to receive the same consideration per share as paid under the Offer, being C\$1.95 in cash per share. Further details are provided in the Notice of Compulsory Acquisition, which will be available on SEDAR at www.sedar.com.

In order to receive payment for their shares, registered Remaining Shareholders must submit (or cause to be submitted) the letter of transmittal and election form circulated with the Notice of Compulsory Acquisition along with all certificates representing their shares to Computershare Trust Company of Canada. Remaining Shareholders who hold their shares through an intermediary or who hold their shares in the form of AIM market depository interests should contact their financial intermediary or the depository for depository interests (being Computershare Investor Services PLC), as applicable for further information and payment instructions.

Following completion of the Compulsory Acquisition, which is expected to take place on Monday 5 June 2017, Ithaca will be a wholly-owned subsidiary of the Offeror. Ithaca therefore considers that it is no longer appropriate for the shares to be admitted to trading on the AIM market of the London Stock Exchange ("AIM") or the Toronto Stock Exchange ("TSX").

Accordingly, Ithaca further announces that it is seeking voluntary cancellation of the trading of its shares on AIM (the "AIM Cancellation"). AIM Cancellation shall take effect at 7:00 a.m. (London time) on Wednesday 7 June 2017. The AIM Cancellation will not require the passing of a resolution of Ithaca's shareholders pursuant to Rule 41 of the AIM Rules for Companies. Once the AIM Cancellation has taken place, it will no longer be possible to effect transactions in Ithaca's shares on AIM.

Ithaca further announces, for the reasons mentioned above, that it has applied to the TSX to voluntarily delist its shares from TSX (the "TSX Delisting"). It is anticipated that the TSX Delisting shall take effect at 4:00 p.m. (Toronto time) on Wednesday 7 June 2017. Once the TSX Delisting has taken place, it will no longer be possible to effect transactions in Ithaca's shares on the TSX. The TSX will issue a bulletin confirming the effective time of the TSX Delisting. Following the TSX Delisting, Ithaca intends to make an application to the applicable Canadian securities regulatory authorities as soon as is practicable to cease to be a reporting issuer in each province in which it is currently a reporting issuer.

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About Ithaca Energy

Ithaca Energy Inc. (TSX: IAE; LSE: IAE) is a North Sea oil and gas operator focused on the delivery of lower risk growth through the appraisal and development of UK undeveloped discoveries and the exploitation of its existing UK producing asset portfolio. Ithaca's strategy is centred on generating sustainable long term shareholder value by building a highly profitable 25kboe/d North Sea oil and gas company. For further information please consult the Company's website at www.ithacaenergy.com.

About Delek

The Delek Group, Israel's leading integrated energy company, is the pioneering leader of the natural gas exploration and production activities that are transforming the Eastern Mediterranean's Levant Basin into one of the energy industry's most promising emerging regions. Having discovered Tamar and Leviathan, two of the world's largest natural gas finds since 2000, Delek and its partners are now developing a balanced, world-class portfolio of exploration, development and production assets. Delek's head office is located at 19 Abba Eban Blvd., P.O.B. 2054, Herzeliya 4612001, Israel.

Cautionary Statement

This announcement may contain, in addition to historical information, certain forward-looking statements related to the Company, including anticipated future events and circumstances, including in particular, but not limited to, statements relating to the compulsory acquisition of Ithaca shares by the Offeror, certain financial benefits expected to result from completion of the compulsory acquisition by the Offeror, the proposed cancellation of admission to trading on the AIM market of the London Stock Exchange, the proposed voluntary delisting from the TSX, if and when Ithaca will make an application to cease to be a reporting issuer and the intentions, plans and future actions of the Company, the Offeror and Delek. Forward-looking information is provided to assist the reader with understanding the Company's expectations, plans and priorities for future periods or with respect to applicable events. Readers are cautioned that such information may not be appropriate for other purposes. This information is based on the estimates, beliefs and assumptions of the directors and management of the Company regarding the markets in which the Company operates. In some cases, forward-looking information may be identified by words such as "anticipate", "believe", "could", "expect", "plan", "seek", "may", "intend", "will", "forecast" and similar expressions.

Such forward looking statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements of Ithaca to differ

materially from any future results, performance or achievements expressed or implied by such forward looking statements. Many of these risks and uncertainties relate to factors that are beyond Ithaca's ability to control or estimate precisely, such as future market conditions, changes in regulatory environment, the result of the application to cease to be a reporting issuer and the behaviour of other market participants. Some of these risk factors are largely beyond the control of the Company. These are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of the Company's forward-looking statements. Other unknown and unpredictable factors could also impact its results. Ithaca cannot give any assurance that such forward-looking statements will prove to have been correct. The reader is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this announcement. Ithaca disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

For additional information on assumptions used to develop forward-looking information and risk factors that could cause actual results to differ materially from forward-looking information, please refer to the "Risks and Uncertainties" section of the Company's Management Discussion & Analysis for the period ended 31 December 2016 and the "Forward-Looking Statements" and "Risk Factors" sections of the Company's Annual Information Form for the year ended 31 December 2016, which are available under the Company's SEDAR profile at www.sedar.com.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. Such an offer may only be made pursuant to an offer and takeover bid circular filed with the securities regulatory authorities in Canada and pursuant to registration or qualification under the securities laws of any other applicable jurisdiction. The distribution of this press release in or into certain jurisdictions may be restricted by law and therefore persons into whose possession this press release comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities law of any such jurisdiction.