

TRUE ENERGY INC.

Information Circular - Proxy Statement

for the Annual and Special Meeting
to be held on June 13, 2001

SOLICITATION OF PROXIES

This Information Circular - Proxy Statement is furnished in connection with the solicitation of proxies by the management of TRUE ENERGY INC. (the "Corporation") for use at the Annual and Special Meeting of the shareholders of the Corporation (the "Meeting") to be held on the 13th day of June, 2001 at 10:00 a.m. (Calgary time) in the Bonavista Room at the Westin Hotel, 4th Avenue and 3rd Street S.W., Calgary, Alberta, and at any adjournment thereof, for the purposes set forth in the Notice of Annual and Special Meeting. Instruments of Proxy must be received by the Secretary of the Corporation c/o Computershare Trust Company of Canada, Stock Transfer Department, 6th Floor, Western Gas Tower, 530 - 8th Avenue S.W., Calgary, Alberta, T2P 3S8, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for the holding of the Meeting or any adjournment thereof. The board of directors of the Corporation (the "Board") has fixed the record date for the Meeting at the close of business on May 4, 2001 (the "Record Date"). Shareholders of the Corporation of record as at the Record Date are entitled to receive notice of the Meeting and to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such shareholder transfers shares after the Record Date and the transferee of those shares, having produced properly endorsed certificates evidencing such shares or having otherwise established that he owns such shares, demands, not later than 10 days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such shares at the Meeting.

The instrument appointing a proxy shall be in writing and shall be executed by the shareholder or the shareholder's attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

The persons named in the enclosed form of proxy are directors and officers of the Corporation. Each shareholder has the right to appoint a proxyholder other than the persons designated above, who need not be a shareholder, to attend and to act for the shareholder at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the shareholder's appointee should be legibly printed in the blank space provided.

BENEFICIAL HOLDERS OF SHARES

The information set forth in this section is provided to beneficial holders of common shares ("Common Shares") of the Corporation who do not hold their Common Shares in their own name ("Beneficial Shareholders"). Beneficial Shareholders should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of shares can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases those shares will not be registered in the Beneficial Shareholder's name on the records of the Corporation. Such shares will more likely be registered under the name of the Beneficial

Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominees for many Canadian brokerage firms). Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. The Corporation does not know for whose benefit the shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from clients to Independent Investor Communications Corporation ("IICC"). IICC typically provides a scannable voting request form or applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting request forms or proxy forms to IICC. Often Beneficial Shareholders are alternatively provided with a toll-free telephone number to vote their shares. IICC then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction request or a proxy with an IICC sticker on it cannot use that instruction request or proxy to vote Common Shares directly at the Meeting as the proxy must be returned as directed by IICC well in advance of the Meeting in order to have the shares voted. Accordingly, it is strongly suggested that Beneficial Shareholders return their completed instructions or proxies as directed by IICC well in advance of the Meeting.**

REVOCABILITY OF PROXY

A shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the shareholder or the shareholder's attorney authorized in writing deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deposits, the proxy is revoked.

PERSONS MAKING THE SOLICITATION

The solicitation is made on behalf of the management of the Corporation. The costs incurred in the preparation and mailing of the Instrument of Proxy, Notice of Annual and Special Meeting and this Information Circular - Proxy Statement will be borne by the Corporation. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone or other means of communication and by directors, officers and employees of the Corporation, who will not be specifically remunerated therefor.

EXERCISE OF DISCRETION BY PROXY

The shares represented by proxy in favour of management nominees shall be voted on any ballot at the Meeting and, where the shareholder specifies a choice with respect to any matter to be acted upon, the shares shall be voted on any ballot in accordance with the specification so made.

In the absence of such specification, the shares will be voted in favour of the matters to be acted upon. The persons appointed under the Instrument of Proxy furnished by the Corporation are conferred with discretionary authority with respect to amendments or variations of those matters specified in the instrument of proxy and Notice of Annual and Special Meeting. At the time of printing this Information Circular - Proxy Statement, management of the Corporation knows of no such amendment, variation or other matter.

MATTERS TO BE ACTED UPON AT MEETING

Election of Directors

At the Meeting, shareholders will be asked to fix the number of directors to be elected at the Meeting at seven members and to elect seven directors to hold office until the next annual meeting or until their successors are elected or appointed. There are currently six directors of the Corporation, each of whom retire from office at the Meeting.

Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of an ordinary resolution fixing the number of directors to be elected at the Meeting at seven members and in favour of the election as directors of the seven nominees hereinafter set forth:

Paul R. Baay	John H. Cuthbertson
Kenneth P. Acheson, C.A.	Robert G. Rowley, Q.C.
W.C. Mickey Dunn	Michael S. Vandale
Kim M. Ward	

The names and municipalities of residence of the persons nominated for election as directors, the number of voting securities of the Corporation beneficially owned, directly or indirectly, or over which each exercises control or direction, the offices held by each in the Corporation, the period served as director and the principal occupation of each are set forth below. The information as to shares beneficially owned, directly or indirectly or over which control or direction is exercised, is based upon information furnished to the Corporation by the nominees as of May 4, 2001.

Name and Position with the Corporation	Principal Occupation	Director Since	Number of Common Shares Owned Directly or Indirectly
Paul R. Baay Calgary, Alberta President and Chief Executive Officer	President and Chief Executive Officer of the Corporation	August 31, 2000	556,558

Name and Position with the Corporation	Principal Occupation	Director Since	Number of Common Shares Owned Directly or Indirectly
Kenneth P. Acheson, C.A. ⁽¹⁾⁽³⁾ Calgary, Alberta Director	President, Kennington Properties Ltd. (commercial real estate company)	August 31, 2000	10,000
W.C. Mickey Dunn ⁽¹⁾⁽²⁾ Edmonton, Alberta Corporate Secretary and Director	Businessman	August 31, 2000	593,690
John H. Cuthbertson ⁽³⁾ Calgary, Alberta Director	Partner, Burnet, Duckworth & Palmer LLP (Barristers and Solicitors)	August 31, 2000	53,889
Robert G. Rowley, Q.C. ⁽¹⁾⁽²⁾ Calgary, Alberta Director	Partner, Macleod Dixon (Barristers and Solicitors)	August 31, 2000 ⁽⁴⁾	2,938,610
Michael S. Vandale ⁽²⁾⁽³⁾ Calgary, Alberta Director	Chairman and President, Vandale Oil Inc. (private oil and gas company)	August 31, 2000 ⁽⁴⁾	1,900,915
Kim M. Ward Toronto, Ontario	Independent Businessman	Nominee ⁽⁵⁾	1,555,557

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee.
- (3) Member of the Corporate Governance Committee.
- (4) Each of Messrs. Rowley and Vandale were also directors of Sundance Resources Inc. ("Sundance") since February 9, 1996, prior to its amalgamation (the "Amalgamation") to form the Corporation.
- (5) Mr. Ward may be appointed as an additional director prior to the Meeting by the Board.

All of the above directors have held their principal occupations or other positions with the same organization as listed above for at least the last five years except for Paul R. Baay, Michael S. Vandale and W.C. Mickey Dunn. Mr. Baay was an independent businessman between April, 1999 and August 31, 2000 and prior thereto was President and Chief Executive Officer of Remington Energy Ltd. from January 1, 1992 to April 1, 1999. Mr. Vandale was President and Chief Executive Officer of Sundance since its inception until August 31, 2000 when it was amalgamated to form the Corporation. W.C. Mickey Dunn has been an independent businessman since 1999 and prior thereto was President and Chief Executive Officer of Cardium Service and Supply Ltd. ("Cardium") from 1981 to 1999. Cardium, through its subsidiaries, was a private international company involved in engineering, manufacturing and servicing of oilfield equipment as well as the extraction and processing of high grade silica material.

Ratification and Approval of Amendment to Share Option Plan

The Corporation has a share option plan (the "Plan") which permits the granting of options to purchase up to a maximum of 1,500,000 Common Shares. The maximum number of Common Shares that may be issued on exercise of options granted under the Plan may be increased by the Board with the approval of the shareholders of the Corporation if required by the stock exchange upon which the Common Shares are listed.

Effective May 4, 2001, the Board approved an amendment (the "Plan Amendment") to the Plan to increase the maximum number of Common Shares that may be issued thereunder by 425,000 Common Shares. In accordance with the requirements of The Toronto Stock Exchange (the "TSE"), the Plan Amendment is subject to ratification and approval by shareholders at the Meeting.

As at May 4, 2001, options to purchase an aggregate of 1,325,000 Common Shares were outstanding and options to purchase 175,000 Common Shares had been exercised. In addition, options to purchase 65,000 Common Shares had been granted subject to approval of the Plan Amendment. Accordingly, prior to giving effect to the Plan Amendment, the Plan does not permit the grant of any additional options. The Board determined that the increase provided by the Plan Amendment is necessary in order to ensure that a sufficient number of Common Shares are available under the Plan such that the Corporation has the ability to attract and retain and reward officers, directors, employees and other service providers of the Corporation through a competitive share compensation program.

