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**For Immediate Release  
Calgary, Alberta**

**January 31, 2007  
Common Shares Outstanding: 54,697,769**

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

### **AUSAM ANNOUNCES SATISFACTION OF FINANCING CONDITION**

CALGARY, January 31, 2007. /CNW/ - Ausam Energy Corporation ("Ausam" or the "Company") is pleased to announce that it has received subscriptions for equity totaling approximately US\$43 million (CAN\$51 million) and convertible debt totaling approximately US\$3 million (CAN\$4 million) and has satisfied the financing condition in connection with the acquisition as described in the information circular dated November 28, 2006 and as approved by shareholders on December 28, 2006 (the "Transaction").

The Company anticipates that it will receive all subscription funds, issue the related securities and close the Transaction on or before February 8, 2007.

#### **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 plans to expand its scope of operations through the acquisition of certain oil and gas leases in Texas, Louisiana, Mississippi, Alabama and Arkansas and the planned exploration and development activities on these leases. Ausam, through its Australian subsidiary Ausam Resources Pty Ltd., is also 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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***The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.***

***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.***