TRUE ENERGY INC.

RESERVES DETERMINATION
AND
ECONOMIC ANALYSIS

SUMMARY

Effective January 1, 2002

1025303

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Gilbert Laustsen Jung
Associates Ltd. Petroleum Consultants
4100, 400 - 3rd Avenue S.W., Calgary, Alberta, Canada T2P 4H2 (403) 266-9500 Fax (403) 262-1855

March 13, 2002

Project 1025303

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

Dear Sir:

Re: Reserves and Economic Evaluation of Canadian Oil and Gas Properties Effective January 1, 2002

Pursuant to your request, Gilbert Laustsen Jung Associates Ltd. has conducted an evaluation of the True Energy Inc. (True) interests in certain oil and gas properties with an effective date of January 1, 2002 based on data available as of the same date.

The unrisked reserves and value estimates for the evaluated True interests are detailed in the "Summary" section of the enclosed report. Summaries of unrisked reserves and present worth estimates for each property as well as consolidated revenue projections are presented for the proved producing, total proved, proved plus probable producing, total proved plus probable and total established reserves categories. A risk factor of 50 percent is estimated for probable additional reserves.

No part of this report should be reproduced, distributed or made available to any other person, company, regulatory body or organization without the complete contents of the report.

It is trusted that this evaluation meets your current requirements. Should you have any questions regarding this analysis, please contact the undersigned.

Yours very truly,

GILBERT LAUSTSEN JUNG ASSOCIATES LTD.

ORIGINALLY SIGNED BY

Neil I. Dell, P. Eng.
Vice-President

NID/memd
Enclosures

INDEPENDENT PETROLEUM CONSULTANTS' CONSENT

The undersigned firm of Independent Petroleum Consultants of Calgary, Alberta, Canada has prepared an independent evaluation of the interests of **True Energy Inc.** in certain oil and gas properties and hereby gives consent to the use of its name and to the said estimates. The effective date of the evaluation is **January 1, 2002**.

In the course of the evaluation, True Energy Inc. provided Gilbert Laustsen Jung Associates Ltd. personnel with basic information which included land data, well information, current hydrocarbon product prices, operating cost data, capital budget forecasts, financial data and future operating plans. Other engineering, geological or economic data required to conduct the evaluation and upon which this report is based, was obtained from public records, other operators, and from Gilbert Laustsen Jung Associates Ltd. nonconfidential files. The extent and character of ownership and accuracy of all factual data supplied for the independent evaluation, from all sources, has been accepted as represented. Gilbert Laustsen Jung Associates Ltd. reserves the right to review all calculations referred to or included in this report and to revise the estimates in light of erroneous data supplied or information existing but not made available which becomes known subsequent to the preparation of this report.

The accuracy of any reserves and production estimate is a function of the quality and quantity of available data and of engineering interpretation and judgement. While reserves and production estimates presented herein are considered reasonable, the estimates should be accepted with the understanding that reservoir performance subsequent to the date of the estimate may justify revision, either upward or downward.

Revenue projections presented in this report are based in part on forecasts of market prices, currency exchange rates, inflation, market demand and government policy which are subject to many uncertainties and may, in future, differ materially from the forecasts utilized herein. Present values of revenues documented in this report do not necessarily represent the fair market value of the reserves evaluated herein.

PERMIT TO PRACTICE
GILBERT LAUSTSEN JUNG ASSOCIATES LTD.

Signature Originally Signed by Wayne W. Chow

Date March 13, 2002

PERMIT NUMBER: P 2066
The Association of Professional Engineers,
Geologists and Geophysicists of Alberta

ORIGINALLY SIGNED BY
HARRY JUNG

Gilbert Laustsen Jung Associates Ltd.

INTRODUCTION

Gilbert Laustsen Jung Associates Ltd. (GLJ) was requested by True Energy Inc. (True) to prepare an independent evaluation of certain Canadian oil and gas properties. The requested evaluation was to include an estimate of proved producing, total proved, proved plus probable producing and total proved plus probable reserves and to forecast True interest pre-tax revenues effective January 1, 2002 utilizing GLJ's (2002-01) pricing and marketing forecasts.

The following properties were included in this analysis for reserves and value assignment:

Coleville
Coleville South
Dodsland Viking Gas Voluntary Unit
Ear Lake
Eyre
Hoosier
Ingoldsby
Kerrobert McLaren
Kerrobert Viking
Marengo/Alsask
Milton
North Dodsland Viking Voluntary Unit No. 1
Pinkham/Warrior
Prairiedale
Smiley

In addition, the following minor value properties were evaluated by GLJ and included collectively for consolidation of the total True oil and gas interests:

Avon Hill Viking Voluntary Unit
Kerrobert/Dodsland Others
Lucky Hills Viking Sand Voluntary Gas Unit
North Eureka Unit
Workman

Collective cash flows for the total minor value properties are included in the Summary section of this report as "Others".

No value has been assigned for undeveloped or non-reserves lands in this analysis.

A summary cash flow for the consolidated True interests in established reserves, or proved reserves plus the total probable reserves risked at 50 percent, has also been included in the Summary section of this report.

SUMMARY

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SUMMARY OF RESERVES AND VALUES
TRUE ENERGY INC.
Summary
Total Properties
GLJ (2002-01) PRICING
EFFECTIVE DATE January 01, 2002

	Proved Producing	Total Proved	Proved Plus Probable Producing	Total Proved Plus Probable	Total Established
MARKETABLE RESERVES					
Oil - MMSTB					
Gross	4.35	4.74	5.22	6.78	5.76
Company Interest	0.83	0.97	1.11	1.91	1.44
Net After Royalty	0.74	0.85	0.98	1.65	1.25
Gas - BCF					
Gross	19.08	23.17	26.20	32.64	27.90
Company Interest	9.82	12.71	13.83	18.12	15.42
Net After Royalty	7.70	9.99	10.74	14.01	12.00
Natural Gas Liquids - MMSTB					
Gross	0.127	0.127	0.154	0.155	0.141
Company Interest	0.047	0.047	0.062	0.062	0.055
Net After Royalty	0.044	0.044	0.058	0.058	0.051
Oil Equivalent - MMBOE					
Gross	7.65	8.73	9.74	12.38	10.55
Company Interest	2.52	3.13	3.48	4.99	4.06
Net After Royalty	2.07	2.56	2.82	4.05	3.30
BEFORE TAX PRESENT VALUE - $MM					
0.0%	29.0	36.0	41.0	54.8	45.4
8.0%	22.0	27.3	29.7	39.6	33.4
10.0%	20.9	25.8	28.0	37.1	31.5
12.0%	19.9	24.5	26.5	35.0	29.8
15.0%	18.7	22.9	24.6	32.3	27.6
18.0%	17.6	21.5	23.0	30.0	25.7
20.0%	17.0	20.6	22.0	28.7	24.7
FIRST 6 YEARS BEFORE TAX CASH FLOW - $MM					
2002	7.31	7.60	8.28	8.71	8.16
2003	5.37	6.49	6.81	9.18	7.83
2004	3.80	5.39	5.23	7.08	6.23
2005	2.60	3.73	3.92	6.36	5.04
2006	1.84	2.64	2.89	4.63	3.64
2007	1.42	2.04	2.23	3.55	2.80

Oil Equivalent Factors:

Oil	1.0 bbl/boe
Sales Gas	6.0 mcf/boe
Condensate	1.0 bbl/boe
Butane	1.0 bbl/boe

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Company: **TRUE ENERGY INC.**
Property: **Summary**
Description: **Total Properties**

Reserve Class: **Proved**
Development Class: **Producing**
Pricing: **GLJ (2002-01)**
Effective Date: **January 01, 2002**

PRODUCTION FORECAST

	Gross Wells		Oil Production					Solution Gas Production					Residue Gas Production				
Year	Oil	Gas	Gross Daily Stb	Compny Daily Stb	Compny Yearly Stb	Net Yearly Stb	Price $/Bbl	Gross Daily Mcf	Compny Daily Mcf	Compny Yearly Mcf	Net Yearly Mcf	Price $/Mcf	Gross Daily Mcf	Compny Daily Mcf	Compny Yearly Mmcf	Net Yearly Mmcf	Price $/Mcf
2002	383	58	1550	615	224435	186382	19.40	345	38	13717	12396	4.40	12503	7352	2683	1962	4.01
2003	274	57	1118	394	143637	123321	21.18	317	34	12382	11212	4.77	8566	4942	1804	1340	4.48
2004	256	53	917	290	105735	91528	22.97	286	30	11029	9988	4.83	6406	3475	1268	982	4.57
2005	221	46	694	160	58557	51804	24.08	258	24	8698	7919	4.84	4557	2498	912	726	4.63
2006	200	41	596	124	45385	40704	24.67	239	22	7890	7186	4.84	3378	1852	676	550	4.66
2007	184	34	516	97	35294	32337	25.66	225	20	7426	6768	4.84	2412	1322	483	402	4.70
2008	161	32	457	78	28420	26623	25.80	195	10	3727	3687	4.82	1974	1094	399	338	4.72
2009	148	26	426	71	25790	24043	26.43	185	9	3452	3432	4.87	1547	878	320	275	4.81
2010	144	23	388	62	22555	21356	27.23	176	9	3304	3284	4.93	1326	748	273	237	4.88
2011	137	21	357	55	19905	19064	28.09	141	6	2361	2343	5.08	1140	637	233	203	5.01
2012	125	19	322	40	14438	14015	30.10	135	6	2288	2270	5.13	963	540	197	172	5.10
2013	106	15	288	33	12144	11820	30.94	123	6	2081	2065	5.18	630	349	127	111	5.22
Sub.	195	35	636	168	736295	642995	22.62	219	18	78355	72549	4.78	3784	2141	9376	7297	4.47
Rem.	63	2	113	7	98206	97098	39.51	62	3	45788	45399	6.59	50	23	317	281	5.42
Tot.	**94**	**10**	**238**	**46**	**834501**	**740093**	**24.61**	**99**	**7**	**124142**	**117948**	**5.45**	**946**	**531**	**9693**	**7578**	**4.50**

