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For Immediate Release

**Calgary, Alberta
Houston, Texas**

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TSX Venture Exchange - symbol "AUZ"

AUSAM EXPLORATION UPDATE

CALGARY, August 29, 2007 - Ausam Energy Corporation ("Ausam" or the "Company") is pleased to announce success in drilling its Wethorford Prospect in Texas.

Wethorford Prospect (Liberty County, Texas)

The RDH Farms 1 well on the Wethorford prospect has been drilled to a total depth of 13,826 feet and encountered three prospective zones, all of which appear to contain gas. The three zones are the 1st, 2nd and 3rd Sands of the Cook Mountain formation.

Ausam President and CEO Mark Avery stated, "The Company is very pleased with the results of the initial production tests in the Wethorford prospect and its potential for multiple producing zones, particularly as these results enhance the Company's other two Liberty County prospects."

Initial testing of the deepest of the three prospective zones, the 3rd Sand (at 13,105 feet), resulted in an encouraging test flow rate of 2.2 MMcf/d and 24 barrels of condensate per MMcf through a 12/64 inch choke. Log analysis indicates that the primary objective, the 2nd Sand (at 12,866 feet) also has a commercial gas accumulation within an estimated 5 to 10 feet of potential pay. Additionally, log analysis of the Cook Mountain 1st Sand (at 12,434 feet) indicates an estimated 3 to 6 feet of gas pay.

The well is undergoing further testing and evaluation in order to determine the completion program, which may include stimulation through fracking or another procedure.

The Company holds a 45% working interest in the subject well through its wholly owned subsidiary, Noram Resources, Inc. ("Noram"). The well is operated by Ballard Exploration Company, Inc (50% working interest) and 100 Wall Energy Partners II LP holds a 5% working interest.

Noram also owns 100% of two similar prospects in Liberty County, the Nolte Marsh and Wiseman prospects. The Company believes the prospectivity of both has been enhanced by the results so far at Wethorford.

T-Patch Prospect I (Starr County, Texas)

The Company has also drilled the T-Patch I well to a total depth of 9,800 feet. Log analysis indicates that potentially productive gas was discovered, but the Company has elected not to complete the well. The Company has temporarily abandoned the well while it evaluates offers from a number of local operators regarding the sale, or trade, of this well and surrounding acreage in consideration for cash and/or interest in another prospect. Log analysis indicates that an estimated 20 to 25 net feet of laminated potential pay

was discovered in the primary objective, the Reklaw formation. The Company holds a 90% working interest in the well through Noram.

The Company, through Noram, has embarked on an active drilling campaign in the US and expects to spud an additional three wells prior to 31 December 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, 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 engaged in oil and gas exploration and development and, through its U.S. subsidiary, Noram Resources, Inc., acquired a diverse portfolio of 20 oil and gas leases and prospects in Texas, Louisiana, Mississippi, Alabama and Arkansas. Ausam, through its Australian subsidiary, Ausam Resources Pty Ltd, is also engaged in oil and gas exploration in Queensland, Victoria and Western Australia. Ausam's growth strategy includes the organic development of its current holdings and selective corporate transactions. Ausam is a public company trading on the TSX Venture Exchange under the symbol AUZ.

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