

## MATERIAL CHANGE REPORT

**SECURITIES ACT (BRITISH COLUMBIA) SECTION 67(1) FORM 27**  
**SECURITIES ACT (ALBERTA) SECTION 118(1) FORM 27**  
**SECURITIES ACT (ONTARIO) SECTION 75(1) FORM 27**

1. **Reporting Issuer:**

True Energy Inc.  
300, 520 - 5th Avenue S.W.  
Calgary, Alberta T2P 3R7

2. **Date of Material Change:**

June 15, 2001 and June 18, 2001

3. **News Release**

Press Releases were issued through the facilities of Canada NewsWire on June 15, 2001 and June 18, 2001, respectively.

4. **Summary of Material Change:**

On June 15, 2001, True Energy Inc. ("True") announced that it had entered into an agreement for a private placement of 7,200,000 Special Warrants issuable at a price of \$1.90 per Special Warrant for gross proceeds of \$13.7 million on a bought deal basis. The offering is being led by FirstEnergy Capital Corp. and includes Griffiths, McBurney & Partners, Peters & Co. Limited and Canaccord Capital Corporation. Each Special Warrant will entitle the holder to acquire one common share of True ("Common Share") without the payment of any additional consideration, subject to adjustment in certain events. Closing is scheduled for the end of June, 2001 and is subject to regulatory approval.

On June 18, 2001, True announced that it had entered into an agreement with an arm's length third party to purchase certain petroleum and natural gas assets located in their core area in West Central Saskatchewan, specifically in the Kerrobert, Dodsland and Bayhurst areas (the "Acquisition"). After adjusting for certain price adjustments from the effective date of April 1, 2001, the net purchase price for the Acquisition will approximate \$14.25 million. Closing of the Acquisition is anticipated to be June 26, 2001, subject to regulatory approval.

True will finance the purchase price with the proceeds from the private placement of Special Warrants. Pending closing of the Acquisition, the subscription proceeds will be placed in escrow to be released in connection with the closing of the Acquisition, if required.

**5. Full Description of Material Change:**

On June 15, 2001, True announced that it had entered into an agreement for a private placement of 7,200,000 Special Warrants issuable at a price of \$1.90 per Special Warrant for gross proceeds of \$13.7 million on a bought deal basis. The offering is being led by FirstEnergy Capital Corp. and includes Griffiths McBurney & Partners, Peters & Co. Limited and Canaccord Capital Corporation. Each Special Warrant will entitle the holder to acquire one Common Share without the payment of any additional consideration, subject to adjustment in certain events. Closing is scheduled for the end of June, 2001 and is subject to regulatory approval.

The gross subscription proceeds for each Special Warrant will be placed in escrow to be released in connection with the closing of the Acquisition. If not utilized for such purpose, all Special Warrants will be repurchased at the issue price thereof, plus accrued interest. If a receipt for the (final) prospectus qualifying the Common Shares issuable on exercise of the Special Warrants is not issued by a specified date by each of the securities commissions or similar regulatory authorities in each of the jurisdictions where True is required to obtain such receipt, each holder in such jurisdiction (or if a receipt is not obtained in the Province of Alberta and Ontario, all holders) will be entitled to acquire 1.05 Common Shares for each Special Warrant (in lieu of the one Common Share otherwise receivable).

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Current production associated with the Acquisition is approximately 523 BOED, using a 6:1 conversion (370 BOED using a 10:1 conversion) of which approximately 74% of the production is natural gas, 18% is light oil and the remaining 8% is heavy oil. Upon closing of the Acquisition, True's total production will be approximately 2,400 BOED (6:1) (1,770 BOED on a 10:1 basis).

An independent engineering report of the assets associated with the Acquisition effective April 1, 2001 assigned proved, producing reserves to these assets of 1,115 MBOE (6:1), total proven of 1,488 MBOE (6:1) and, on an established basis, 1,803 MBOE (6:1). On a 10:1 conversion basis, proved, producing reserves total 788 MBOE, total proven reserves aggregate 1,154 MBOE and 1,413 MBOE on an established basis.

The purchase also includes 150,000 gross non-producing acres (140,000 net to True), which True believes are prospective for exploitation and exploration drilling. These lands, which include a material component of fee simple lands, have been independently evaluated at \$7.7 million.

**6. Reliance on Confidentiality Provision:**

N/A