	Total Gas Production					Condensate Production					Butane Production				
Year	Gross Daily Mcf	Compny Daily Mcf	Compny Yearly Mmcf	Net Yearly Mmcf	Price $/Mcf	Gross Daily Stb	Compny Daily Stb	Compny Yearly Stb	Net Yearly Stb	Price $/Bbl	Gross Daily Stb	Compny Daily Stb	Compny Yearly Stb	Net Yearly Stb	Price $/Bbl
2002	12848	7390	2697	1974	4.01	20	14	4988	4635	30.64	7	0	146	145	18.65
2003	8883	4976	1816	1351	4.49	18	12	4444	4129	31.14	7	0	141	140	19.15
2004	6692	3505	1279	992	4.57	17	11	4094	3803	30.39	6	0	131	130	18.40
2005	4815	2522	920	734	4.63	15	10	3755	3490	28.91	6	0	127	126	17.40
2006	3617	1874	684	558	4.66	14	9	3462	3217	28.91	6	0	123	122	17.40
2007	2637	1342	490	409	4.70	13	9	3194	2969	29.41	6	0	120	119	17.90
2008	2169	1104	403	341	4.72	12	8	2903	2703	29.95	6	0	116	115	18.40
2009	1732	887	324	279	4.81	11	7	2677	2492	30.45	5	0	113	112	18.90
2010	1502	757	276	240	4.88	10	7	2470	2300	30.95	5	0	110	109	19.40
2011	1281	644	235	205	5.01	9	6	2279	2122	31.45	5	0	107	106	19.90
2012	1099	546	199	174	5.10	8	6	2103	1958	31.95	5	0	104	103	20.40
2013	753	354	129	113	5.22	8	5	1941	1807	32.45	4	0	95	94	20.90
Sub.	4002	2158	9454	7370	4.47	13	9	38310	35625	30.41	6	0	1434	1422	18.82
Rem.	112	26	363	326	5.57	1	0	4815	4483	33.41	3	0	2223	2204	29.67
Tot.	**1045**	**538**	**9817**	**7696**	**4.51**	**3**	**2**	**43125**	**40108**	**30.74**	**3**	**0**	**3658**	**3626**	**25.42**

	Total NGL Production					Total Oil + NGL Production					Total Oil Equiv. Production				
Year	Gross Daily Stb	Compny Daily Stb	Compny Yearly Stb	Net Yearly Stb	Price $/Bbl	Gross Daily Stb	Compny Daily Stb	Compny Yearly Stb	Net Yearly Stb	Price $/Bbl	Gross Daily Stb	Compny Daily Stb	Compny Yearly Mstb	Net Yearly Mstb	Price $/BOE
2002	27	14	5134	4780	30.30	1577	629	229570	191162	19.64	3718	1861	679	520	22.58
2003	25	13	4585	4269	30.77	1142	406	148223	127589	21.48	2623	1235	451	353	25.13
2004	23	12	4224	3933	30.02	940	301	109959	95461	23.24	2055	885	323	261	26.02
2005	21	11	3882	3616	28.53	715	171	62439	55420	24.35	1517	591	216	178	26.78
2006	20	10	3585	3339	28.51	615	134	48970	44043	24.95	1218	446	163	137	27.07
2007	19	9	3314	3088	28.99	534	106	38608	35424	25.95	974	330	120	104	27.47
2008	17	8	3019	2818	29.50	474	86	31440	29441	26.15	835	270	99	86	27.64
2009	16	8	2790	2605	29.98	442	78	28580	26647	26.78	731	226	83	73	28.15
2010	15	7	2580	2409	30.46	403	69	25135	23765	27.56	654	195	71	64	28.69
2011	14	7	2386	2228	30.93	371	61	22291	21292	28.39	585	168	61	55	29.47
2012	13	6	2207	2061	31.40	335	46	16645	16076	30.27	518	137	50	45	30.47
2013	12	6	2035	1900	31.91	300	39	14179	13721	31.08	426	98	36	33	31.24
Sub.	18	9	39744	37047	29.99	654	177	776039	680042	23.00	1321	537	2352	1908	25.56
Rem.	3	1	7039	6687	32.23	116	8	105245	103786	39.03	135	12	166	158	36.97
Tot.	**7**	**3**	**46783**	**43734**	**30.33**	**245**	**48**	**881284**	**783827**	**24.91**	**419**	**138**	**2517**	**2067**	**26.31**

REVENUE AND EXPENSE FORECAST

	Revenue Before Burdens						Royalty Burdens Pre-Processing		Gas Processing Allowance		Total Royalty	Net Revenue	Operating Expenses		
		Working Interest			Royalty	Company					After	After			
Year	Oil M$	Gas M$	NGL+Sul M$	Total M$	Interest M$	Total M$	Crown M$	Other M$	Crown M$	Other M$	Process. M$	Royalty M$	Fixed M$	Variable M$	Total M$
2002	4223	10741	155	15119	215	15334	1976	1512	0	70	3418	11916	2498	1897	4395
2003	2952	8069	140	11162	171	11333	1491	901	0	35	2356	8977	2286	1323	3609
2004	2351	5782	126	8260	149	8409	1004	557	0	13	1548	6861	2049	1066	3115
2005	1353	4197	110	5661	119	5781	655	325	0	3	977	4803	1721	586	2307
2006	1076	3134	102	4313	99	4411	455	220	0	-1	676	3736	1565	430	1996
2007	876	2252	96	3224	80	3304	277	163	0	-3	443	2861	1206	325	1531
2008	705	1862	89	2655	71	2726	205	115	0	-5	325	2401	1084	263	1347
2009	654	1519	83	2256	67	2324	167	85	0	-6	258	2065	981	226	1207
2010	587	1312	78	1978	64	2042	131	70	0	-6	206	1836	931	196	1127
2011	533	1143	73	1749	62	1811	105	61	0	-6	172	1639	881	172	1053
2012	414	982	69	1465	54	1519	89	48	0	-5	143	1377	791	132	923
2013	357	644	65	1066	51	1117	54	40	0	-5	99	1017	524	99	623
Sub.	16083	41638	1187	58908	1203	60110	6609	4096	0	84	10621	49489	16517	6715	23232
Rem.	3410	1800	218	5427	701	6128	110	129	0	-48	286	5842	3068	569	3637
Tot.	**19492**	**43438**	**1405**	**64335**	**1903**	**66238**	**6718**	**4225**	**0**	**36**	**10907**	**55331**	**19585**	**7284**	**26869**
Disc	11863	30483	757	43103	852	43955	5064	3234	0	86	8213	35742	10941	5032	15973

	Other Expenses			Net Prod'n	Other Income				Net Capital Investment				Before Tax Cash Flow		
Year	Mineral Tax M$	Capital Tax M$	NPI Payment M$	Revenue M$	Other M$	ARTC M$	Aband. Costs M$	Oper. Income M$	Dev. M$	Plant M$	Tang. M$	Total M$	Annual M$	Cum. M$	12% Dcf M$
2002	411	0	0	7110	199	0	0	7309	0	0	0	0	7309	7309	6906
2003	173	0	0	5194	173	0	0	5367	0	0	0	0	5367	12676	11434
2004	74	0	0	3672	148	0	0	3820	15	0	0	15	3805	16481	14301
2005	19	0	0	2477	127	0	0	2605	0	0	0	0	2605	19086	16052
2006	8	0	0	1732	110	0	0	1842	0	0	0	0	1842	20927	17158
2007	3	0	0	1327	90	0	0	1417	0	0	0	0	1417	22344	17918
2008	1	0	0	1053	80	0	0	1133	0	0	0	0	1133	23477	18460
2009	0	0	0	858	70	0	0	928	0	0	0	0	928	24405	18857
2010	0	0	0	709	62	0	0	771	0	0	0	0	771	25176	19151
2011	0	0	0	586	55	0	0	641	0	0	0	0	641	25817	19370
2012	0	0	0	454	49	0	0	503	0	0	0	0	503	26320	19523
2013	0	0	0	394	44	0	0	438	0	0	0	0	438	26758	19642
Sub.	691	0	0	25567	1207	0	0	26774	15	0	0	15	26758	26758	19642
Rem.	0	0	0	2205	81	0	0	2286	0	0	0	0	2286	29044	19947
Tot.	**691**	**0**	**0**	**27772**	**1288**	**0**	**0**	**29059**	**15**	**0**	**0**	**15**	**29044**	**29044**	**19947**
Disc	611	0	0	19158	800	0	0	19958	12	0	0	12	19947	19947	19947

RESERVE SUMMARY

Product	Units	Remaining Reserves at January 1, 2002 Gross	Working Interest	Roy/NPI Interest	Total Company	Net	Oil Equivalents BOE Factor	Company Mstb	% of Total	Reserve Life Indic. (yr) Reserve Life	Life Index	Half Life
Oil	Mstb	4348	803	31	835	740	1.000	835	33	48	3.7	2.5
Solution Gas	Mmcf	1812	111	13	124	118	6.000	21	1	48	9.1	6.2
Residue Gas	Mmcf	17266	9528	165	9693	7578	6.000	1616	64	20	3.6	2.3
Total Gas	Mmcf	19078	9639	178	9817	7696	6.000	1636	65	48	3.6	2.3
	MMMBtu	19236	9714	0	9892	7771				48	3.6	2.3
Condensate	Mstb	63	43	0	43	40	1.000	43	2	22	8.6	5.3
Butane	Mstb	63	3	1	4	4	1.000	4	0	48	25.0	16.5
Total NGL	Mstb	127	46	1	47	44	1.000	47	2	48	9.1	5.6
Total Oil+NGL	Mstb	4475	849	32	881	784	1.000	881	35	48	3.8	2.6
Total Oil Eq.	Mstb	7654	2456	62	2517	2067		2517	100	48	3.7	2.4

