

Alberta Securities Commission  
Ontario Securities Commission

Dear Sirs:

**True Energy Inc.**

We refer to the preliminary prospectus dated July 20, 2001 relating to the qualification for distribution of 7,200,000 common shares of True Energy Inc.

We have completed our audit of Marengo Exploration Ltd. ("Marengo") on the following financial statements in the preliminary prospectus:

Balance sheets as at December 31, 2000 and 1999;

Statements of earnings and retained earnings (deficit) and cash flows for each of the years in the three year period ended December 31, 2000.

Our report on the financial statements for 2000 was dated April 6, 2001.

We are withholding our signature from the draft report in the preliminary prospectus pending:

- a) reviewing events between the dates of the preliminary and final prospectuses;
- b) reviewing comments which may be issued by the securities regulatory authorities; and
- c) reading the final prospectus.

Based on the results of our audits of the financial statements referred to above and our limited inquiry and review procedures for the period from April 6, 2001 to the date of this letter, we have no reason to believe that the financial statements do not present fairly, in all material respects, the financial position of Marengo as at December 31, 2000 and 1999, and the results of its operations and its cash flows for each of the years in the three year period ended December 31, 2000 in accordance with Canadian generally accepted accounting principles.

This letter is provided solely for the purpose of assisting the securities regulatory authorities to which it is addressed in discharging their responsibilities and should not be relied on for any other purpose.

Yours very truly,

(Signed) KPMG LLP

Chartered Accountants

Calgary, Canada  
July 20, 2001