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Attention Financial/Business Editors:

True Energy Inc. Exceeds 2000 Cash Flow in First Quarter of 2001

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CALGARY, May 28 /CNW/ - True Energy Inc. ("True", "the Company") is pleased to announce its financial and operational results for the first quarter ended March 31, 2001. The results reflect one month of production contributed by the Marengo Exploration Ltd. ("Marengo") acquisition which was completed February 28, 2001. The Company continues to focus on its initial core area in west-central Saskatchewan and has shown both financial and operational success in the area during the first quarter of 2001.

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HIGHLIGHTS

For the period ended March 31, 2001

Financial Highlights

(\$ except share)

	Three Months Ended		
	March 31, 2001	March 31, 2000	% Change
Revenue	3,187,799	-	-
Cash Flow	1,105,216	39,127	2725%
per share - basic	0.09	0.00	1778%
per share - diluted	0.08	0.00	1653%
Net Earnings (loss)	(110,353)	19,842	-
per share - basic	(0.01)	0.00	-
per share - diluted	(0.01)	0.00	-
Working Capital Deficit (including prepaid gas)	5,061,594	945,664	435%
Total Assets	45,763,216	3,311,211	1282%
Long-term Debt (including prepaid gas)	10,966,955	533,566	1955%
Shareholders' Equity	12,999,866	1,207,298	977%
Net Capital Expenditures	2,287,537	203,519	1024%
Shares Outstanding	17,688,851	8,610,412	105%
Weighted Average Shares			
basic	12,947,505	8,610,412	50%
diluted	14,037,299	8,712,637	61%

Operating Highlights

	Three Months ended		
	March 31, 2001	March 31, 2000	% Change
Daily Volumes			
Oil and NGLs (bbls/d)	311	56	452%
Gas (Mcf/d)	4,470	1,680	166%
Equivalent Oil (bbls/d) (at) 6:1	1,056	336	214%
Prices			
Oil and NGLs (\$/bbl)	19.26	-	-
Gas (\$/Mcf)	6.59	-	-
Combined (\$/BOE) (at) 6:1	33.57	-	-
\$/BOE (at) 6:1			
Operating Netback	16.22	8.63	88%
Operating Expenses	9.09	2.80	224%
General & Administrative	2.03	1.67	21%

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FINANCIAL RESULTS

Cash flow from operations for the three months ended March 31, 2001 was \$1,105,216 (\$0.09/share) compared to \$39,127 (\$0.00/share) for the previous period. For the three months ended March 31, 2001 True recorded a net loss of \$110,353 (\$0.01/share) on revenue of \$3,187,799 compared to \$19,842 of earnings for the same period during the previous year. The loss in the first quarter of this year was largely due to higher depletion rates as a result of the Marengo acquisition. The tax value of the assets was substantially less than the purchase price paid and as a result, depletion and depreciation expense for the quarter was \$1,342,569 or \$14.14/BOE (at 6:1).

Long-term debt increased as a result of funding the acquisition to \$10,966,955 from \$533,566 during the same period of the previous year. True continues to target a long-term debt to cash flow ratio of 1:1. During the first quarter, the Company spent \$2,287,537 on capital expenditures, compared to \$203,519 during the same period last year.

Also during the first quarter, True acquired Marengo for a total purchase price of \$16,249,150. To finance the acquisition, True raised \$5,000,000 through the issue of 4,166,667 Special Warrants, issued 947,250 common shares at a price of \$1.20 to Marengo shareholders and funded the balance with bank debt. The Company ended the quarter with 17,688,851 common shares outstanding.

OPERATING RESULTS

Production, with gas converted to barrels of oil equivalent at a ratio of 6:1, increased to 1,056 BOE/d from 336 BOE/d during the same period in 2000. Gas made up the majority of the increase, averaging 4,470 Mcf/d compared to 1,680 Mcf/d during the same period in 2000. Due to large price differentials on heavy crude, the Company shut in a number of high-operating-cost wells that included the Ear Lake Property. Despite this, True increased daily oil volumes significantly, averaging 311 bbls/d compared to 56 bbls/d for the same period in 2000. The Company will continue to monitor heavy oil differentials and evaluate further properties that may require shutting in. Current production is 1,800 BOE/d at 6:1.

The Company will continue to focus on operating costs and has targeted \$7.00 BOE as a year-end target.

OUTLOOK

True has now commenced two drilling programs in west-central Saskatchewan. The first program consists of a shallow gas program in the Eyre Area of Saskatchewan. True currently has five wells producing from the Viking and Colony formations at a combined rate of 1,300 Mcf/d net to the Company. In addition to the producing wells, the company has cased three gas wells in the area since March 31, 2001, the first of which will commence production during the second quarter. An additional four wells are planned for the area. The Company has also been accumulating lands in the area to allow for an ongoing shallow gas program.

The second program is a large farmin that will see the Company drill 24 wells prior to the end of the year, targeting conventional heavy oil in the Bakken formation. True has now drilled six of the wells, all of which have been cased. The first three wells have been completed and are currently being production tested.

True Energy Inc. is a Calgary-based oil and natural gas exploration and development company formed August 31, 2000 through the amalgamation of Sundance Resources Inc. and two numbered companies. True Energy's first core operating area is in west-central Saskatchewan. The Company's shares trade on the Toronto Stock Exchange under the symbol TUI.

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(TUI.)

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