PRODUCT REVENUE AND EXPENSES

Product	Units	Average First Year Unit Values Base Price	Price Adjust.	Wellhead Price	Net Burdens	Operating Expenses	Other Expenses	Prod'n Revenue	Net Revenue After Royalties Undisc M$	% of Total	12% Disc M$	% of Total
Oil	$/Stb	30.75	-11.35	19.40	3.11	9.43	0.12	6.73	18601	34	10782	30
Solution Gas	$/Mcf	3.95	0.45	4.40	0.43	1.66	0.00	2.31	641	1	253	1
Residue Gas	$/Mcf	3.95	0.06	4.01	1.03	0.81	0.14	2.02	34759	63	23995	67
Total Gas	$/Mcf	3.95	0.06	4.01	1.03	0.82	0.14	2.02	35400	64	24248	68
Condensate	$/Stb	31.75	-1.11	30.64	2.16	14.10	0.00	14.38	1240	2	693	2
Butane	$/Stb	20.75	-2.10	18.65	0.16	3.07	0.00	15.42	90	0	19	0
Total NGL	$/Stb	31.44	-1.14	30.30	2.11	13.79	0.00	14.41	1330	2	712	2
Total Oil+NGL	$/Stb	30.77	-11.13	19.64	3.09	9.53	0.12	6.90	19931	36	11494	32
Total Oil Eq.	$/BOE	26.09	-3.51	22.58	5.14	6.47	0.61	10.37	55331	100	35742	100

INTEREST AND NET PRESENT VALUE SUMMARY

Revenue Interests and Burdens (%) Initial	Average	Disc. Rate %	Net Present Value Before Income Tax Prod'n Revenue M$	Operating Income M$	Capital Invest. M$	Cash Flow M$	$/BOE
Working Interest 47.0789	28.2348	0.0	27772	29059	15	29044	11.54
Capital Interest 50.0000	30.0000	8.0	21140	22056	13	22044	8.76
Royalty Interest 0.6696	0.8352	10.0	20084	20938	12	20926	8.31
Crown Royalty 13.0667	10.4427	12.0	19158	19958	12	19947	7.92
Non-crown Royalty 9.9997	6.5668	15.0	17960	18691	11	18680	7.42
Mineral Tax 2.7194	1.0734	18.0	16940	17614	10	17604	6.99
NPI Payment 0.0006	0.0004	20.0	16339	16980	10	16970	6.74

Project.....1025303
Entity.....Total Properties (Proved Producing)
Run date....Wed Mar 06 2002 14:34:10
Evaluator...Dell, Neil I.

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Company: **TRUE ENERGY INC.**
Property: **Summary**
Description: **Total Properties**

Reserve Class: **Proved**
Development Class: **Total**
Pricing: **GLJ (2002-01)**
Effective Date: **January 01, 2002**

PRODUCTION FORECAST

	Gross Wells		Oil Production					Solution Gas Production					Residue Gas Production				
Year	Oil	Gas	Gross Daily Stb	Compny Daily Stb	Compny Yearly Stb	Net Yearly Stb	Price $/Bbl	Gross Daily Mcf	Compny Daily Mcf	Compny Yearly Mcf	Net Yearly Mcf	Price $/Mcf	Gross Daily Mcf	Compny Daily Mcf	Compny Yearly Mmcf	Net Yearly Mmcf	Price $/Mcf
2002	386	62	1569	634	231435	192505	19.72	359	52	18967	16988	4.41	13755	8431	3077	2243	4.02
2003	281	63	1471	507	185178	160711	22.95	326	43	15617	14042	4.78	10739	6521	2380	1784	4.49
2004	263	60	1109	353	128883	112428	24.01	293	37	13536	12181	4.84	8233	4750	1734	1349	4.58
2005	228	53	824	203	74050	65140	24.95	264	30	10838	9791	4.84	5956	3462	1264	1007	4.62
2006	206	47	694	157	57305	49126	25.43	244	27	9734	8800	4.84	4462	2592	946	769	4.65
2007	190	39	595	123	44944	39275	26.35	230	25	9029	8171	4.85	3269	1890	690	572	4.67
2008	167	37	522	100	36496	32539	26.60	199	14	5132	4915	4.83	2660	1528	558	469	4.69
2009	154	31	483	90	32708	29200	27.17	188	13	4691	4516	4.89	2097	1225	447	381	4.77
2010	150	28	437	78	28585	25928	27.91	179	12	4403	4246	4.94	1769	1027	375	322	4.84
2011	141	26	373	63	22909	21472	28.54	144	9	3343	3201	5.08	1406	832	304	262	4.97
2012	128	22	325	43	15612	15042	30.38	138	9	3168	3040	5.13	1127	663	242	209	5.05
2013	108	19	290	35	12872	12457	31.13	125	7	2663	2574	5.18	897	517	189	163	5.13
Sub.	200	41	724	199	870976	755822	23.63	224	23	101120	92464	4.78	4698	2787	12205	9531	4.48
Rem.	63	2	113	7	98206	97098	39.51	62	3	45788	45399	6.59	55	26	360	317	5.38
Tot.	**96**	**11**	**260**	**53**	**969183**	**852920**	**25.24**	**101**	**8**	**146908**	**137863**	**5.34**	**1169**	**689**	**12565**	**9848**	**4.51**

	Total Gas Production					Condensate Production					Butane Production				
Year	Gross Daily Mcf	Compny Daily Mcf	Compny Yearly Mmcf	Net Yearly Mmcf	Price $/Mcf	Gross Daily Stb	Compny Daily Stb	Compny Yearly Stb	Net Yearly Stb	Price $/Bbl	Gross Daily Stb	Compny Daily Stb	Compny Yearly Stb	Net Yearly Stb	Price $/Bbl
2002	14114	8483	3096	2260	4.02	20	14	5060	4698	30.61	7	0	146	145	18.65
2003	11065	6564	2396	1798	4.49	18	12	4488	4168	31.12	7	0	141	140	19.15
2004	8526	4787	1747	1362	4.58	17	11	4128	3834	30.37	6	0	131	130	18.40
2005	6220	3492	1275	1017	4.62	15	10	3785	3516	28.89	6	0	127	126	17.40
2006	4705	2618	956	777	4.65	14	10	3487	3239	28.89	6	0	123	122	17.40
2007	3498	1914	699	580	4.67	13	9	3216	2988	29.39	6	0	120	119	17.90
2008	2859	1542	563	474	4.69	12	8	2922	2719	29.93	6	0	116	115	18.40
2009	2285	1238	452	385	4.77	11	7	2694	2507	30.43	5	0	113	112	18.90
2010	1948	1039	379	326	4.84	10	7	2485	2313	30.93	5	0	110	109	19.40
2011	1550	841	307	265	4.97	9	6	2293	2134	31.43	5	0	107	106	19.90
2012	1264	672	245	212	5.05	8	6	2115	1969	31.94	5	0	104	103	20.40
2013	1023	524	191	166	5.13	8	5	1949	1814	32.44	4	0	95	94	20.90
Sub.	4921	2810	12306	9623	4.49	13	9	38623	35899	30.39	6	0	1434	1422	18.82
Rem.	116	29	406	363	5.52	1	0	4815	4483	33.41	3	0	2223	2204	29.67
Tot.	**1270**	**697**	**12712**	**9986**	**4.52**	**3**	**2**	**43438**	**40382**	**30.72**	**3**	**0**	**3658**	**3626**	**25.42**

	Total NGL Production					Total Oil + NGL Production					Total Oil Equiv. Production				
Year	Gross Daily Stb	Compny Daily Stb	Compny Yearly Stb	Net Yearly Stb	Price $/Bbl	Gross Daily Stb	Compny Daily Stb	Compny Yearly Mstb	Net Yearly Stb	Price $/Bbl	Gross Daily Stb	Compny Daily Stb	Compny Yearly Mstb	Net Yearly Mstb	Price $/BOE
2002	27	14	5207	4843	30.27	1596	648	237	197348	19.95	3949	2062	753	574	22.82
2003	25	13	4630	4308	30.75	1496	520	190	165018	23.14	3340	1614	589	465	25.73
2004	23	12	4259	3963	30.01	1132	365	133	116391	24.20	2553	1163	424	343	26.46
2005	21	11	3912	3642	28.52	845	214	78	68782	25.13	1882	796	290	238	27.04
2006	20	10	3610	3362	28.50	714	167	61	52488	25.61	1498	603	220	182	27.27
2007	19	9	3336	3107	28.98	613	132	48	42381	26.54	1196	451	165	139	27.60
2008	17	8	3039	2835	29.49	540	108	40	35374	26.82	1016	365	133	114	27.76
2009	16	8	2807	2620	29.97	499	97	36	31819	27.39	880	304	111	96	28.23
2010	15	7	2595	2422	30.44	452	85	31	28350	28.12	777	259	94	83	28.74
2011	14	7	2400	2240	30.92	387	69	25	23712	28.77	646	210	76	68	29.46
2012	13	6	2219	2072	31.39	338	49	18	17114	30.50	549	161	59	52	30.36
2013	12	6	2043	1907	31.91	302	41	15	14365	31.24	473	128	47	42	30.93
Sub.	19	9	40057	37321	29.98	743	208	911	793142	23.91	1563	676	2962	2397	25.99
Rem.	3	1	7039	6687	32.23	116	8	105	103786	39.03	135	12	173	164	36.71
Tot.	**7**	**3**	**47096**	**44008**	**30.31**	**267**	**56**	**1016**	**896928**	**25.48**	**478**	**172**	**3135**	**2561**	**26.59**

