

# AUSAM ENERGY CORPORATION

**For Immediate Release**  
**Calgary, Alberta**  
**(TSX Venture Exchange - symbol "AUZ")**

**November 24, 2005**  
**Common Shares Outstanding: 50,322,764**

## **PARKNOOK-7 TO BE PLUGGED AND ABANDONED UNDERBALANCED DRILLING TO RE-COMMENCE AT NAMARAH-7 ADDITIONAL WELLS SCHEDULED FIRST QUARTER 2006**

CALGARY, ALBERTA, Thursday, November 24, 2005: Ausam Energy Corporation ("Ausam" or the "Company") is pleased to provide an update on its drilling activities in the Surat/Bowen Basin in Queensland, Australia.

### **Parknook-7 and Namarah-7 wells (PL 71, Origin Energy Ltd. operator)**

Parknook-7 has today been drilled underbalanced with a coil tubing unit (CTU) through the primary objective, the Triassic Basal Rewan, with no resulting production. The well was located in the central part of the Parknook field surrounded by producing wells, but the primary objective sand appears to be thin and of non-reservoir quality. The well has been logged, evaluated, and will be plugged and abandoned. The CTU will next be used at a nearby Origin Energy Ltd (Origin) well and then return to complete the underbalanced effort at Namarah-7.

President and CEO Mark Avery stated "While we are disappointed that the Parknook well did not contain reservoir quality sands, we still firmly believe in the concept of underbalanced drilling in these tight gas reservoirs. We will have several opportunities to prove this concept in the wells planned in the coming months."

At Namarah-7, the primary objective, the Triassic Basal Rewan, is expected to be drilled underbalanced during the first two weeks of December 2005. Drilling was suspended at Namarah-7 when the Snake Creek Mudstone bridged the well bore just below the casing while drilling. The Namarah-7 well bore had been prematurely abandoned due to equipment failure in August 2005 and was not re-conditioned prior to re-entry in mid-November 2005. A work-over rig is scheduled to return to Namarah-7, extract the bottom hole assembly and condition the well bore.

Immediately after the well bore is conditioned, the CTU will return to Namarah-7, underbalanced drill the primary objective, the Triassic Basal Rewan, which has yet to be penetrated in this well. In August 2005, the shallow secondary objectives were drilled underbalanced at Namarah-7 and gas flowed to surface at a combined rate of 0.60 MMscf/d on a 1/2 inch choke.

The Parknook-7 and Namarah-7 wells are located in PL 71, a 33,000 acres (52 sections) production license that is operated by Origin. Ausam has earned a 20% interest in PL 71.

### **Drilling Plans**

The Ungabilla-1 (ATP 754P: Ausam 50%, Origin 50% and operator) is expected to be re-entered and tested underbalanced during the first quarter of 2006. The Kyeen Creek-1 well (ATP 470P: Ausam 35.0%, Santos Ltd 6.5%, Origin 58.5% and operator) is expected to be drilled during the first quarter of 2006. Ausam is well capitalized and is evaluating other drilling opportunities in the Surat/Bowen basin, its core area.

## About Ausam

Ausam is a public company trading on the TSX Venture Exchange under the symbol AUZ. Ausam, through its Australian subsidiary Ausam Resources Pty Ltd (“ARL”), is engaged in the business of oil and natural gas development and exploration in Queensland, Victoria and Western Australia. Since 1999, ARL has identified, assessed and acquired acreage on prospects onshore Australia. Ausam's growth strategy includes the organic development of its current holdings and selective corporate transactions. Ausam presently has permit interests over approximately 3.4 million gross (2.1 million net) acres of exploration lands onshore Australia.

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