

AUSAM ENERGY CORPORATION

For Immediate Release

Calgary, Alberta

(TSX Venture Exchange - symbol "AUZ")

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Common Shares Outstanding: 43,373,144

AUSAM ENERGY ANNOUNCES INITIAL RESULTS FROM UNGABILLA EXPLORATORY WELL

CALGARY, ALBERTA, Thursday, June 9, 2005: Ausam Energy Corporation ("Ausam" or the "Company") is pleased to announce initial results from its Ungabilla-1 exploratory well in ATP754P in the Surat/Bowen Basin in Queensland, Australia.

The well was drilled conventionally to a depth of 2,895 metres and encountered strong gas shows in the primary objectives, the Permian Upper and Lower Tinowon sands. In addition, prior to reaching the primary objectives, gas shows were encountered in the secondary objective, the Triassic Basal Rewan sands.

Ausam (50%) and operator Origin Energy Limited (50%) are evaluating the well logs and side-wall cores. The well has been cased to bottom. Ausam expects that a workover rig will be mobilized during July 2005 to perforate the Permian Upper and Lower Tinowon sands in order to test the well's potential to produce conventionally. If necessary, it is proposed that a window will be milled out of the casing and a coiled tubing unit will be used perform a horizontal underbalanced test of gas production in both the Permian Upper and Lower Tinowon sands. The ATP754P permit covers approximately 1.5 million gross acres and contains 19 additional prospects and leads.

Mark Avery, Chairman and CEO stated "We are pleased with these initial results from the Ungabilla-1 commitment and exploration well. These results are the first validation of our belief that there are significant gas reserves in the Permian Tinowon sands of the Surat/Bowen Basin, reserves that Ausam expects to commercially exploit using conventional and underbalanced drilling techniques. The Ungabilla-1 well was one of the prospects identified in Ausam's regional geophysical and geological study of Ausam's Queensland permits."

"Ausam will continue its development drilling program in PL71, however our plans and priorities may be revised following further interpretation of the results from the Ungabilla-1 well".

Update on other drilling activities

During April and May 2005, Origin Energy Limited, Ausam's joint venture partner in and operator of PL 71, conventionally drilled the up hole sections of the Namarah-7 and Parknook-7 gas development wells in PL 71. A coiled tubing unit will be used to drill underbalanced into the Triassic Showgrounds and Rewan reservoirs of these two wells in June/July 2005.

About Ausam

Ausam is a public company trading on the TSX Venture Exchange under the symbol AUZ. Ausam, through its Australian subsidiary Ausam Resources Limited ("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 on prospects onshore Australia. Ausam's growth strategy is through organic development and exploration as well as corporate transactions in Australia. Ausam presently owns interests on its approximately 3.6 million gross (2.3 million net) acres of exploration lands onshore Australia.

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