REVENUE AND EXPENSE FORECAST

	Revenue Before Burdens						Royalty Burdens Pre-Processing		Gas Processing Allowance		Total Royalty	Net Revenue	Operating Expenses		
		Working Interest			Royalty	Company					After	After			
Year	Oil M$	Gas M$	NGL+Sul M$	Total M$	Interest M$	Total M$	Crown M$	Other M$	Crown M$	Other M$	Process. M$	Royalty M$	Fixed M$	Variable M$	Total M$
2002	4433	12372	157	16962	215	17177	2100	1859	2	103	3855	13323	2570	2225	4795
2003	4160	10686	142	14988	171	15159	1810	1284	1	63	3030	12129	2469	1823	4291
2004	3017	7936	127	11080	149	11229	1213	858	1	39	2031	9199	2248	1446	3694
2005	1791	5831	111	7733	119	7853	814	551	1	26	1338	6515	1895	862	2757
2006	1414	4388	103	5905	99	6004	614	395	1	17	990	5014	1719	659	2377
2007	1154	3216	96	4467	80	4547	384	304	1	14	674	3873	1351	502	1853
2008	942	2600	89	3631	71	3702	278	232	1	11	497	3205	1227	398	1625
2009	861	2117	84	3062	67	3129	222	182	1	8	395	2734	1127	351	1477
2010	771	1798	79	2648	64	2712	174	150	1	7	317	2395	1078	318	1396
2011	628	1490	74	2192	62	2253	118	126	1	3	241	2013	996	229	1225
2012	454	1205	69	1728	54	1782	89	92	1	0	181	1602	868	154	1023
2013	382	951	65	1397	51	1448	68	73	1	-2	142	1306	792	123	916
Sub.	20008	54590	1196	75794	1203	76996	7883	6106	12	287	13690	63306	18342	9089	27430
Rem.	3410	2020	218	5647	701	6348	119	154	0	-45	318	6030	3306	582	3888
Tot.	**23417**	**56610**	**1413**	**81441**	**1903**	**83344**	**8002**	**6260**	**12**	**242**	**14008**	**69336**	**21647**	**9671**	**31318**
Disc	14551	39340	763	54655	852	55507	5953	4624	7	220	10350	45156	11982	6668	18649

	Other Expenses			Net Prod'n	Other Income				Net Capital Investment				Before Tax Cash Flow		
Year	Mineral Tax M$	Capital Tax M$	NPI Payment M$	Revenue M$	Other M$	ARTC M$	Aband. Costs M$	Oper. Income M$	Dev. M$	Plant M$	Tang. M$	Total M$	Annual M$	Cum. M$	12% Dcf M$
2002	534	0	0	7993	199	0	0	8192	295	130	165	590	7602	7602	7184
2003	382	0	0	7456	173	0	0	7628	445	459	232	1136	6493	14095	12661
2004	251	0	0	5254	148	0	0	5402	15	0	0	15	5386	19481	16718
2005	152	0	0	3606	127	0	0	3733	0	0	0	0	3733	23215	19229
2006	102	0	0	2535	110	0	0	2644	0	0	0	0	2644	25859	20817
2007	66	0	0	1954	90	0	0	2044	0	0	0	0	2044	27904	21914
2008	40	0	0	1540	80	0	0	1620	0	0	0	0	1620	29524	22689
2009	21	0	0	1236	70	0	0	1306	0	0	0	0	1306	30830	23248
2010	10	0	0	989	62	0	0	1051	0	0	0	0	1051	31881	23649
2011	4	0	0	783	55	0	0	838	0	0	0	0	838	32719	23934
2012	1	0	0	577	49	0	0	626	0	0	0	0	626	33345	24125
2013	1	0	0	389	44	0	0	433	0	0	0	0	433	33778	24242
Sub.	1563	0	0	34313	1207	0	0	35520	755	589	397	1741	33778	33778	24242
Rem.	0	0	0	2142	81	0	0	2223	0	0	0	0	2223	36001	24532
Tot.	**1563**	**0**	**0**	**36455**	**1288**	**0**	**0**	**37743**	**755**	**589**	**397**	**1741**	**36001**	**36001**	**24532**
Disc	1248	0	0	25259	800	0	0	26059	666	510	351	1527	24532	24532	24532

RESERVE SUMMARY

		Remaining Reserves at January 1, 2002					Oil Equivalents			Reserve Life Indic. (yr)		
Product	Units	Gross	Working Interest	Roy/NPI Interest	Total Company	Net	BOE Factor	Company Mstb	% of Total	Reserve Life	Life Index	Half Life
Oil	Mstb	4737	938	31	969	853	1.000	969	31	48	4.2	2.5
Solution Gas	Mmcf	1835	134	13	147	138	6.000	24	1	48	7.7	5.5
Residue Gas	Mmcf	21334	12401	165	12565	9848	6.000	2094	67	20	4.1	2.5
Total Gas	Mmcf	23169	12534	178	12712	9986	6.000	2119	68	48	4.1	2.5
	MMMBtu	23276	12579	0	12757	10033				48	4.1	2.5
Condensate	Mstb	64	43	0	43	40	1.000	43	1	22	8.6	5.2
Butane	Mstb	63	3	1	4	4	1.000	4	0	48	25.0	16.5
Total NGL	Mstb	127	47	1	47	44	1.000	47	2	48	9.0	5.6
Total Oil+NGL	Mstb	4864	984	32	1016	897	1.000	1016	32	48	4.3	2.6
Total Oil Eq.	Mstb	8725	3073	62	3135	2561		3135	100	48	4.2	2.5

PRODUCT REVENUE AND EXPENSES

		Average First Year Unit Values							Net Revenue After Royalties			
Product	Units	Base Price	Price Adjust.	Wellhead Price	Net Burdens	Operating Expenses	Other Expenses	Prod'n Revenue	Undisc M$	% of Total	12% Disc M$	% of Total
Oil	$/Stb	30.75	-11.03	19.72	3.13	9.34	0.14	7.11	21897	32	13079	29
Solution Gas	$/Mcf	3.95	0.46	4.41	0.46	1.84	0.00	2.11	743	1	321	1
Residue Gas	$/Mcf	3.95	0.07	4.02	1.04	0.82	0.16	1.99	45358	65	31039	69
Total Gas	$/Mcf	3.95	0.07	4.02	1.04	0.83	0.16	1.99	46102	66	31360	69
Condensate	$/Stb	31.75	-1.14	30.61	2.18	14.11	0.00	14.31	1248	2	699	2
Butane	$/Stb	20.75	-2.10	18.65	0.16	3.07	0.00	15.42	90	0	19	0
Total NGL	$/Stb	31.44	-1.17	30.27	2.13	13.80	0.00	14.35	1338	2	717	2
Total Oil+NGL	$/Stb	30.77	-10.82	19.95	3.11	9.44	0.13	7.27	23235	34	13797	31
Total Oil Eq.	$/BOE	25.92	-3.10	22.82	5.26	6.37	0.71	10.48	69336	100	45156	100

INTEREST AND NET PRESENT VALUE SUMMARY

Revenue Interests and Burdens (%)			Net Present Value Before Income Tax					
	Initial	Average	Disc. Rate %	Prod'n Revenue M$	Operating Income M$	Capital Invest. M$	Cash Flow M$	Cash Flow $/BOE
Working Interest	49.5567	31.6051	0.0	36455	37743	1741	36001	11.48
Capital Interest	100.0000	52.1901	8.0	27927	28844	1592	27252	8.69
Royalty Interest	0.6282	0.7386	10.0	26511	27366	1559	25806	8.23
Crown Royalty	12.3817	9.8254	12.0	25259	26059	1527	24532	7.83
Non-crown Royalty	10.9623	7.6865	15.0	23627	24358	1482	22876	7.30
Mineral Tax	3.1493	1.9191	18.0	22227	22901	1439	21461	6.85
NPI Payment	0.0006	0.0003	20.0	21399	22039	1412	20627	6.58

Project.....1025303
Entity.....Total Properties (Total Proved)
Run date....Wed Mar 06 2002 14:34:11
Evaluator...Dell, Neil I.

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Company: **TRUE ENERGY INC.**
Property: **Summary**
Description: **Total Properties**

Reserve Class: **Proved Plus Probable**
Development Class: **Producing**
Pricing: **GLJ (2002-01)**
Effective Date: **January 01, 2002**

PRODUCTION FORECAST

	Gross Wells		Oil Production					Solution Gas Production					Residue Gas Production				
Year	Oil	Gas	Gross Daily Stb	Compny Daily Stb	Compny Yearly Mstb	Net Yearly Stb	Price $/Bbl	Gross Daily Mcf	Compny Daily Mcf	Compny Yearly Mcf	Net Yearly Mcf	Price $/Mcf	Gross Daily Mcf	Compny Daily Mcf	Compny Yearly Mmcf	Net Yearly Mmcf	Price $/Mcf
2002	384	58	1618	665	243	199547	19.26	348	38	13865	12529	4.40	13901	8314	3035	2211	4.02
2003	278	58	1222	471	172	144625	20.72	322	35	12661	11461	4.77	10491	6236	2276	1675	4.48
2004	266	57	1094	410	150	127670	22.26	295	32	11670	10542	4.83	8335	4741	1731	1306	4.56
2005	234	51	846	258	94	81741	22.57	269	26	9365	8509	4.84	6407	3633	1326	1020	4.60
2006	219	47	712	197	72	62685	22.98	251	23	8473	7718	4.84	4954	2792	1019	800	4.62
2007	198	41	602	128	47	41843	25.09	236	22	7959	7242	4.84	3940	2209	806	642	4.64
2008	188	38	535	110	40	36405	25.54	225	21	7594	6911	4.84	3214	1786	652	527	4.66
2009	154	32	470	83	30	27780	26.15	198	11	4085	3992	4.88	2412	1335	487	403	4.74
2010	149	30	436	74	27	25263	26.74	188	10	3533	3513	4.92	2094	1158	422	353	4.81
2011	148	27	415	70	25	23802	27.35	180	9	3408	3389	5.03	1824	999	365	307	4.93
2012	142	25	395	65	24	22440	27.95	173	9	3292	3273	5.08	1589	873	318	269	5.00
2013	140	22	371	60	22	20677	28.62	167	9	3183	3164	5.13	1281	724	264	226	5.09
Sub.	208	41	726	216	946	814478	22.25	238	20	89089	82244	4.79	5037	2900	12702	9741	4.48
Rem.	74	4	147	12	165	161308	37.34	75	4	53688	53239	6.70	149	71	989	867	5.44
Tot.	**107**	**13**	**286**	**61**	**1111**	**975785**	**24.50**	**114**	**8**	**142777**	**135482**	**5.51**	**1322**	**750**	**13690**	**10608**	**4.55**

