

## PRESS RELEASE

For Immediate Release  
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### TRUE ENERGY INC. AGREES TO MAKE OFFER TO ACQUIRE MARENGO EXPLORATION LTD.

True Energy Inc. ("True") and Marengo Exploration Ltd. ("Marengo") jointly announce that they have entered into an agreement under which True will make an offer to acquire all of the outstanding Class A Shares and Class B Shares of Marengo (the "Offer") on the basis of: (i) \$2.05 for each Class A Share; and (ii) \$9.00 for each Class B Share. Marengo Shareholders will also have the option of electing to receive common shares of True in exchange for their Marengo Shares on the basis of the foregoing exchange ratio and priced at the same price as the private placement of Special Warrants discussed below, subject to a maximum of 1,000,000 True common shares being issued. The Offer will be subject to certain conditions, including the deposit of not less than 66 2/3% of the outstanding Class A Shares (on a fully diluted basis) and 66 2/3% of the outstanding Class B Shares pursuant to the Offer.

True's obligation to make the Offer is subject to certain conditions including receipt of all regulatory approvals and True confirming the availability of, and closing of, satisfactory financing for the cash consideration to be paid pursuant to the Offer. The making of the Offer is also subject to shareholders of Marengo (including all directors and officers of Marengo) holding an aggregate of not less than 50% of the outstanding Class A Shares and an aggregate of not less than 10% of the outstanding Class B Shares entering into lock-up agreements with True pursuant to which they will agree to deposit and not withdraw their shares to the Offer, subject to certain terms or conditions.

The Offer has unanimous support of the board of directors of both True and Marengo. Subject to receipt of the fairness opinion from Marengo's financial advisor, Sayer Securities Limited, Marengo's board will unanimously recommend that Marengo's shareholders accept the Offer. FirstEnergy Capital Corp. is acting as financial advisor to True.

Marengo has agreed to pay True a non-completion fee of \$800,000 in certain circumstances. Marengo has agreed to terminate any discussions with other parties and not to solicit further offers and has granted True a right-of-first refusal in respect of any subsequent offers. The take-over bid circular associated with the Offer is expected to be mailed to Marengo shareholders in early February and will expire approximately 22 days thereafter.

True currently intends to finance a portion of the consideration payable pursuant to the Offer by way of a private placement of Special Warrants, each of which will be exchangeable for one common share for no additional consideration. True has retained a Canadian dealer in respect of the issue, the terms of which have yet to be determined.

Marengo currently has 6,085,335 Class A Shares outstanding on a fully diluted basis and 405,536 Class B Shares outstanding and has no long term debt. Marengo's current production is approximately 800 BOE/d consisting of 375 Bbls/d of oil and 4.25 Mmcf/d of gas, and True's current production is approximately 600 BOE/d consisting of 180 Bbls/d of oil and 4.20 Mmcf/d of gas. The total purchase price of approximately \$16 million equates to approximately \$20,000 per BOE/d prior to attributing any value for approximately 30,000 net acres of undeveloped land. Marengo's producing assets are located in True's primary focus area of South Central Saskatchewan.

The Special Warrants and the Common Shares issuable on exercise of the Special Warrants have not been registered under the *United States Securities Act of 1933*, as amended, and may not be offered or sold in the United States, or to a U.S. person, absent registration or applicable exemption therefrom.

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