

AUSAM ENERGY CORPORATION

For Immediate Release
Calgary, Alberta
27,574,396

August 30, 2004
Common Shares Outstanding:

(TSX Venture Exchange – old trading symbol “NLX”
Proposed new symbol “AUZ”)

AUSAM ENERGY ANNOUNCES JUNE 30, 2004 RESULTS

CALGARY, ALBERTA, Monday, August 30, 2004: Ausam Energy Corporation (“Ausam” or the “Company”) announces unaudited financial results for the six and three months ended June 30, 2004.

On July 30, 2004, Ausam, through a reverse takeover, acquired all of the outstanding shares of Ausam Resources Limited (“ARL”), an Australian public unlisted oil and gas company. The acquisition of ARL will be accounted for as a reverse takeover of Ausam by ARL, and as a result future financial statements of the Company will treat ARL as the acquiring company and therefore all results of Ausam prior to the acquisition date will not be reflected in future consolidated financial statements. Results for Ausam to June 30, 2004 are summarized as follows:

	<u>Three months ended</u> <u>June 30, 2004</u>	<u>Six months ended</u> <u>June 30, 2004</u>
General and admin	\$161,489	\$247,238
Loss from continuing operations	\$(161,489)	\$(247,238)
Income from discontinued operations	\$75,302	\$108,805
Loss for period	\$(86,187)	\$(138,433)

General and administrative expenses include increased management compensation, office costs, office rent, travel and marketing in conjunction with the completion of the transaction with ARL. The income from discontinued operations represents income from Ausam’s former subsidiary, C-Connect Productions Ltd, up to the disposal date and comprises operating income of \$33,503 together with a gain on the disposal of the company of \$75,302. The income from operations principally comprises the forgiveness of certain debt. Complete unaudited financial statements for the 6 month period ended June 30, 2004 and 2003 are available on SEDAR and on the Ausam web site at www.ausamenergy.com

About Ausam

Ausam is a public company trading on the TSX Venture Exchange and through its subsidiary ARL is an Australian natural resource company engaged in the business of oil and natural gas exploration and development in Queensland, Victoria and Western Australia. Since 1999, ARL has spent \$15 million identifying, assessing and acquiring onshore exploration acreage in Australia and presently owns interests in approximately 3.4 million gross acres of exploration lands.

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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.