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**For Immediate Release
Calgary, Alberta**

**February 9, 2007
Common Shares Outstanding: 149,041,754**

TSX Venture Exchange - symbol "AUZ"

AUSAM ANNOUNCES CLOSING OF US\$46 MILLION FINANCING AND ACQUISITION

CALGARY, February 9, 2007 - Ausam Energy Corporation ("**Ausam**" or the "**Company**") is pleased to announce that it has secured US\$46,178,494 (approximately C\$54,300,000) in financing and has closed the previously announced acquisition of leasehold rights to certain oil and gas properties in Texas, Louisiana, Mississippi, Alabama and Arkansas 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. The transaction is described in the information circular dated November 28, 2006 as approved by shareholders on December 28, 2006 (the "**Transaction**").

In connection with the Transaction, the Company has closed the previously announced private placement consisting of 30,926,842 units ("**Units**") at a price of US\$0.54 (C\$0.64) per Unit, each Unit consisting of one common share in the capital of the Company ("**Common Share**") and one half of one Common Share purchase warrant (the "**Unit Warrants**"), each whole Unit Warrant entitling the holder thereof to purchase one Common Share at a price of C\$0.65 for a period of 24 months from the date of issuance, for gross proceeds of US\$16,700,494; 19,966,666 series 2 units ("**Series 2 Units**") at a price of US\$0.60 (C\$0.71) per Series 2 Unit, each such Series 2 Unit consisting of one first preferred share, series 2 in the capital of the Company ("**First Preferred Shares, Series 2**") and one half of one Common Share purchase warrant (the "**Series 2 Warrants**"), each whole Series 2 Warrant entitling the holder thereof to purchase one Common Share at a price of C\$0.75 for a period of 24 months from the date of issuance, for gross proceeds of US\$11,978,000. The First Preferred Shares, Series 2 have a 8% coupon, a term of one year and, upon expiry of such term, convert to Common Shares on a one to one basis. Holders of the First Preferred Shares, Series 2 are entitled to one vote for each share held at all annual and special meetings of the shareholders of the Company. In total, 25,446,754 warrants to purchase Common Shares were issued.

Aggregate gross proceeds from the offering of Units and Series 2 Units was approximately US\$28,680,494. The Company has also secured convertible debt facilities allowing Ausam to access up to US\$17,800,000 in financing with a 10% coupon and a conversion price of C\$0.70, resulting in total financing of approximately US\$46,000,000.

Mark Avery, Chairman, President and Chief Executive Officer, says of the Transaction: "the acquisition provides Ausam with 19 drillable targets, affords the Company the potential for rapid growth in the near term and expands Ausam's Australian base to include high impact opportunities along the Gulf Coast of the U.S. Not many companies would have the portfolio that Ausam has acquired and very few companies the size of Ausam would have a portfolio as diverse. Ausam looks forward to an active drilling program in 2007 and the acquisition of additional Gulf Coast prospects."

The TSX Venture Exchange (the "TSXV") has conditionally approved the Transaction subject to receipt of certain final materials. The Company will issue a further press release at the time of issuance of the TSXV Bulletin.

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 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. 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 TSXV under the symbol AUZ and is engaged in the business of oil and gas exploration. Ausam has acquired a diverse portfolio of oil and gas leases in Texas, Louisiana, Mississippi, Alabama and Arkansas and is pursuing 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.