	Total Gas Production					Condensate Production					Butane Production				
Year	Gross Daily Mcf	Compny Daily Mcf	Compny Yearly Mmcf	Net Yearly Mmcf	Price $/Mcf	Gross Daily Stb	Compny Daily Stb	Compny Yearly Stb	Net Yearly Stb	Price $/Bbl	Gross Daily Stb	Compny Daily Stb	Compny Yearly Stb	Net Yearly Stb	Price $/Bbl
2002	14249	8352	3049	2224	4.02	23	16	5770	5363	30.65	7	0	147	146	18.65
2003	10813	6271	2289	1686	4.48	21	15	5348	4971	31.15	7	0	142	141	19.15
2004	8629	4773	1742	1316	4.56	19	13	4819	4478	30.40	6	0	132	131	18.40
2005	6676	3659	1335	1029	4.60	18	12	4449	4136	28.91	6	0	129	127	17.40
2006	5205	2815	1028	808	4.62	17	11	4127	3836	28.91	6	0	125	124	17.40
2007	4177	2230	814	650	4.64	15	10	3832	3562	29.41	6	0	122	121	17.90
2008	3439	1807	660	533	4.66	14	10	3560	3309	29.91	6	0	119	118	18.40
2009	2610	1346	491	407	4.74	13	9	3264	3038	30.44	6	0	116	115	18.90
2010	2282	1167	426	357	4.81	12	8	3026	2817	30.95	5	0	113	112	19.40
2011	2004	1009	368	311	4.93	11	8	2810	2616	31.45	5	0	111	110	19.90
2012	1763	882	322	272	5.00	10	7	2609	2429	31.95	5	0	108	107	20.40
2013	1448	732	267	229	5.09	10	7	2423	2256	32.45	5	0	106	105	20.90
Sub.	5275	2920	12791	9823	4.48	15	11	46036	42811	30.42	6	0	1471	1458	18.84
Rem.	223	75	1042	920	5.51	1	1	11606	10806	34.13	3	0	2571	2549	30.47
Tot.	**1436**	**758**	**13833**	**10743**	**4.56**	**5**	**3**	**57642**	**53617**	**31.17**	**4**	**0**	**4042**	**4007**	**26.24**

	Total NGL Production					Total Oil + NGL Production					Total Oil Equiv. Production				
Year	Gross Daily Stb	Compny Daily Stb	Compny Yearly Stb	Net Yearly Stb	Price $/Bbl	Gross Daily Stb	Compny Daily Stb	Compny Yearly Mstb	Net Yearly Mstb	Price $/Bbl	Gross Daily Stb	Compny Daily Stb	Compny Yearly Mstb	Net Yearly Mstb	Price $/BOE
2002	30	16	5916	5508	30.35	1648	681	249	205	19.52	4022	2073	757	576	22.61
2003	28	15	5490	5112	30.84	1250	486	177	150	21.03	3052	1531	559	431	25.02
2004	26	14	4951	4609	30.08	1119	424	155	132	22.51	2558	1219	445	352	25.68
2005	24	13	4578	4263	28.59	870	271	99	86	22.85	1982	881	321	257	26.15
2006	23	12	4252	3961	28.57	734	209	76	67	23.29	1602	678	247	201	26.36
2007	21	11	3954	3683	29.06	623	139	51	46	25.40	1319	511	186	154	27.18
2008	20	10	3679	3427	29.54	554	120	44	40	25.88	1128	421	154	129	27.38
2009	19	9	3380	3153	30.05	489	92	34	31	26.54	924	316	115	99	27.89
2010	17	9	3139	2929	30.53	454	83	30	28	27.14	834	278	101	88	28.35
2011	16	8	2921	2726	31.01	431	78	28	27	27.73	765	246	90	78	29.01
2012	16	7	2718	2537	31.49	410	73	27	25	28.31	704	220	80	70	29.44
2013	15	7	2529	2361	31.97	385	67	24	23	28.96	627	189	69	61	29.97
Sub.	21	11	47507	44269	30.06	747	227	993	859	22.63	1626	713	3125	2496	25.55
Rem.	4	1	14178	13355	33.47	151	13	179	175	37.04	189	25	353	328	35.07
Tot.	**8**	**3**	**61685**	**57623**	**30.84**	**294**	**64**	**1172**	**1033**	**24.83**	**534**	**191**	**3478**	**2824**	**26.51**

REVENUE AND EXPENSE FORECAST

	Revenue Before Burdens						Royalty Burdens Pre-Processing		Gas Processing Allowance		Total Royalty	Net Revenue	Operating Expenses		
		Working Interest			Royalty	Company					After	After			
Year	Oil M$	Gas M$	NGL+Sul M$	Total M$	Interest M$	Total M$	Crown M$	Other M$	Crown M$	Other M$	Process. M$	Royalty M$	Fixed M$	Variable M$	Total M$
2002	4540	12167	179	16886	219	17105	2153	1822	0	88	3887	13217	2512	2035	4547
2003	3465	10167	169	13800	179	13979	1812	1294	0	61	3045	10934	2412	1527	3939
2004	3249	7872	148	11269	159	11428	1424	904	0	43	2285	9144	2365	1489	3854
2005	2065	6080	130	8275	132	8407	1010	615	0	23	1602	6805	1969	974	2943
2006	1596	4687	121	6404	117	6522	735	439	0	14	1159	5363	1798	766	2564
2007	1128	3723	115	4966	100	5065	562	285	0	5	842	4223	1589	496	2086
2008	994	3026	108	4128	82	4210	431	221	0	1	651	3559	1490	414	1905
2009	760	2282	101	3144	77	3221	289	155	0	-3	446	2775	1070	310	1381
2010	699	2008	96	2803	70	2873	237	130	0	-3	370	2503	1026	276	1301
2011	667	1776	90	2533	68	2601	200	111	0	-4	315	2286	987	248	1235
2012	638	1571	85	2293	66	2359	173	98	0	-4	275	2084	955	227	1181
2013	597	1323	81	2000	64	2064	139	76	0	-6	221	1843	911	199	1110
Sub.	20398	56681	1423	78502	1333	79835	9167	6148	0	217	15098	64737	19084	8962	28045
Rem.	5579	5234	463	11277	1101	12378	447	318	0	-109	874	11503	6209	1154	7363
Tot.	**25977**	**61916**	**1886**	**89779**	**2434**	**92213**	**9614**	**6467**	**0**	**108**	**15972**	**76240**	**25293**	**10115**	**35408**
Disc	14892	40505	933	56331	951	57281	6726	4690	0	176	11240	46042	12778	6521	19299

	Other Expenses			Net Prod'n	Other Income				Net Capital Investment				Before Tax Cash Flow		
Year	Mineral Tax M$	Capital Tax M$	NPI Payment M$	Revenue M$	Other M$	ARTC M$	Aband. Costs M$	Oper. Income M$	Dev. M$	Plant M$	Tang. M$	Total M$	Annual M$	Cum. M$	12% Dcf M$
2002	580	0	0	8091	193	0	0	8285	0	0	0	0	8285	8285	7828
2003	359	0	0	6636	177	0	0	6813	0	0	0	0	6813	15097	13576
2004	202	0	0	5087	156	0	0	5243	15	0	0	15	5227	20325	17514
2005	80	0	0	3782	136	0	0	3918	0	0	0	0	3918	24243	20149
2006	30	0	0	2769	117	0	0	2886	0	0	0	0	2886	27129	21882
2007	14	0	0	2124	103	0	0	2227	0	0	0	0	2227	29356	23076
2008	8	0	0	1647	90	0	0	1737	0	0	0	0	1737	31093	23907
2009	4	0	0	1390	70	0	0	1460	0	0	0	0	1460	32552	24531
2010	2	0	0	1199	62	0	0	1261	0	0	0	0	1261	33814	25013
2011	1	0	0	1050	55	0	0	1105	0	0	0	0	1105	34918	25389
2012	1	0	0	902	49	0	0	951	0	0	0	0	951	35870	25679
2013	0	0	0	733	44	0	0	777	0	0	0	0	777	36647	25890
Sub.	1281	0	0	35410	1253	0	0	36662	15	0	0	15	36647	36647	25890
Rem.	0	0	0	4141	177	0	0	4318	0	0	0	0	4318	40965	26482
Tot.	**1281**	**0**	**0**	**39551**	**1430**	**0**	**0**	**40980**	**15**	**0**	**0**	**15**	**40965**	**40965**	**26482**
Disc	1089	0	0	25653	841	0	0	26494	12	0	0	12	26482	26482	26482

RESERVE SUMMARY

Product	Units	Remaining Reserves at January 1, 2002 Gross	Working Interest	Roy/NPI Interest	Total Company	Net	Oil Equivalents BOE Factor	Company Mstb	% of Total	Reserve Life Indic. (yr) Reserve Life	Life Index	Half Life
Oil	Mstb	5220	1074	36	1111	976	1.000	1111	32	50	4.6	2.9
Solution Gas	Mmcf	2078	128	15	143	135	6.000	24	1	50	10.3	7.0
Residue Gas	Mmcf	24123	13465	225	13690	10608	6.000	2282	66	29	4.5	2.9
Total Gas	Mmcf	26200	13593	240	13833	10743	6.000	2306	66	50	4.5	2.9
	MMMBtu	26362	13668	0	13909	10822				50	4.5	2.9
Condensate	Mstb	84	58	0	58	54	1.000	58	2	29	10.0	6.1
Butane	Mstb	70	3	1	4	4	1.000	4	0	50	27.5	17.9
Total NGL	Mstb	154	61	1	62	58	1.000	62	2	50	10.4	6.5
Total Oil+NGL	Mstb	5374	1135	37	1172	1033	1.000	1172	34	50	4.7	3.1
Total Oil Eq.	Mstb	9741	3401	77	3478	2824		3478	100	50	4.6	3.0