Below is a summary of the number of Common Shares issued, reserved for issuance and available for issuance pursuant to the Plan:

	Common Shares Subject to Outstanding Stock Options	Common Shares Available for Future Grants	Maximum Number of Common Shares Issuable
Stock Options Granted	1,500,000	-	1,500,000
Stock Options Exercised	(175,000)	-	(175,000)
Stock Options Expired, Unexercised or Cancelled	-	-	-
	<u>1,325,000</u>	<u>-</u>	<u>1,325,000</u>
Plan Amendment	-	425,000	425,000
Options Granted Subject to Approval of Plan Amendment	65,000	(65,000)	-
Balance as at May 4, 2001, after Plan Amendment	1,390,000	360,000	1,750,000
Percentage of outstanding Common Shares as at May 4, 2001	7.9%	2%	9.9%

In accordance with the policies of the TSE and the terms of the Plan, the Plan Amendment must be approved by a majority of the votes cast at the Meeting on the resolution. Unless otherwise directed, it is management's intention to vote the proxies in the accompanying form in favour of the ordinary resolution to ratify and approve the Plan Amendment.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve the following ordinary resolution:

"BE IT RESOLVED, as an ordinary resolution of the Shareholders of True Energy Inc. (the "Corporation") that:

1. the amendment to the Corporation's share option plan to increase the maximum number of Common Shares which may be issued thereunder by 425,000 Common Shares be and the same is hereby ratified and approved; and
2. any officer or director of the Corporation be and is hereby authorized and directed to execute, deliver and file all such documents and other instruments and to otherwise do and perform all such acts and things as he may determine to be necessary or desirable for the implementation of this resolution."

Appointment of Auditors

Unless otherwise directed, it is management's intention to vote the proxies in favour of an ordinary resolution to re-appoint the firm of KPMG LLP, Chartered Accountants, to serve as auditors of the Corporation until the next annual meeting of the shareholders and to authorize the directors to fix their remuneration as such. KPMG LLP (or its predecessor) have been the Corporation's auditors since the formation of the Corporation pursuant to the Amalgamation effective August 31, 2000 and were Sundance's auditors since February 6, 1996.

INFORMATION CONCERNING THE CORPORATION

Voting Shares and Principal Holders Thereof

As at May 4, 2001, 17,739,162 Common Shares of the Corporation were issued and outstanding, each such share carrying the right to one vote on a ballot at the Meeting. A quorum for the transaction of business at the Meeting will be present if a holder or holders of not less than 5% of the shares entitled to vote at the Meeting are present in person or by proxy.

To the knowledge of the directors and senior officers of the Corporation, as at May 4, 2001, no person or company beneficially owned, directly or indirectly, or exercised control or direction over, voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation other than the foregoing:

<u>Name and Municipality of Residence</u>	<u>Number of Common Shares</u>	<u>Percentage of Class</u>
Michael S. Vandale Calgary, Alberta	1,900,915	10.7%
Robert G. Rowley, Q.C. Calgary, Alberta	2,938,610	16.6%

Executive Compensation

Summary Compensation Table

The following table sets forth certain information regarding the compensation of the Corporation's Chief Executive Officer, its Vice-Presidents and the Chief Executive Officer of Sundance prior to the Amalgamation (the "Named Executive Officers").

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation			All Other Compensation (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation ⁽⁴⁾ (\$)	Awards		Payouts	
					Securities Under Options/SARs Granted (#)	Restricted Shares or Restricted Share Units (\$)	LTIP Payouts (\$)	
Paul R. Baay ⁽¹⁾ President and Chief Executive Officer	2000 1999 1998	40,000 - -	- - -	- - -	300,000 n/a n/a	- - -	- - -	- - -
C.T. (Clint) ⁽²⁾ Broughton, Vice-President	2000 1999 1998	40,000 - -	- - -	- - -	100,000 - -	- - -	- - -	- - -
Gordon L. Reese ⁽²⁾ Vice-President	2000 1999 1998	40,000 - -	- - -	- - -	100,000 - -	- - -	- - -	- - -
Michael S. Vandale ⁽¹⁾ President, Chief Executive Officer and Chief Financial Officer	2000 1999 1998	- - -	- - -	- - -	200,000 ⁽³⁾ 121,300 ⁽³⁾ -	- - -	- - -	- - -

Notes:

- (1) Mr. Baay was appointed President and Chief Executive Officer effective August 31, 2000 and Mr. Vandale ceased to be an officer of the Corporation at that date but continued as a director.
- (2) Mr. Broughton and Mr. Reese were appointed as Vice-Presidents effective August 31, 2000.
- (3) The options to purchase 121,300 common shares of Sundance were terminated concurrently with the completion of the Amalgamation and Mr. Vandale was granted options to purchase 200,000 Common Shares exercisable at a price of \$0.72, which options vested immediately.
- (4) The value of perquisites and other personal benefits received was not greater than 10% of the total annual salary and bonus of the Named Executive Officer for the financial year.

