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Attention Business/Financial Editors:  
True Energy Reports Year-End Results

TSE:TUI

CALGARY, April 2 /CNW/ - True Energy Inc. ("True", "the Company") announces its financial and operating results for the three months and twelve months ended December 31, 2001.

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FINANCIAL HIGHLIGHTS

(\$ except share)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2001	2000	2001	2000
Revenue	4,598	1,867	18,103	3,633
Funds flow from operations(x)	899	777	4,852	1,364
per share - basic	0.03	0.07	0.25	0.15
per share - diluted	0.03	0.07	0.24	0.14
Cash flow from operations	(220)	777	4,159	1,075
per share - basic	(0.01)	0.07	0.21	0.11
per share - diluted	(0.01)	0.07	0.21	0.11
Net earnings (loss)	(17,559)	222	(19,300)	176
per share - basic	(0.65)	0.02	(0.99)	0.02
per share - diluted	(0.65)	0.02	(0.99)	0.02
Debt, net of working capital	-	-	17,243	3,261
Capital expenditures, net	455	3,625	37,804	5,008
Shares outstanding	28,775	12,575	28,775	12,575
Weighted average shares				
Basic	27,006	11,017	19,459	9,382
Diluted	27,006	11,692	20,109	9,679

(x) Funds flow from operations includes prepaid gas revenue and hedging gains or losses pertaining to the corresponding period.

Operating Highlights

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2001	2000	2001	2000
Volumes				
Oil and NGLs (bbls/d)	688	98	566	69
Natural Gas (mcf/d)	9,213	2,544	7,887	1,710
Equivalent Oil (BOE/d)	2,221	518	1,880	354
Prices				
Oil and NGLs (\$/bbl)	15.03	29.77	20.61	34.46
Natural Gas (\$/mcf) before hedging	3.19	6.83	4.14	4.42
Natural Gas (\$/mcf) after hedging	4.30	6.83	4.81	4.42
Combined (\$/BOE)	22.50	39.17	26.38	28.06
\$/BOE				
Operating Netback	9.40	22.18	10.83	15.63
Operating Expense	7.41	11.87	7.23	7.20
G & A Expense	2.48	5.46	2.37	4.85

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## FINANCIAL RESULTS

Revenue in 2001 was \$18.1 million, up from \$3.6 million in the previous year. Cash flow from operations for the twelve months was \$4.2 million (\$0.21/share) compared to \$1.1 million (\$0.11/share) for the corresponding twelve months of 2000. For the twelve months ended December 31, 2001, True recorded a net loss of \$19.3 million (\$0.99/share) compared to earnings of \$0.2 million for the corresponding period of the previous year. The significant loss reported in the year was primarily a result of a ceiling test write down of \$16.0 million, net of future income taxes of \$11.0 million. The ceiling test calculation was based on year-end commodity prices of \$12.65 per barrel for heavy oil, \$27.16 per barrel for light oil and \$3.24 per thousand cubic feet for natural gas. The write down reflects the previous spiral up of \$8.0 million relating to the Marengo acquisition, which was completed during the first quarter of 2001. Debt, net of working capital increased to \$17.2 from \$3.3 million in 2000. During the year, the Company invested \$11.0 million on exploration and development activities, \$15.7 million on the acquisition of producing assets in its core area and \$14.6 million on the corporate acquisition of Marengo Exploration Ltd. for total capital expenditures of \$41.3 million, compared to \$5.0 million during the corresponding period of 2000. During the same period in 2001, True realized \$3.5 million from property dispositions.

During the twelve months ended December 31, 2001, True issued an aggregate 16.2 million common shares for gross proceeds of \$23.5 million, in part to finance the Marengo acquisition and the Kerrobert/Dodsland property acquisition. At December 31, 2001, True had 28,775,102 common shares outstanding.

## OPERATING RESULTS

Production (natural gas equated to BOE at 6:1) for the three months ended December 31, 2001 increased to 2,221 BOE/d from 518 BOE/d during the fourth quarter of 2000. For the twelve months ended December 31, 2001 production averaged 1,880 BOE/d up 431% from 354 BOE/d for the same period of 2000. Natural gas made up 70% of production averaging 7.9 MMcf/d during 2001. True increased its oil volumes for the year to 566 bbls/d up from 69 bbls/d for the same period in 2000. Current production is approximately 2,200 BOE/d, including 9.0 MMcf/d of natural gas

Operationally, the Company has recently drilled a 100% working interest horizontal well in the Kerrobert area of Saskatchewan. This well encountered 480 meters of reservoir sand and has now been placed on production at an initial 110 barrels per day of clean conventional heavy oil. Production from the well will be gradually increased during the next six weeks. The Company will proceed with a development program that will include the shooting of a 3D seismic program over the channel and follow up with three additional wells.

The Company has also completed the expansion of its Coleville Driver natural gas facility, which is now capable of 8.0 MMcf/d. Current through-put is 6.0 MMcf/d with three additional drilling locations defined.

The Company now has three owned and operated natural gas facilities. Activities in the area during the remainder of 2002 will focus on bringing these facilities to full capacity. The Company will also continue to establish its second core area that will focus on liquids-rich natural gas production.

True Energy Inc. is a Calgary-based oil and natural gas exploration and development company. The Company's shares trade on the Toronto Stock Exchange under the symbol TUI.

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/For further information: Paul R. Baay or Sadiq H. Lalani, True Energy Inc., Phone (403) 266-8670, Fax (403) 264-8163, Internet: [www.trueenergy.ab.ca/](http://www.trueenergy.ab.ca/)  
(TUI.)

CO: True Energy Inc.  
ST: Alberta  
IN: OIL  
SU: ERN

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