PRODUCT REVENUE AND EXPENSES

Product	Units	Average First Year Unit Values Base Price	Price Adjust.	Wellhead Price	Net Burdens	Operating Expenses	Other Expenses	Prod'n Revenue	Net Revenue After Royalties Undisc M$	% of Total	12% Disc M$	% of Total
Oil	$/Stb	30.75	-11.49	19.26	3.24	8.92	0.15	6.94	24428	32	13320	29
Solution Gas	$/Mcf	3.95	0.45	4.40	0.43	1.66	0.00	2.31	745	1	278	1
Residue Gas	$/Mcf	3.95	0.07	4.02	1.04	0.75	0.18	2.04	49284	65	31566	69
Total Gas	$/Mcf	3.95	0.07	4.02	1.04	0.76	0.18	2.04	50029	66	31844	69
Condensate	$/Stb	31.75	-1.10	30.65	2.16	12.46	0.00	16.03	1680	2	858	2
Butane	$/Stb	20.75	-2.10	18.65	0.16	3.07	0.00	15.42	103	0	20	0
Total NGL	$/Stb	31.48	-1.13	30.35	2.11	12.22	0.00	16.02	1783	2	877	2
Total Oil+NGL	$/Stb	30.77	-11.25	19.52	3.21	9.00	0.14	7.16	26211	34	14197	31
Total Oil Eq.	$/BOE	26.02	-3.42	22.61	5.25	6.01	0.77	10.58	76240	100	46042	100

INTEREST AND NET PRESENT VALUE SUMMARY

Revenue Interests and Burdens (%) Initial	Average	Disc. Rate %	Net Present Value Before Income Tax Prod'n Revenue M$	Operating Income M$	Capital Invest. M$	Cash Flow M$	$/BOE
Working Interest 48.6836	30.8386	0.0	39551	40980	15	40965	11.78
Capital Interest 50.0000	30.0000	8.0	28752	29726	13	29713	8.54
Royalty Interest 0.6305	0.8360	10.0	27092	27994	12	27982	8.05
Crown Royalty 12.7508	10.7084	12.0	25653	26494	12	26482	7.61
Non-crown Royalty 10.7918	7.2029	15.0	23815	24579	11	24568	7.06
Mineral Tax 3.4329	1.4273	18.0	22273	22973	10	22963	6.60
NPI Payment 0.0007	0.0005	20.0	21373	22037	10	22027	6.33

Project.....1025303
Entity.....Total Properties (Proved Plus Probable Producing)
Run date....Wed Mar 06 2002 14:34:12
Evaluator...Dell, Neil I.

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Company: **TRUE ENERGY INC.**
Property: **Summary**
Description: **Total Properties**

Reserve Class: **Proved Plus Probable**
Development Class: **Total**
Pricing: **GLJ (2002-01)**
Effective Date: **January 01, 2002**

PRODUCTION FORECAST

	Gross Wells		Oil Production					Solution Gas Production					Residue Gas Production				
Year	Oil	Gas	Gross Daily Stb	Compny Daily Stb	Compny Yearly Mstb	Net Yearly Mstb	Price $/Bbl	Gross Daily Mcf	Compny Daily Mcf	Compny Yearly Mcf	Net Yearly Mcf	Price $/Mcf	Gross Daily Mcf	Compny Daily Mcf	Compny Yearly Mmcf	Net Yearly Mmcf	Price $/Mcf
2002	390	62	1850	880	321	265	19.05	362	52	19115	17121	4.41	15169	9407	3434	2496	4.03
2003	292	66	2082	816	298	255	22.01	331	44	15904	14298	4.78	13492	8437	3080	2258	4.49
2004	286	66	1802	763	278	242	22.59	302	39	14203	12757	4.84	10923	6589	2405	1805	4.57
2005	255	60	1392	536	196	169	22.47	384	79	28762	26324	4.70	8648	5124	1870	1430	4.61
2006	239	55	1139	415	152	128	22.68	325	58	21301	19604	4.72	6647	3917	1430	1116	4.62
2007	218	49	969	308	112	96	23.86	268	38	13986	12779	4.77	5261	3074	1122	892	4.63
2008	207	46	853	263	96	82	24.36	230	25	9098	8227	4.84	4230	2427	886	716	4.65
2009	172	37	725	208	76	65	24.93	202	15	5436	5173	4.89	3088	1760	643	530	4.72
2010	164	35	642	177	65	56	25.56	191	13	4753	4581	4.93	2645	1502	548	457	4.79
2011	158	32	516	137	50	45	25.87	183	12	4518	4360	5.04	2276	1279	467	392	4.91
2012	147	31	420	84	31	28	27.36	176	12	4306	4160	5.09	2357	1237	451	371	4.97
2013	145	28	390	73	27	25	28.23	170	11	4114	3979	5.14	1790	978	357	297	5.05
Sub.	223	47	1065	388	1701	1456	22.49	260	33	145495	133361	4.75	6377	3811	16692	12760	4.50
Rem.	75	4	153	15	212	198	35.20	75	4	55125	54495	6.66	182	88	1226	1061	5.39
Tot.	**111**	**15**	**372**	**105**	**1913**	**1654**	**23.89**	**119**	**11**	**200620**	**187857**	**5.28**	**1669**	**982**	**17918**	**13821**	**4.56**

	Total Gas Production					Condensate Production					Butane Production				
Year	Gross Daily Mcf	Compny Daily Mcf	Compny Yearly Mmcf	Net Yearly Mmcf	Price $/Mcf	Gross Daily Stb	Compny Daily Stb	Compny Yearly Stb	Net Yearly Stb	Price $/Bbl	Gross Daily Stb	Compny Daily Stb	Compny Yearly Stb	Net Yearly Stb	Price $/Bbl
2002	15531	9460	3453	2513	4.03	23	16	5842	5426	30.62	7	0	147	146	18.65
2003	13823	8481	3096	2272	4.49	22	15	5392	5010	31.13	7	0	142	141	19.15
2004	11224	6628	2419	1818	4.57	20	13	4854	4509	30.38	6	0	132	131	18.40
2005	9032	5203	1899	1456	4.61	18	12	4479	4162	28.90	6	0	129	127	17.40
2006	6972	3976	1451	1136	4.62	17	11	4153	3859	28.90	6	0	125	124	17.40
2007	5529	3112	1136	904	4.63	15	11	3855	3582	29.40	6	0	122	121	17.90
2008	4460	2452	895	724	4.65	14	10	3581	3327	29.90	6	0	119	118	18.40
2009	3290	1775	648	535	4.73	13	9	3282	3054	30.43	6	0	116	115	18.90
2010	2836	1515	553	462	4.79	12	8	3042	2831	30.94	5	0	113	112	19.40
2011	2459	1291	471	397	4.91	11	8	2825	2629	31.44	5	0	111	110	19.90
2012	2533	1249	456	375	4.97	10	7	2623	2442	31.94	5	0	108	107	20.40
2013	1960	989	361	301	5.05	10	7	2436	2267	32.44	5	0	106	105	20.90
Sub.	6637	3844	16838	12893	4.51	15	11	46366	43099	30.40	6	0	1471	1458	18.84
Rem.	257	92	1281	1116	5.44	1	1	11626	10823	34.12	3	0	2571	2549	30.47
Tot.	**1788**	**993**	**18119**	**14009**	**4.57**	**5**	**3**	**57991**	**53922**	**31.15**	**4**	**0**	**4042**	**4007**	**26.24**

	Total NGL Production					Total Oil + NGL Production					Total Oil Equiv. Production				
Year	Gross Daily Stb	Compny Daily Stb	Compny Yearly Stb	Net Yearly Stb	Price $/Bbl	Gross Daily Stb	Compny Daily Stb	Compny Yearly Mstb	Net Yearly Mstb	Price $/Bbl	Gross Daily Stb	Compny Daily Stb	Compny Yearly Mstb	Net Yearly Mstb	Price $/BOE
2002	30	16	5989	5571	30.33	1880	896	327	271	19.26	4469	2473	903	689	22.39
2003	28	15	5535	5151	30.82	2110	832	304	260	22.17	4414	2245	819	639	25.18
2004	26	14	4986	4639	30.06	1828	776	283	247	22.72	3698	1881	687	550	25.49
2005	24	13	4608	4289	28.57	1416	549	200	173	22.61	2922	1416	517	416	25.69
2006	23	12	4279	3984	28.56	1162	427	156	132	22.84	2324	1089	398	321	25.80
2007	21	11	3978	3704	29.05	990	319	116	99	24.04	1912	837	306	250	26.37
2008	20	10	3700	3445	29.53	873	273	100	86	24.56	1616	682	249	207	26.57
2009	19	9	3398	3169	30.04	743	217	79	68	25.14	1292	513	187	158	27.00
2010	18	9	3156	2944	30.52	660	186	68	59	25.79	1133	438	160	136	27.50
2011	17	8	2936	2739	31.00	532	145	53	47	26.15	942	360	132	114	28.13
2012	16	7	2732	2549	31.48	435	91	33	31	27.70	858	299	109	93	29.19
2013	15	7	2542	2372	31.96	404	80	29	27	28.56	731	245	89	77	29.74
Sub.	21	11	47836	44557	30.05	1086	399	1749	1500	22.69	2192	1040	4555	3649	25.37
Rem.	4	1	14197	13372	33.46	157	16	226	212	35.09	200	32	439	398	33.91
Tot.	**8**	**3**	**62034**	**57929**	**30.83**	**380**	**108**	**1975**	**1712**	**24.11**	**678**	**274**	**4994**	**4047**	**26.12**

REVENUE AND EXPENSE FORECAST

	Revenue Before Burdens						Royalty Burdens Pre-Processing		Gas Processing Allowance		Total Royalty	Net Revenue	Operating Expenses		
		Working Interest									After	After			
Year	Oil M$	Gas M$	NGL+Sul M$	Total M$	Royalty Interest M$	Company Total M$	Crown M$	Other M$	Crown M$	Other M$	Process. M$	Royalty M$	Fixed M$	Variable M$	Total M$
2002	5988	13820	181	19989	219	20208	2287	2382	2	122	4545	15663	2615	2449	5064
2003	6463	13820	170	20453	179	20631	2499	1907	1	87	4317	16314	2727	2270	4997
2004	6204	10990	149	17344	159	17503	1955	1468	1	67	3354	14148	2875	2237	5111
2005	4333	8682	131	13146	132	13278	1492	1074	1	47	2518	10759	2555	1653	4209
2006	3380	6641	122	10143	117	10261	1155	789	1	34	1908	8352	2369	1285	3654
2007	2635	5209	115	7959	100	8059	853	585	1	24	1412	6646	2143	928	3071
2008	2309	4113	109	6530	82	6612	632	468	1	18	1081	5531	2009	782	2791
2009	1862	3015	102	4979	77	5056	425	358	1	12	770	4286	1512	644	2156
2010	1626	2608	96	4330	70	4400	347	298	1	11	634	3766	1443	601	2044
2011	1268	2274	91	3633	68	3701	245	243	1	9	479	3221	1359	464	1823
2012	807	2228	86	3121	66	3187	254	194	1	7	440	2747	1123	327	1450
2013	724	1787	81	2592	64	2656	190	151	1	1	338	2318	1052	258	1309
Sub.	37599	75187	1432	114219	1333	115552	12333	9917	12	439	21798	93754	23782	13898	37680
Rem.	6864	6468	464	13797	1101	14897	585	656	0	-101	1341	13556	7248	1500	8748
Tot.	**44464**	**81656**	**1896**	**128015**	**2434**	**130449**	**12918**	**10573**	**13**	**338**	**23139**	**107310**	**31031**	**15397**	**46428**
Disc	26412	53011	940	80363	951	81314	8839	7272	8	317	15786	65528	15555	9731	25285