Stock Options

The following table sets forth the options granted to the Named Executive Officers during the most recently completed financial year:

Name	Securities Under Options/SARs Granted #	% of Total Options/SARs Granted to Employees in Financial Year	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options/SARs on the Date of Grant (\$/Security)	Expiration Date
Paul R. Baay	300,000	21.3%	\$0.72	(1)	September 1, 2005
C.T. (Clint) Broughton	100,000	7.1%	\$0.90	(1)	October 11, 2005
Gordon L. Reese	100,000	7.1%	\$0.90	(1)	October 11, 2005
Michael S. Vandale	200,000	14.2%	\$0.72	(1)	August 26, 2004

Note:

- (1) Granted, or agreed to be granted, prior to the trading of the Common Shares following the Amalgamation.

The following table sets forth, with respect to the Named Executive Officers, the number of unexercised stock options and the value of in-the-money stock options at December 31, 2000:

Name	Securities Acquired or Exercised (#)	Aggregate Value Realized (\$)	Unexercised Stock Options/SARs at FY-End (#)	Value of Unexercised in-the-Money Stock Options/SARs at FY-End ⁽¹⁾ (\$)
			Exercisable/Unexercisable	Exercisable/Unexercisable
Paul R. Baay	nil	nil	300,000/nil	\$174,000/nil
C.T. (Clint) Broughton	nil	nil	nil/100,000	nil/\$40,000
Gordon L. Reese	nil	nil	nil/100,000	nil/\$40,000
Michael S. Vandale	nil	nil	200,000/nil	\$116,000/nil

Note:

- (1) Based on closing price on December 29, 2000, the last date Common Shares traded before December 31, 2000, less the exercise price.

Employment Agreements

The Corporation has entered into the employment agreements (the "Employment Agreements") with each of its executive officers, Paul R. Baay, the President and Chief Executive Officer of the Corporation, C. T. (Clint) Broughton, Vice-President of the Corporation and Gordon L. Reese, Vice-President of the Corporation. Pursuant to the Employment Agreements, the Corporation has agreed to pay a salary of \$120,000 per annum to each executive or such greater amount as may be determined at the annual salary review. Each executive is entitled to participate in and receive rights and benefits under the Corporation's stock option plan and the executive is also entitled to participate in the executive bonus plan to be established by the Corporation. The Employment Agreements with each executive may be terminated by the Corporation upon payment of a severance amount, in lieu of notice, in an amount equal to the executive's then current annual salary if the termination date is on or prior to September 1, 2001, and an amount equal to two times the executive's then current annual salary if the termination date occurs after September 1, 2001. If within three months following the change of control (as defined in the Employment Agreements),

the executive's employment is terminated by the Corporation other than for cause, or by the executive following a material adverse change by the Corporation in the duties, powers, rights, salaries, title or location of employment, the executive is entitled to receive a severance amount equal to two times the executive's current annual salary at the time of termination.

Directors

During the last completed financial year of the Corporation, directors of the Corporation were not paid any cash compensation for acting as directors of the Corporation, but were reimbursed for out-of-pocket expenses incurred in carrying out their duties as directors. The directors of the Corporation may also be granted stock options pursuant to the Corporation's stock option plan. The compensation of directors of the Corporation, and whether they will be paid an annual and/or meeting retainer, in addition to stock options, is currently being reviewed.

Composition and Role of the Compensation Committee

The Board has appointed a Compensation Committee comprised of W.C. Mickey Dunn, Robert G. Rowley and Michael S. Vandale. None of these directors are officers of the Corporation other than W.C. Mickey Dunn who is Corporate Secretary, and all are "unrelated" for the purposes of the TSE Guidelines, as described under "Corporate Governance". The committee's mandate is to formally make recommendations to the Board in respect of compensation issues relating to directors, senior management and staff of the Corporation, including recommending performance objectives and the compensation package for the Chief Executive Officer.

