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**For Immediate Release
Calgary, Alberta**

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

TSX Venture Exchange - symbol "AUZ"

AUSAM ENERGY ANNOUNCES SEPTEMBER 30, 2006 RESULTS

CALGARY, ALBERTA, Thursday, November 30, 2006: Ausam Energy Corporation ("Ausam" or "the Company") announced unaudited financial results for the three and nine months ended September 30, 2006.

Operating results

	<u>3 months ended September 30, 2006</u>	3 months ended September 30, 2005	<u>9 months ended September 30, 2006</u>	9 months ended September 30, 2005
Interest income	\$ 54,185	\$ 163,953	\$ 212,046	\$ 233,046
Expenses:				
General and administration	349,225	710,350	1,589,905	1,711,057
Due diligence and acquisition related expenses	-	1,391,216	-	1,628,475
Stock option expense	139,172	585,106	417,516	931,299
Depreciation and accretion	9,249	3,315	27,571	16,223
Net loss	\$ (443,461)	\$ (2,526,034)	\$ (1,822,946)	\$ (4,053,512)
Loss per share	\$ (0.01)	\$ (0.05)	\$ (0.04)	\$ (0.09)

Ausam incurred a loss for the nine months ended September 30, 2006 of \$1,822,946 compared to a loss of \$4,053,512 for the nine months ended September 30, 2005. The loss for the three months ended September 30, 2006 was \$443,461 compared to a loss of \$2,526,034 for the three months ended September 30, 2005. Significant due diligence and acquisition related expenses were incurred during 2005, which are discussed further below.

Interest and other income

Interest and other income was \$212,046 for the nine months ended September 30, 2006, compared to \$233,542 for the nine months ended September 30, 2005. Interest and other income was \$54,185 for the three months ended September 30, 2006, compared to \$163,953 for the three months ended September 30, 2005. These decreases relate to Ausam having lower cash balances in 2006.

General and administrative

General and administrative expenses for the nine months ended September 30, 2006 were \$1,589,905 compared to \$1,711,057 for the nine months ended September 30, 2005. During the three months ended September 30, 2006 general and administrative expenses were \$349,225 compared to \$710,350 for the three months ended September 30, 2005. The total in 2005 included \$216,840 of foreign exchange losses.

Due diligence and acquisition related expenses

During the nine month period ending September 30, 2005 due diligence and acquisition related expenses were \$1,628,475. These costs and expenses related to the investigation and due diligence associated with a potential corporate acquisition in Australia, which was not completed.

Financial condition and liquidity

	<u>September 30, 2006</u>	<u>December 31, 2005</u>
Cash	\$3,006,944	\$8,634,332
Working capital	\$2,000,177	\$8,528,370
Property, plant and equipment, net	\$8,841,544	\$4,303,450
Shareholders' equity	\$11,837,332	\$13,296,822

The decrease in both working capital and cash is principally the result of cash disbursed on operating expenses and drilling activities in Australia. Included in cash at September 30, 2006 is \$422,204 received from cash calls where Ausam is the operator of the Bellbird West-1 well and this cash is being used to complete the well during the fourth quarter of 2006.

Before changes in non-cash working capital, during the nine months ended September 30, 2006 there was a cash outflow from operations of \$1,377,859 compared to a cash outflow from operations of \$2,962,190 during nine months ended September 30, 2005. During the nine months ended September 2005 the cash outflow from operations included funds used with respect to the investigation and due diligence associated with a potential corporate transaction in Australia.

After changes in non-cash working capital, during the nine months ended September 30, 2006 there was a cash outflow from operations of \$1,582,229 compared to a cash outflow from operations of \$3,936,792 during nine months ended September 30, 2005. The change in non-cash working capital for the nine months ended September 30, 2005 was a decrease (outflow) of \$974,603, principally reflecting an advance to an Australian drilling contractor as a deposit to secure a dedicated drilling rig.

During the nine months ended September 30, 2006 cash inflows from financing activities consisted of \$268,817 of repayments on the loan receivable. During the nine months ended September 30, 2005 cash inflows from financing activities principally consisted of \$10,443,413 of net proceeds from the issue of common shares and warrants.

Investing activities during the nine months ended September 30, 2006 of \$4,313,976 comprised capital expenditures of \$4,624,216 (being drilling costs of the Kyeen Creek-1, Bellbird West-1 and Downlands-4 wells, completion costs of the Ungabilla-1 well, and seismic costs with respect to ATP754P and ATP471P) a net \$235,197 advanced to the Company's joint venture partners in Australia in preparation for future drilling, deferred costs incurred on the potential US acquisition and financing, offset by changes in related working capital.

Complete unaudited financial statements and the Management Discussion and Analysis ("MD&A") for the three and nine month periods ended September 30, 2006 and 2005 are available on SEDAR (www.sedar.com) and on the Ausam web site at www.ausamenergy.com

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.

Mark G. Avery
Chairman, President and CEO
mavery@ausamenergy.com

Alastair J. Robertson,
Chief Financial Officer
arobertson@ausamenergy.com

Ausam Energy Corporation
1430, 1122 - 4th Street S.W.
Calgary, Alberta T2R 1M1
Tel: (403) 215-2380
Fax: (403) 206-1457
Web site: www.ausamenergy.com

The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release. The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release. This news release may contain forward-looking information. Actual future results may differ materially from those contemplated.