	Other Expenses			Net Prod'n	Other Income				Net Capital Investment				Before Tax Cash Flow		
Year	Mineral Tax M$	Capital Tax M$	NPI Payment M$	Revenue M$	Other M$	ARTC M$	Aband. Costs M$	Oper. Income M$	Dev. M$	Plant M$	Tang. M$	Total M$	Annual M$	Cum. M$	12% Dcf M$
2002	772	0	0	9827	193	0	0	10021	739	130	440	1309	8712	8712	8232
2003	575	0	0	10741	176	0	0	10917	921	490	331	1742	9176	17888	15973
2004	463	0	0	8574	155	0	0	8730	805	802	40	1647	7083	24970	21309
2005	283	0	0	6268	136	0	0	6403	13	23	11	47	6356	31327	25584
2006	180	0	0	4518	117	0	0	4635	10	0	0	10	4626	35953	28361
2007	124	0	0	3452	103	0	0	3555	8	0	0	8	3546	39499	30263
2008	85	0	0	2656	90	0	0	2746	0	0	0	0	2746	42245	31578
2009	54	0	0	2076	70	0	0	2146	0	0	0	0	2146	44391	32495
2010	31	0	0	1691	62	0	0	1753	0	0	0	0	1753	46144	33164
2011	15	0	0	1383	55	0	0	1438	0	0	0	0	1438	47581	33654
2012	8	0	0	1289	49	0	0	1338	41	0	4	45	1294	48875	34047
2013	4	0	0	1005	44	0	0	1049	0	0	0	0	1049	49924	34332
Sub.	2594	0	0	53480	1251	0	0	54731	2535	1445	826	4806	49924	49924	34332
Rem.	17	0	0	4791	177	0	0	4968	63	0	69	133	4835	54760	35035
Tot.	**2611**	**0**	**0**	**58271**	**1428**	**0**	**0**	**59699**	**2599**	**1445**	**896**	**4939**	**54760**	**54760**	**35035**
Disc	2016	0	0	38226	839	0	0	39066	2125	1156	751	4031	35035	35035	35035

RESERVE SUMMARY

		Remaining Reserves at January 1, 2002					Oil Equivalents			Reserve Life Indic. (yr)		
Product	Units	Gross	Working Interest	Roy/NPI Interest	Total Company	Net	BOE Factor	Company Mstb	% of Total	Reserve Life	Life Index	Half Life
Oil	Mstb	6784	1876	36	1913	1654	1.000	1913	38	50	6.0	3.3
Solution Gas	Mmcf	2178	186	15	201	188	6.000	33	1	50	10.5	5.1
Residue Gas	Mmcf	30459	17693	225	17918	13821	6.000	2986	60	29	5.2	3.0
Total Gas	Mmcf	32637	17879	240	18119	14009	6.000	3020	60	50	5.2	3.0
	MMMBtu	32737	17917	0	18158	14055				50	5.2	3.0
Condensate	Mstb	85	58	0	58	54	1.000	58	1	29	9.9	6.1
Butane	Mstb	70	3	1	4	4	1.000	4	0	50	27.5	17.9
Total NGL	Mstb	155	61	1	62	58	1.000	62	1	50	10.4	6.4
Total Oil+NGL	Mstb	6939	1938	37	1975	1712	1.000	1975	40	50	6.0	3.4
Total Oil Eq.	Mstb	12378	4917	77	4994	4047		4994	100	50	5.5	3.2

PRODUCT REVENUE AND EXPENSES

		Average First Year Unit Values							Net Revenue After Royalties			
Product	Units	Base Price	Price Adjust.	Wellhead Price	Net Burdens	Operating Expenses	Other Expenses	Prod'n Revenue	Undisc M$	% of Total	12% Disc M$	% of Total
Oil	$/Stb	30.75	-11.70	19.05	3.19	7.23	0.34	8.29	40032	37	23141	35
Solution Gas	$/Mcf	3.95	0.46	4.41	0.46	1.83	0.00	2.11	1002	1	439	1
Residue Gas	$/Mcf	3.95	0.08	4.03	1.05	0.77	0.19	2.01	64483	60	41065	63
Total Gas	$/Mcf	3.95	0.08	4.03	1.05	0.77	0.19	2.01	65486	61	41505	63
Condensate	$/Stb	31.75	-1.13	30.62	2.18	12.48	0.00	15.96	1690	2	863	1
Butane	$/Stb	20.75	-2.10	18.65	0.16	3.07	0.00	15.42	103	0	20	0
Total NGL	$/Stb	31.48	-1.15	30.33	2.13	12.25	0.00	15.95	1792	2	883	1
Total Oil+NGL	$/Stb	30.76	-11.50	19.26	3.17	7.32	0.33	8.43	41824	39	24024	37
Total Oil Eq.	$/BOE	26.26	-3.87	22.39	5.17	5.61	0.86	10.75	107310	100	65528	100

INTEREST AND NET PRESENT VALUE SUMMARY

Revenue Interests and Burdens (%)			Net Present Value Before Income Tax					
	Initial	Average	Disc. Rate %	Prod'n Revenue M$	Operating Income M$	Capital Invest. M$	Cash Flow M$	Cash Flow $/BOE
Working Interest	52.3435	35.6147	0.0	58271	59699	4939	54760	10.96
Capital Interest	90.2414	55.7980	8.0	42888	43860	4285	39575	7.92
Royalty Interest	0.5727	0.6771	10.0	40402	41303	4153	37150	7.44
Crown Royalty	11.4392	10.0906	12.0	38226	39066	4031	35035	7.01
Non-crown Royalty	11.9150	8.2590	15.0	35421	36183	3862	32321	6.47
Mineral Tax	3.8630	2.0396	18.0	33047	33745	3709	30036	6.01
NPI Payment	0.0006	0.0003	20.0	31654	32317	3614	28703	5.75

Project.....1025303
Entity.....Total Properties (Total Proved Plus Probable)
Run date....Wed Mar 06 2002 14:34:14
Evaluator...Dell, Neil I.

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Company: **TRUE ENERGY INC.**
Property: **Summary**
Description: **Total Properties**

Reserve Class: **Established**
Development Class: **Total**
Pricing: **GLJ (2002-01)**
Effective Date: **January 01, 2002**

PRODUCTION FORECAST

	Gross Wells		Oil Production					Solution Gas Production					Residue Gas Production				
Year	Oil	Gas	Gross Daily Stb	Compny Daily Stb	Compny Yearly Mstb	Net Yearly Mstb	Price $/Bbl	Gross Daily Mcf	Compny Daily Mcf	Compny Yearly Mcf	Net Yearly Mcf	Price $/Mcf	Gross Daily Mcf	Compny Daily Mcf	Compny Yearly Mmcf	Net Yearly Mmcf	Price $/Mcf
2002	388	62	1710	757	276	229	19.33	361	52	19041	17055	4.41	14462	8919	3255	2369	4.02
2003	287	65	1776	662	242	208	22.37	328	43	15761	14170	4.78	12115	7479	2730	2021	4.49
2004	275	63	1456	558	204	177	23.04	297	38	13869	12469	4.84	9578	5669	2069	1577	4.58
2005	241	57	1108	369	135	117	23.15	324	54	19800	18057	4.74	7302	4293	1567	1219	4.61
2006	223	51	917	286	104	89	23.43	284	43	15517	14202	4.76	5554	3254	1188	942	4.63
2007	204	44	782	215	79	67	24.57	249	32	11508	10475	4.80	4265	2482	906	732	4.65
2008	187	42	688	182	66	57	24.98	214	19	7115	6571	4.84	3445	1978	722	593	4.67
2009	163	34	604	149	54	47	25.60	195	14	5063	4844	4.89	2593	1493	545	455	4.74
2010	157	31	540	128	47	41	26.28	185	13	4578	4413	4.94	2207	1264	461	389	4.81
2011	150	29	444	100	36	33	26.71	164	11	3930	3780	5.05	1841	1055	385	327	4.93
2012	138	27	372	63	23	22	28.38	157	10	3737	3600	5.11	1742	950	347	290	5.00
2013	127	24	340	54	20	19	29.18	147	9	3389	3276	5.16	1344	748	273	230	5.08
Sub.	212	44	895	294	1286	1106	22.87	242	28	123308	112913	4.76	5537	3299	14449	11145	4.50
Rem.	69	3	133	11	155	148	36.57	68	4	50456	49947	6.63	118	57	793	689	5.39
Tot.	**103**	**13**	**316**	**79**	**1441**	**1253**	**24.35**	**110**	**10**	**173764**	**162860**	**5.31**	**1419**	**835**	**15242**	**11835**	**4.54**

