



AUSAM ENERGY CORPORATION

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

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Common Shares Outstanding: 50,322,764

AUSAM ENERGY ANNOUNCES KYEEN CREEK-1 RESULTS

CALGARY, ALBERTA, Thursday, February 9, 2006: Ausam Energy Corporation ("Ausam" or the "Company") is pleased to provide an update on its activities in the Surat/Bowen Basin in Queensland, Australia.

Kyeen Creek-1 Well (ATP 470P)

The Kyeen Creek-1 well has reached total depth of 2587 metres and the ATP470P Joint Venture has determined that the well is a non-commercial gas discovery. The well was logged and sidewall cores were taken from the Triassic Basal Rewan, Permian Upper and Lower Tinowon, and Timbury Hills formations. Analyses of logs, sidewall cores and gas sample recoveries are in progress. Kyeen Creek-1 will be plugged back to the casing shoe allowing access to the surface casing for an underbalanced re-drill of the gas charged Basal Rewan.

President and CEO Mark Avery stated, "Although the Kyeen Creek 1 well was not commercial, it provided additional evidence that drilling these reservoirs underbalanced could produce commercial results and that there is remaining potential along this trend as this well has now proven the presence of hydrocarbons in the Kyeen Creek prospect."

Kyeen Creek-1 was drilled to test hydrocarbon charge, seal, reservoir presence and closure of a potentially large prospect adjacent to the Parknook-Namarah fields in PL 71. Consequently, it was drilled conventionally with heavy drilling muds. The well confirmed structural closure as well as gas in the Triassic Basal Rewan target, which produced on test, and oil shows in the deeper Timbury Hills formation.

The Kyeen Creek prospect is mapped as a large stratigraphic structure located adjacent to fields which produce from the same reservoirs that were present in the Kyeen Creek-1 well. The well indicates that there may be additional opportunities to apply underbalanced drilling in the prospect and in order to overcome the damage to the Triassic reservoirs caused by heavy drilling muds. However, the Permian reservoirs were deemed to be non-commercial at this well location.

Kyeen Creek-1 was a commitment / exploration well in ATP 470P in the Surat/Bowen Basin which is a 68,500 acre (107 section) permit operated by Origin Energy CSG Limited ("Origin"). As a result of drilling this well, the ownership interests in ATP 470P are: Ausam 45.0%, Origin 50.0% and Santos 5.0%.

Drilling Plans

Ausam has several opportunities to apply underbalanced drilling at wells planned for 2006. In addition to permits where Ausam already has an interest, the Company is evaluating a number of farmin opportunities some of which would include operatorship.

Ausam currently has approximately \$8 million in cash and other working capital to apply to its drilling program and operations. Given the Company's strong current cash position, Ausam is looking forward to an active drilling program in 2006.

In addition, in February 2006, Petro Tech (a subsidiary of Lakes Oil N.L) expects to drill an exploration well on the Loy Yang prospect in PEP 166 in Victoria. Ausam has a 50% interest in PEP 166, but has elected to reduce its percentage interest in an envelope surrounding the proposed well to 25% in exchange for Petro Tech funding 100% of the costs of the drilling, fracing and testing of the well. Ausam will retain a 50% interest in the remainder of PEP 166.

During the first half of 2006, the Ungabilla-1 well (ATP 754P: Ausam 50%, Origin 50% and operator) is expected to be re-entered and the Permian Lower Tinowon formation perforated and tested. A nitrified gelled hydrocarbon frac is also being considered.

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, is engaged in the business of oil and natural gas development and exploration in Queensland, Victoria and Western Australia. Ausam is applying proven North American exploration technologies in Australia that have not traditionally been used to explore and/or produce hydrocarbons in the Australian energy industry. 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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