Report of Compensation Committee

The Corporation's compensation philosophy is aimed at attracting and retaining quality and experienced people which is critical to the success of the Corporation. Employee compensation, including executive officer compensation, is comprised of three elements: base salary, short-term incentive compensation (being cash bonuses) and long-term incentive compensation (being stock options).

Recommendations for executive compensation are made by the Compensation Committee to the full Board for approval.

Base Salaries

Pursuant to the Employment Agreements, the base salary of each of the executive officers, including the Chief Executive Officer, has been set at \$120,000 per year. These salaries were established in connection with the commencement of operations of the Corporation following the Amalgamation at which time the Employment Agreements were entered into. Salaries of executive officers, including that of the Chief Executive Officer, will be reviewed annually, subject to the terms of the Employment Agreements.

Short-Term Incentive Compensation - Bonuses

In addition to base salaries, the Corporation may award cash bonuses to employees of the Corporation, including executive officers. The award of a bonus is determined, in the case of employees, by senior management of the Corporation and approved by the Compensation Committee. Bonus levels for vice-presidents are established by the Compensation Committee in

consultation with the President and the President's bonus is established by the Compensation Committee in consultation with the Board. In the case of non-executive employees, bonuses are based on the employee's contribution in adding share value and reducing costs and the employee's contribution to overall corporate goals. In the case of executive officers, including the Chief Executive Officer, bonus awards are based on actual performance as compared to pre-determined targets which are established by the Compensation Committee at the beginning of each fiscal year based on the initial budget of the Corporation. Such targets relate to share price, cash flow per share, income per share, net asset value per share, reserve replacement cost and production levels. A maximum bonus, based on a percentage of base salary, is established for each executive officer. In the case of the Chief Executive Officer, the maximum bonus was established at 100% of base salary and in the case of vice-presidents, the maximum bonus was established at 50% of base salary. No bonuses were awarded in 2000 since the formation of the Corporation on the Amalgamation.

Long-Term Incentive Compensation - Stock Options

Individual stock options are granted by the Board on the recommendation of senior management, in the case of employees, and by the Compensation Committee, in the case of executive officers including the Chief Executive Officer. Stock options are intended to align executive and shareholder interests by attempting to create a direct link between compensation and shareholder return. Participation in the Corporation's stock option plan rewards overall corporate performance, as measured through the price of the Corporation's shares. In addition, the plan enables executives to develop and maintain a significant ownership position in the Corporation.

Stock options are normally awarded by the Board upon the commencement of employment with the Corporation based on the level of responsibility within the Corporation. Additional grants may be made periodically to ensure that the number of options granted to any particular individual is commensurate with the individual's level of ongoing responsibility within the Corporation.

Summary

The Corporation's compensation policies have allowed the Corporation to attract and retain a team of motivated professionals and support staff working towards the common goal of enhancing shareholder value. The Compensation Committee and the Board will continue to review compensation policies to ensure that they are competitive within the oil and natural gas industry and consistent with the performance of the Corporation.

Submitted By:

W.C. Mickey Dunn
Robert G. Rowley
Michael S. Vandale

Indebtedness of Directors and Officers

No director, executive officer or other senior officer of the Corporation, or any associate of any such director or officer is, or has been at any time since the beginning of the most recently completed financial year of the Corporation, indebted to the Corporation or any of its subsidiaries in respect of any indebtedness that is still outstanding, nor is, or at any time since the beginning

of the most recently completed financial year of the Corporation has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

Corporate Governance

In 1995, the TSE adopted a set of guidelines which were revised in 1999 (the "Guidelines") relating to corporate governance matters. The Guidelines address such matters as the constitution and independence of boards of directors, the functions to be performed by boards and their committees, and the relationship among a corporation's board, management and shareholders. All corporations listed on the TSE must now annually disclose their approach to corporate governance with specific reference to each of the fourteen specific Guidelines. The Corporation's disclosure with respect to the Guidelines is set forth in Schedule "A" hereto.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of directors and senior officers of the Corporation, any shareholder who beneficially owns more than 10% of the outstanding Common Shares, or any known associate or affiliate of such persons, in any transaction since the commencement of the last completed financial year of the Corporation or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries except for the following:

1. Pursuant to the Amalgamation, Sundance, 887733 Alberta Ltd. ("Holdco") and 851431 Alberta Ltd. ("Newco") amalgamated effective August 31, 2000 and: (i) former shareholders of Sundance received 0.444 Common Shares for each common share of Sundance previously held, (ii) former shareholders of Holdco received one Common Share for every common share of Holdco previously held, and (iii) former shareholders of Newco received one Common Share for every common share of Newco previously held pursuant to Amalgamation and pursuant to which:
 - a. Paul R. Baay, the President, Chief Executive Officer and a director of the Corporation, acquired, directly or indirectly, 555,558 Common Shares in exchange for 555,558 common shares of Newco;
 - b. W.C. Mickey Dunn, Corporate Secretary and a director of the Corporation, acquired 222,223 Common Shares in exchange for 222,223 common shares of Newco;
 - c. Robert G. Rowley, a director of the Corporation, acquired 3,251,610 Common Shares in exchange for 679,300 common shares of Sundance and 2,950,001 common shares of Holdco;
 - d. John H. Cuthbertson, a director of the Corporation, acquired 38,889 Common Shares in exchange for 38,889 common shares of Newco; and
 - e. Michael S. Vandale, a director of the Corporation, acquired 2,258,915 Common Shares in exchange for 5,087,646 common shares of Sundance.

2. Holdco purchased certain petroleum and natural gas assets from Clanrob Resources Ltd. ("Clanrob") in consideration for the assumption by Holdco of indebtedness in the amount of \$700,000 and the issuance to Clanrob by Holdco of 2,950,001 common shares of Holdco (which were subsequently exchanged pursuant to the Amalgamation for Common Shares on a one-for-one basis). Robert G. Rowley, a director of the Corporation, was an officer and director of Holdco, a director and officer of Sundance and an officer, director and sole shareholder of Clanrob.
3. John H. Cuthbertson, C.T. (Clint) Broughton and Todd R. Klippenstein acquired 15,000 Common Shares, 70,000 Common Shares and 33,000 Common Shares, respectively, issued on a flow-through basis at \$1.50 per share pursuant to the Corporation's public offering of such shares. Robert G. Rowley and Kenneth P. Acheson acquired 22,000 Common Shares and 10,000 Common Shares, respectively, on a flow-through basis at a price of \$1.50 in December, 2000 pursuant to a private placement.
4. Paul R. Baay (directly and through a company owned by him) acquired 131,090 Special Warrants at a price of \$1.20 per share. Each Special Warrant entitled the holder to acquire one common share without the payment of any additional consideration, subject to adjustment in certain events. The Special Warrants acquired by him were acquired to replace Common Shares sold by him in the market at the price of \$1.20 per share. In addition, W.C. Mickey Dunn acquired 166,667 Special Warrants. The Special Warrants acquired were issued at the same price and in conjunction with a private placement of Special Warrants to various arm's length parties.

INTEREST OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

Management of the Corporation is not aware of any material interest of any director or nominee for director, or senior officer or anyone who has held office as such since the beginning of the Corporation's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than the election of directors and the ratification and approval of the Plan Amendment (to the extent that any such persons are entitled to participate in the Plan and be granted options thereunder).

OTHER MATTERS

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual and Special Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

APPROVAL AND CERTIFICATION

The contents and sending of this Information Circular - Proxy Statement has been approved by the Board.

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

DATED May 4, 2001.

TRUE ENERGY INC.

(signed) "Paul R. Baay"
President and Chief Executive Officer

(signed) "Todd R. Klippenstein"
Controller and as Chief Financial Officer

SCHEDULE "A"

True Energy Inc. Guideline Compliance Table

GUIDELINES	COMPLIANCE	COMMENTS
1. The Board should explicitly assume responsibility for the stewardship of the Corporation, including:		
a) the adoption of a strategic planning process;	Yes	The Board has implemented a strategic planning process which involves, among other things, the following: (i) at least one meeting per year will be devoted substantially to the review of strategic plans that are proposed by management; (ii) ongoing meetings of the Board to discuss strategic planning issues, with and without members of management; and (iii) the Board reviews and assists management in forming the short and long term objectives of the Corporation on an ongoing basis.
b) the identification of the principal risks of the Corporation's business and the implementation of appropriate systems to manage these risks;	Yes	The Board has identified the principal risks of the Corporation's business and works with management on an ongoing basis to assess and review the management of such risks.
c) succession planning, including appointing, training and monitoring senior management;	Yes	The Board takes ultimate responsibility for the appointment and monitoring of the Corporation's senior management. No formal system of succession planning has been developed. The Board reviews the performance of the senior executives on an ongoing basis.
d) the Corporation's communications policy;	Yes	The Board reviews, on an ongoing basis, the methods by which the Corporation communicates with its shareholders, regulatory bodies and the public. The Board or individual members approve all of the Corporation's major compliance and communication documents, including annual and quarterly reports, financing documents and other material disclosure documents. Through the Audit Committee, all public financial information is reviewed and recommended to the Board for approval prior to its release.
e) the integrity of the Corporation's internal control and management information systems.	Yes	The Board, both directly and through the Audit Committee and the external auditors, assesses the integrity of the Corporation's internal control and management information systems on an ongoing basis.
2. The Board should be constituted with a majority of individuals who qualify as unrelated directors.	Yes	Five of the six current directors of the Corporation are "unrelated" directors as defined by the TSE, being a director who is independent of management and is free from any interest in any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view to the best interests of the Corporation, other than interests and relationships arising from shareholding. The TSE Guidelines also recommend that if a corporation has a significant shareholder, in addition to a majority of unrelated directors, the Board should include a number of

