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Attention Business/Financial Editors:

True Energy Inc. Reports Increased Production, Revenue And Cash Flow In
The First Six Months Of 2001

CALGARY, Aug. 29 /CNW/ - True Energy Inc. ("True", "the Company") is pleased to announce its financial and operational results for the second quarter and six months ended June 30, 2001. During the second quarter, True enjoyed its most successful drilling program to date with eight oil wells and five gas wells which contributed to a 391% increase in total production for the six months.

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FINANCIAL HIGHLIGHTS

(\$ except share)

	Three Months Ended		Six Months Ended	
	June 30, 2001	June 30, 2000	June 30, 2001	June 30, 2000
Revenue	4,653,045	-	7,840,844	-
Cash Flow	696,572	85,403	1,801,788	124,530
per share - basic	0.04	0.01	0.12	0.01
per share - fully diluted	0.04	0.01	0.11	0.01
Net Earnings (loss)	(558,441)	(28,511)	(668,794)	(8,670)
per share - basic	(0.03)	-	(0.04)	(0.00)
per share - fully diluted	(0.03)	-	(0.04)	(0.00)
Working Capital (including prepaid gas)			9,398,809	841,227
Total Assets			63,299,621	3,611,228
Long-term Debt (including prepaid gas)			13,327,369	934,364
Shareholders' Equity			25,811,321	1,178,786
Net Capital				
Expenditures	20,471,620	499,564	22,759,157	703,083
Shares Outstanding			17,875,101	8,610,412
Weighted Average Shares				
basic	17,813,453	8,610,412	15,393,920	8,610,412
fully diluted	18,765,315	8,747,159	16,414,748	8,729,898

Operating Highlights

	Three Months Ended		Six Months Ended	
	June 30, 2001	June 30, 2000	June 30, 2001	June 30, 2000
Daily Volumes				
Oil and NGLs (bbls/d)	492	36	402	46
Gas (Mcf/d)	7,400	1,170	5,960	1,430
Equivalent Oil (bbls/d) (at) 6:1	1,732	231	1,395	284
Prices				
Oil and NGLs (\$/bbl)	21.13	-	20.41	-
Gas (\$/Mcf)	5.47	-	5.89	-
Combined (\$/BOE) (at) 6:1	29.52	-	31.04	-
\$/BOE (at) 6:1				
Operating Netback	9.60	16.48	12.04	11.82
Operating Expenses	6.60	3.14	7.54	2.94
General & Administrative	2.71	6.70	2.46	3.72

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FINANCIAL RESULTS

For the six months ended June 30, 2001 True recorded a net loss of \$669,000 (\$0.04/share) on revenues of \$7.8 million compared to a loss of \$8,760 for the corresponding period of the previous year. Cash flow from operations for the six months was \$1.8 million (\$0.12/share) compared to \$125,000 (\$0.01/share) for the corresponding six months of 2000. Long-term debt increased to \$13.3 million from \$934,000 in 2000. During the first six months of 2001, the Company invested \$8.5 million on conventional oil and gas activities, \$14.3 million on the acquisition of producing assets in its core area and \$14.6 million on the acquisition of Marengo for total capital expenditures of \$37.4 million, compared to \$703,000 during the corresponding period of 2000.

During the six months ended June 30, 2001, True issued 4,166,667 special warrants at \$1.20 per special warrant to help finance the Marengo acquisition, and 7.2 million special warrants at \$1.90 per special warrant to help fund the Kerrobert/Dodsland property acquisition. At June 30, 2001, True had 17,875,101 common shares and 7,200,000 special warrants outstanding.

For the three months ended June 30, 2001 True recorded a net loss of \$558,441 (\$0.03/share) on revenues of \$4.7 million compared to a loss of \$28,511 for the corresponding period of the previous year. Cash flow from operations for the six months was \$696,572 (\$0.04/share) compared to \$85,403 (\$0.01/share) for the corresponding six months of 2000.

OPERATING RESULTS

Production, with gas converted to BOE/d at a ratio of 6:1, increased to 1,732 BOE/d from 231 BOE/d during the second quarter of 2000. For the six months ended June 30, 2001 production averaged 1,395 BOE/d up from 284 BOE/d for the same period in 2000. Gas made up the bulk of the production averaging 7.4 MMcf/d during the second quarter of 2001. True increased the oil volumes for the period to 492 bbls/d up from 36 bbls/d for the same period in 2000. Current production is 2,500 BOE/d at 6:1. The Company continues to be successful at reducing operating costs, averaging \$6.60/BOE during the second quarter of 2001.

True's South Coleville project has performed as anticipated, and all eight of the wells drilled in Phase One have been cased and are on production. The second and third phases, consisting of eight wells each, are scheduled to be completed prior to year end. At Eyre, the Company brought on the sixth well in the project and is now producing about 1.5 MMcf/d net to the Company. Additional seismic has been purchased in the area and further drilling will be evaluated.

During the second quarter, True substantially increased its undeveloped land position in the area as a result of the June 26, 2001 acquisition. The Company's undeveloped land base increased from 36,000 net undeveloped acres to more than 180,000 net undeveloped acres. This provides True with a large inventory of prospects to continue the growth of the Company.

The acquisition also added 500 BOE/d at 6:1 and provided the Company with two additional operated gas plants at Dodsland and Bayhurst. The production from the acquisition will be included from June 26, 2001 onward.

Outlook

During the first six months of 2001, True has continued to grow production and reserves through both drilling and corporate and property acquisitions. Increases in production have more than offset declines in commodity prices, and the Company continues to steward its financial resources through property dispositions, operating cost reductions and redirection of operating cash flow.

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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ST: Alberta
IN: OIL
SU: ERN

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