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**For Immediate Release  
Calgary, Alberta**

**November 30, 2006  
Common Shares Outstanding: 54,697,769**

**TSX Venture Exchange - symbol "AUZ"**

**AUSAM ANNOUNCES MAILING OF INFORMATION CIRCULAR IN RESPECT OF PROPOSED LEASE ACQUISITION AND FINANCING AND BELLBIRD-1 WELL UPDATE**

Ausam Energy Corporation ("**Ausam**" or the "**Company**") announced that it has mailed its information circular (the "**Circular**") in connection with the proposed acquisition of certain oil and gas leases in Texas, Louisiana, Mississippi, Alabama and Arkansas (the "**Leases**") from SKH Management L.P., SKH Management II L.P., SKH Management III LLC, SKH Energy Fund, L.P., and Antares Exploration Fund, L.P., (collectively, "**SKH**") for an aggregate purchase price of approximately US\$35 million (the "**Purchase Price**") with the Purchase Price being comprised of cash consideration of up to US\$15 million and 63,417,143 common shares of Ausam valued at approximately US\$20 million (based on a negotiated price of CDN\$0.35 per share) (collectively, the "**Transaction**"). The Company must raise a minimum of US\$45 million as one of the conditions of closing of the Transaction. An annual and special meeting (the "**Meeting**") of holders of the Ausam's common shares (the "**Ausam Shareholders**") will be held in the Royal Room Room at the Metropolitan Conference Centre, 333-4<sup>th</sup> Avenue S.W. in Calgary, Alberta at 10:00 a.m. (Calgary time) on December 28, 2006 for the purpose of considering the Transaction.

**The Transaction**

At the Meeting, Ausam Shareholders will be asked to consider and approve: (i) the Transaction on the basis set forth in the Circular; (ii) a four to one consolidation of the common shares of Ausam outstanding after the close of the Transaction (the "**Consolidation**"); (iii) the election of directors of the Company for the ensuing year; and (iv) the stock option plan of Ausam (the "**Option Plan**").

**Board Recommendation**

The board of directors of Ausam believes that the Transaction is fair, from a financial point of view, to the Ausam Shareholders and in the best interests of Ausam and the Ausam Shareholders, and has authorized the submission of the Transaction, the Consolidation, the election of directors and the Option Plan to the Ausam Shareholders for their approval. The board of directors of Ausam unanimously recommends that Ausam Shareholders vote in favour of the Transaction, the Consolidation, the election of directors and the Option Plan.

## **Bellbird West-1 Well (Ausam Operator)**

The Bellbird West-1 well was spudded on July 22, 2006, using the ADS Rig 6, and drilled conventionally to a depth of 2,359 metres. On November 24, 2006, the well was re-entered using a coiled tubing unit and drilled out under-balanced. The Bandanna Sandstone interval showed a maximum fluorescence of 45%, but no oil or gas was recovered. The well was deepened through the upper Tinowon sandstone and on November 26, 2006, the well reached TD of 2,436 metres in the Wallabella coal measures without encountering additional hydrocarbons. The ATP 552P joint venture subsequently agreed to plug and abandon the Bellbird West-1 as a dry hole.

ATP 552P permit has two additional well locations that are high to the Bellbird-1 discovery well and in a separate fault block from Bellbird West-1. The ATP 552P Joint Venture is evaluating the drilling results from the Bellbird West-1 well and will determine future plans for the permit in the near term. As a result of drilling the well, ownership in ATP 552P will be Great Artesian Oil & Gas 50%, Rawson Resources 25%, and Ausam 25%.

## **Other Matters**

In its press release of November 21, 2006, the Company described a report prepared by GLJ Petroleum Consultants Ltd. ("**GLJ**") entitled "Assessment of Undiscovered Resources and Undeveloped Land Valuation of U.S. Properties of SKH Management" dated effective November 1, 2006 (the "**GLJ Report**"). All references to "resources" in all news releases of the Company in relation to the GLJ Report are to "Prospective Resources" as defined in the COGE Handbook and are not references to "Discovered Recoverable Resources" as defined in the COGE Handbook. In addition, the classification of an exploration target as a "Prospect" in the GLJ Report is based on the definition set out in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**"). Those exploration targets classified as a "Lead" in the GLJ Report are the equivalent of an "Unproved Property" as defined in NI 51-101 as there is currently insufficient data for GLJ to estimate anticipated results. The table presented in the press release of November 21, 2006 in respect of the proposed exploration program for the Leases and the estimated costs thereof reflect the non-discounted costs of drilling and testing proposed wells.

In its report, GLJ listed total lease bonus payments for the 19 Prospects and Leads of US\$5.7 million and seismic expenditures of US\$1.4 million. It should be noted that this should not be construed as a measure of fair market value and that additional expenditures have been incurred since the GLJ Report was prepared.

In addition, readers should note that a BOE or BCFGE conversion ratio of 6 Mcf:1 bbl is based on an approximate energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As such, readers are cautioned that all references to BOEs or BCFGEs represent an approximate energy equivalency conversion and could be misleading if interpreted otherwise, particularly if used in isolation.

## **Cautions Regarding Forward-Looking Statements**

Forward-looking statements (often, but not always, identified by the use of words such as "expect", "may", "could", "anticipate" or "will" and similar expressions) may describe expectations, opinions or guidance that are not statements of fact. Forward-looking statements are based upon the opinions, expectations and estimates of management of Ausam as at the date the statements are made and are subject to a variety of known and unknown risks and uncertainties and other factors that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking

statements. Those factors include, but are not limited to risks, uncertainties and other factors that are beyond the control of Ausam, including approval and completion of the Transaction, risks associated with the oil and gas industry, commodity prices and exchange rate changes, operational risks associated with exploration, development and production operations, delays or changes in plans, risks associated with the uncertainty of reserve estimates, health and safety risks and the uncertainty of estimates and projections of production, costs and expenses. In light of the risks and uncertainties associated with forward-looking statements, readers are cautioned not to place undue reliance upon forward-looking information. Assumptions relating to certain forward-looking information contained in this press release are set out herein. Forward-looking information relating to the timing of certain critical events associated with the Transaction are based upon covenants, representations and warranties contained in the acquisition agreement relating to the Transaction. Although Ausam believes that the expectations reflected in the forward-looking statements set out in this press release or incorporated herein by reference are reasonable, it can give no assurance that such expectations will prove to have been correct. The forward-looking statements of Ausam contained in this press release, or incorporated herein by reference, are expressly qualified, in their entirety, by this cautionary statement.

### **About Ausam**

Ausam is a public company trading on the TSX Venture Exchange under the symbol AUZ and is engaged in the business of oil and gas exploration. Ausam, through its Australian subsidiary Ausam Resources Pty Ltd., is applying proven North American drilling and completion techniques that have not traditionally been used in the Australian energy industry to targets in Queensland, Victoria and Western Australia. Ausam's growth strategy includes the organic development of its current holdings and selective corporate transactions.

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***This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities of Ausam in any jurisdiction. The securities to be issued pursuant to the Private Placement by Ausam have not and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or the securities laws of any state of the United States, and may not be offered or sold in the United States absent registration or an applicable exemption therefrom under the 1933 Act and the securities laws of all applicable states.***