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		directors who do not have interests in or a relationship with either the corporation or the significant shareholder and which fairly reflects the investment in the corporation by shareholders other than the significant shareholder. A significant shareholder is a shareholder with the ability to exercise a majority of the votes for the election of the Board of Directors.
3. The analysis of the application of the principles supporting the conclusion in paragraph 2 above.	Yes	The Board consists of six members, only one of whom, Paul R. Baay, is a member of management. As President and Chief Executive Officer of the Corporation, Paul R. Baay is considered an "inside" and "related" director. John H. Cuthbertson is a partner at Burnet, Duckworth & Palmer LLP which provides legal services to the Corporation. Having regard to the nature of the legal services provided to the Corporation and the materiality of the retainer to such law firm by the Corporation, the Board does not consider Mr. Cuthbertson to be a related director for this purpose. Robert G. Rowley is a partner of Macleod Dixon which may, from time to time, also provide legal services to the Corporation. Also having regard to the nature of the legal services that may be provided to the Corporation and the materiality thereof, the Board does not consider Mr. Rowley to be a related director for this purpose. Robert G. Rowley and Michael S. Vandale, while principal shareholders of the Corporation, would not be considered significant shareholders as it is not within their control to exercise a majority of the votes for the election of the Board of Directors (see "Voting Shares and Principal Holders Thereof"). Kim M. Ward has also been nominated as a member of the Board and, if elected, will be an unrelated director.
4. The Board should appoint a committee of directors composed exclusively of outside, i.e., non-management directors, a majority of whom are unrelated directors, with the responsibility for proposing to the full Board new nominees to the Board and for assessing directors on an ongoing basis.	Yes	The Board has appointed a Corporate Governance Committee, comprised of Kenneth P. Acheson, Michael S. Vandale and John H. Cuthbertson. All members are outside directors. The Corporate Governance Committee has amongst its mandates the responsibility for recommending suitable candidates for nomination to the Board and maintaining an overview of the entire membership of the Board, including a review of their continuing qualifications and the continued validity of their credentials.
5. The Board should implement a process to be carried out by the Nominating Committee or other appropriate committee for assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors.	Yes	The responsibility for the assessment of the effectiveness of the Board as a whole, the committees of the Board, the appointments to those committees and the mandates thereof, as well as the contribution of individual directors on an ongoing basis, has been delegated to the Corporate Governance Committee. The Corporate Governance Committee recommends to the Board following each annual meeting of shareholders the allocation of Board members to

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		each Board committee.
6. The existence of an orientation and education program for new recruits to the Board.	Yes	While the Corporation does not currently have a formal orientation and education program for new recruits to the Board, the Corporation has historically provided such orientation and education on an <i>ad hoc</i> and informal basis. As new directors have joined the Board, management has provided these individuals with, among other things, historical information about the Corporation and its performance, background information regarding the Corporation and its strategic plan with an outline of the general duties and responsibilities entailed in carrying out their duties. The Board believes that these procedures have proved to be a practical and effective approach in light of the Corporation's particular circumstances, including the size of the Corporation, limited turnover of the directors and the experience and expertise of the Board members.
7. The size of the Board and the impact of the number of directors upon the Board's effectiveness.	Yes	The Board considers that seven members as proposed to be elected at the Meeting is currently an appropriate number of directors having regard to the size of the Corporation, the nature of its business and operations and the experience and expertise required to carry out their duties effectively while maintaining a diversity of view and experience.
8. The adequacy and form of the compensation of directors should realistically reflect the responsibilities and risk involved in being an effective director.	Yes	The Board has appointed a Compensation Committee comprised of W.C. Mickey Dunn, Robert G. Rowley and Michael S. Vandale, each of whom are outside directors. The mandate of the Compensation Committee is to formulate and to make recommendations to the Board in respect of compensation issues relating to directors, senior management and the staff of the Corporation, including reviewing and recommending performance objectives and the compensation package for the Chief Executive Officer. The compensation of directors of the Corporation, and whether they will be paid an annual and/or meeting retainer, in addition to stock options, is currently being reviewed.
9. Committees of the Board should generally be composed of outside directors, a majority of whom are unrelated directors.	Yes	The Board has constituted three committees: the Compensation Committee, the Corporate Governance Committee, and the Audit Committee. All of the members of each of the Board's committees are unrelated, outside directors. While W.C. Mickey Dunn is the Corporate Secretary, he is not considered by the Board to be a part of management and thus is an outside director for purposes of the Guidelines.
10. The Board's responsibility for (or a committee of the Board's general responsibility for) developing the Corporation's approach to	Yes	The Board has appointed a Corporate Governance Committee to enhance corporate governance through a continuing assessment of governance issues and a mandate which includes

