

AUSAM ENERGY CORPORATION

For Immediate Release
Calgary, Alberta

November 10, 2004
Common Shares Outstanding: 38,506,835

(TSX Venture Exchange – symbol “AUZ”)

AUSAM ENERGY ANNOUNCES FINANCINGS, NEW DIRECTOR, DRILLING PLANS

CALGARY, ALBERTA, Wednesday, November 10, 2004: Ausam Energy Corporation (“Ausam” or the “Company”) is pleased to announce the completion of additional financings aggregating \$7.7 million, the appointment of Mr. Keith Hill as a new director and an update of the Company’s drilling plans for 2005.

Financings

Ausam closed financings with gross proceeds totalling \$7.7 million by way of brokered and non-brokered private placements in Canada, Europe and the United States at \$0.75 per Unit. Ausam issued 10,275,542 common shares and 5,137,771 warrants in the financings. Each Unit comprises one common share and one half of one common share purchase warrant where each warrant entitles the holder to acquire one common share at a price of \$1.00 per share at any time during the twelve months after issuance. Each of the shares and warrants comprising Units are subject to a 4-month hold period. On all of these financings Ausam paid aggregate commissions of \$423,695 or 5.5% of the total amount raised and also issued options to acquire 611,477 common shares at an exercise price of \$0.75 per share for a period of 18 months from the date of closing. The brokered portion of the financing, handled by Dundee Securities Corporation, was \$4.5 million.

Proceeds from the financing will be used to fund the Company’s oil and gas development and exploration program in Queensland, Australia. Ausam had raised gross proceeds of \$5.2 million in previous financings in 2004, and has now raised total gross proceeds of \$12.9 million in 2004. Following this financing Ausam has 38,506,835 common shares issued and outstanding.

All funds are in Canadian dollars.

New Director

Ausam is pleased to announce the appointment of Mr. Keith Hill as a director of the Corporation. Mr Hill is currently President, CEO and a Director of Valkyries Petroleum Corp, a publicly held Canadian oil and gas company listed on the TSX Venture Exchange. Prior to joining Valkyries, Mr. Hill had served as General Manager for Lundin Oil AB, a subsidiary of Lundin Malaysia Limited, prior to being acquired by Talisman Energy. He also served as General Manager of the Lundin Sudan 5A project during the period in which the giant Thar Jath field was discovered. He has over 17 years of experience in the oil industry including international new venture management and exploration positions at Occidental Petroleum Corporation and Shell Oil Company. His educational background includes a B.Sc. in Geophysics and M.Sc. in Geology from Michigan State University and a M.B.A. in International Business and Finance from the University of St. Thomas in Houston, TX.

Business Developments

Ausam Resources Limited (“ARL”), a wholly-owned subsidiary of the Company, has exercised its option to increase its percentage interest in the ATP 470P permit, located in the Surat Basin of Queensland, from 35% to 45% through the expenditure of an additional \$1 million. ATP 470P is operated by Oil Company of Australia Limited, a wholly-owned subsidiary of Origin Energy Limited (“Origin”). The Company and Origin are completing the design of the next well to be drilled in ATP 470P. Origin and the Company are finalizing equipment arrangements for a multiple-well program, which is expected to begin in early 2005.

ARL has terminated the agreement to sell the Company’s interest in its Western Australia permits EP 321 and EP 407, which contain the Warro prospect. The agreement was terminated due to non-performance of the prospective buyer. Ausam is currently exploring other options regarding the properties, including farm out or sale.

Ausam also announces that on November 9, 2004, stock options were granted to a director of the Company to purchase 100,000 common shares at an exercise price of \$1.10 per common share.

About Ausam

Ausam is a public company trading on the TSX Venture Exchange under the symbol AUZ. Ausam, through its Australian subsidiary ARL, is engaged in the business of oil and natural gas development and exploration in Queensland, Victoria and Western Australia. Since 1999, ARL has identified, assessed and acquired acreage and prospects onshore Australia. Ausam presently owns interests in 15 prospects and 10 leads included in its approximately 3.6 million gross (2.3 million net) acres of exploration lands onshore Australia.

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