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governance issues.		recommending a broad list of topics of interest that are important for discussion and/or action by the Board, and undertaking on behalf of the Board, such other initiatives as are needed to assist the Board in delivering exemplary governance of the Corporation.
11. The Board has developed:		
a) position descriptions for the Board and for the CEO, involving the definition of the limits to management's responsibilities; and	Yes	To date, the Board has not developed specific position descriptions for its members since the Board, acting together, exercises plenary power. The Board retains all powers not delegated by the Board to management or Board Committees. The Chief Executive Officer's responsibilities are reviewed annually. The Chief Executive Officer is accountable to the Board for meeting corporate objectives and for managing the day to day business of the Corporation, subject to compliance with plans and objectives approved from time to time by the Board. The Board retains responsibility for significant changes in the Corporation's affairs, such as approval of major expenditures, financing arrangements and significant acquisitions and divestitures.
b) the corporate objectives for which the CEO is responsible for meeting.	Yes	The corporate objectives of the CEO include maximizing shareholder value, implementing the business plan for the Corporation that is reviewed annually by the Board pursuant to the Board's strategic planning process, developing and staffing the Corporation's management structure and providing effective communication between the Board, management and shareholders.
12. The structures and procedures ensuring that the Board can function independently of management.	Yes	The Corporation does not have a Chairman of the Board and does not believe one is necessary given the size and composition of the Board. The Board believes it can continue to function independently of management. The Board (including the unrelated members thereof) and any committees can meet in the absence of management at their discretion, and any committee or member of the Board may engage outside advisors at the expense of the Corporation in appropriate circumstances, as discussed below.
13. a) The Audit Committee of the Board should be composed only of outside directors. b) The roles and responsibilities of the Audit Committee should be specifically defined. c) The Audit Committee should have direct communication channels with the internal and external auditors to discuss and review specific issues	Yes	The Corporation's Audit Committee is comprised of Kenneth P. Acheson, W.C. Mickey Dunn and Robert G. Rowley, all of whom are outside directors. While W. C. Mickey Dunn is the Corporate Secretary, he is not considered by the Board to be a part of management and thus is an outside director for purposes of the Guidelines. The Audit Committee meets at least once each quarter and, among other things, with the assistance of the external auditors, is responsible for reviewing management programs and policies

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<p>as appropriate.</p> <p>d) The Audit Committee's duties should include oversight responsibility for management reporting on internal controls and should ensure that management has designed and implemented an effective system of internal controls.</p>		<p>regarding the adequacy and effectiveness of the internal controls over the accounting and financial reporting systems within the Corporation, including management's response to internal control recommendations of the external auditors.</p> <p>The Committee reviews management plans regarding changes in accounting practices and policies and the financial impact thereof and is responsible for reviewing the major areas of management judgement and estimates that have a significant effect upon the financial statements. The Committee receives a yearly report from the Corporation's external auditors with respect to the Corporation's financial control and information systems, which comes to their attention during the course of conducting the year end audit. Results of those reports are relayed by the Committee to the full Board for its consideration. At least once a year, the Audit Committee meets with the Corporation's external auditors without management present and may do so at any time throughout the rest of the year. All financial statements, quarterly reports and other financial information that are publicly disseminated are reviewed by the Audit Committee prior to release for approval.</p>
<p>14. The existence of a system which enables an individual director to engage an outside adviser at the expense of the Corporation in appropriate circumstances.</p>	<p>Yes</p>	<p>A director or a group of directors may engage outside advisors at the expense of the Corporation, subject to approval of the Corporate Governance Committee.</p>