	Total Gas Production					Condensate Production					Butane Production				
Year	Gross Daily Mcf	Compny Daily Mcf	Compny Yearly Mmcf	Net Yearly Mmcf	Price $/Mcf	Gross Daily Stb	Compny Daily Stb	Compny Yearly Stb	Net Yearly Stb	Price $/Bbl	Gross Daily Stb	Compny Daily Stb	Compny Yearly Stb	Net Yearly Stb	Price $/Bbl
2002	14823	8971	3275	2387	4.03	22	15	5451	5062	30.61	7	0	147	145	18.65
2003	12444	7522	2746	2035	4.49	20	14	4940	4589	31.12	7	0	142	140	19.15
2004	9875	5707	2083	1590	4.58	18	12	4491	4171	30.38	6	0	132	130	18.40
2005	7626	4348	1587	1237	4.61	17	11	4132	3839	28.89	6	0	128	127	17.40
2006	5838	3297	1203	957	4.63	15	10	3820	3549	28.90	6	0	124	123	17.40
2007	4514	2513	917	742	4.65	14	10	3536	3285	29.40	6	0	121	120	17.90
2008	3659	1997	729	599	4.67	13	9	3251	3023	29.91	6	0	118	117	18.40
2009	2788	1507	550	460	4.74	12	8	2988	2781	30.43	5	0	115	114	18.90
2010	2392	1277	466	394	4.81	11	8	2764	2572	30.94	5	0	112	111	19.40
2011	2004	1066	389	331	4.93	10	7	2559	2382	31.44	5	0	109	108	19.90
2012	1899	960	351	293	5.00	9	6	2369	2205	31.94	5	0	106	105	20.40
2013	1491	757	276	234	5.08	9	6	2192	2041	32.44	5	0	100	99	20.90
Sub.	5779	3327	14572	11258	4.50	14	10	42494	39499	30.40	6	0	1453	1440	18.83
Rem.	187	61	844	739	5.46	1	1	8221	7653	33.91	3	0	2397	2376	30.10
Tot.	**1529**	**845**	**15416**	**11997**	**4.55**	**4**	**3**	**50715**	**47152**	**30.97**	**4**	**0**	**3850**	**3816**	**25.85**

	Total NGL Production					Total Oil + NGL Production					Total Oil Equiv. Production				
Year	Gross Daily Stb	Compny Daily Stb	Compny Yearly Stb	Net Yearly Stb	Price $/Bbl	Gross Daily Stb	Compny Daily Stb	Compny Yearly Mstb	Net Yearly Mstb	Price $/Bbl	Gross Daily Stb	Compny Daily Stb	Compny Yearly Mstb	Net Yearly Mstb	Price $/BOE
2002	29	15	5598	5207	30.30	1738	772	282	234	19.55	4209	2268	828	632	22.58
2003	27	14	5082	4729	30.79	1803	676	247	213	22.54	3877	1930	704	552	25.41
2004	24	13	4622	4301	30.04	1480	571	208	182	23.19	3126	1522	555	446	25.86
2005	23	12	4260	3966	28.55	1131	381	139	121	23.32	2402	1106	404	327	26.18
2006	21	11	3944	3673	28.53	938	297	108	92	23.62	1911	846	309	252	26.32
2007	20	10	3657	3405	29.02	802	225	82	71	24.77	1554	644	235	194	26.80
2008	19	9	3369	3140	29.51	706	191	70	61	25.20	1316	524	191	160	26.98
2009	17	9	3103	2894	30.01	621	157	57	50	25.84	1086	408	149	127	27.46
2010	16	8	2876	2683	30.49	556	136	50	44	26.53	955	348	127	109	27.96
2011	15	7	2668	2490	30.96	460	107	39	36	27.00	794	285	104	91	28.62
2012	14	7	2475	2310	31.44	387	70	26	24	28.68	703	230	84	73	29.60
2013	13	6	2292	2140	31.93	353	60	22	21	29.46	602	186	68	60	30.15
Sub.	20	10	43947	40939	30.01	915	304	1330	1147	23.11	1878	858	3759	3023	25.61
Rem.	4	1	10618	10030	33.05	137	12	166	158	36.34	168	22	306	281	34.70
Tot.	**8**	**3**	**54565**	**50968**	**30.61**	**323**	**82**	**1495**	**1304**	**24.57**	**578**	**223**	**4065**	**3304**	**26.30**

REVENUE AND EXPENSE FORECAST

	Revenue Before Burdens						Royalty Burdens Pre-Processing		Gas Processing Allowance		Total Royalty	Net Revenue	Operating Expenses		
		Working Interest									After	After			
Year	Oil M$	Gas M$	NGL+Sul M$	Total M$	Royalty Interest M$	Company Total M$	Crown M$	Other M$	Crown M$	Other M$	Process. M$	Royalty M$	Fixed M$	Variable M$	Total M$
2002	5211	13096	169	18476	217	18693	2193	2121	2	113	4200	14493	2593	2337	4929
2003	5312	12253	156	17720	175	17895	2154	1596	1	75	3674	14221	2598	2046	4644
2004	4610	9463	138	14212	154	14366	1584	1163	1	53	2692	11673	2561	1841	4403
2005	3062	7256	121	10439	126	10565	1153	812	1	36	1928	8637	2225	1258	3483
2006	2397	5515	112	8024	108	8132	884	592	1	26	1449	6683	2044	972	3016
2007	1895	4213	106	6213	90	6303	618	445	1	19	1043	5260	1747	715	2462
2008	1625	3356	99	5081	77	5157	455	350	1	14	789	4368	1618	590	2208
2009	1362	2566	93	4021	72	4093	324	270	1	10	583	3510	1319	497	1816
2010	1198	2203	87	3489	67	3556	260	224	1	9	475	3081	1261	459	1720
2011	948	1882	82	2912	65	2977	182	185	1	6	360	2617	1178	346	1524
2012	631	1717	78	2425	60	2485	171	143	1	4	310	2174	996	241	1236
2013	553	1369	73	1995	57	2052	129	112	1	0	240	1812	922	191	1113
Sub.	28803	64889	1314	95006	1268	96274	10108	8012	12	363	17744	78530	21062	11493	32555
Rem.	5137	4244	341	9722	901	10623	352	405	0	-73	830	9793	5277	1041	6318
Tot.	**33940**	**69133**	**1655**	**104728**	**2168**	**106897**	**10460**	**8416**	**12**	**290**	**18574**	**88323**	**26339**	**12534**	**38873**
Disc	20482	46176	851	67509	901	68410	7396	5948	7	269	13068	55342	13768	8199	21967

	Other Expenses			Net Prod'n	Other Income				Net Capital Investment				Before Tax Cash Flow		
Year	Mineral Tax M$	Capital Tax M$	NPI Payment M$	Revenue M$	Other M$	ARTC M$	Aband. Costs M$	Oper. Income M$	Dev. M$	Plant M$	Tang. M$	Total M$	Annual M$	Cum. M$	12% Dcf M$
2002	653	0	0	8910	196	0	0	9107	517	130	303	949	8157	8157	7708
2003	478	0	0	9099	174	0	0	9273	683	474	281	1439	7834	15991	14317
2004	357	0	0	6914	152	0	0	7066	410	401	20	831	6234	22226	19014
2005	217	0	0	4937	132	0	0	5068	7	11	6	24	5045	27271	22407
2006	141	0	0	3526	114	0	0	3640	5	0	0	5	3635	30906	24589
2007	95	0	0	2703	97	0	0	2800	4	0	0	4	2795	33701	26088
2008	62	0	0	2098	85	0	0	2183	0	0	0	0	2183	35884	27133
2009	38	0	0	1656	70	0	0	1726	0	0	0	0	1726	37610	27871
2010	21	0	0	1340	62	0	0	1402	0	0	0	0	1402	39012	28406
2011	10	0	0	1083	55	0	0	1138	0	0	0	0	1138	40150	28794
2012	5	0	0	933	49	0	0	982	20	0	2	22	960	41110	29086
2013	2	0	0	697	44	0	0	741	0	0	0	0	741	41851	29287
Sub.	2078	0	0	43896	1229	0	0	45125	1645	1017	612	3274	41851	41851	29287
Rem.	9	0	0	3466	129	0	0	3595	32	0	35	66	3529	45380	29783
Tot.	**2087**	**0**	**0**	**47363**	**1358**	**0**	**0**	**48721**	**1677**	**1017**	**646**	**3340**	**45380**	**45380**	**29783**
Disc	1632	0	0	31743	820	0	0	32563	1395	833	551	2779	29783	29783	29783

RESERVE SUMMARY

Product	Units	Remaining Reserves at January 1, 2002 Gross	Working Interest	Roy/NPI Interest	Total Company	Net	Oil Equivalents BOE Factor	Company Mstb	% of Total	Reserve Life Indic. (yr) Reserve Life	Life Index	Half Life
Oil	Mstb	5760	1407	34	1441	1253	1.000	1441	35	50	5.2	3.0
Solution Gas	Mmcf	2007	160	14	174	163	6.000	29	1	50	9.1	5.3
Residue Gas	Mmcf	25896	15047	195	15242	11835	6.000	2540	62	29	4.7	2.8
Total Gas	Mmcf	27903	15206	209	15416	11997	6.000	2569	63	50	4.7	2.8
	MMMBtu	28007	15248	0	15457	12044				50	4.7	2.8
Condensate	Mstb	74	51	0	51	47	1.000	51	1	29	9.3	5.7
Butane	Mstb	67	3	1	4	4	1.000	4	0	50	26.3	17.2
Total NGL	Mstb	141	54	1	55	51	1.000	55	1	50	9.7	6.0
Total Oil+NGL	Mstb	5901	1461	34	1495	1304	1.000	1495	37	50	5.3	3.1
Total Oil Eq.	Mstb	10552	3995	69	4065	3304		4065	100	50	4.9	2.9

PRODUCT REVENUE AND EXPENSES

Product	Units	Average First Year Unit Values Base Price	Price Adjust.	Wellhead Price	Net Burdens	Operating Expenses	Other Expenses	Prod'n Revenue	Net Revenue After Royalties Undisc M$	% of Total	12% Disc M$	% of Total
Oil	$/Stb	30.75	-11.42	19.33	3.17	8.11	0.26	7.80	30964	35	18110	33
Solution Gas	$/Mcf	3.95	0.46	4.41	0.46	1.84	0.00	2.11	873	1	380	1
Residue Gas	$/Mcf	3.95	0.07	4.02	1.05	0.79	0.18	2.00	54921	62	36052	65
Total Gas	$/Mcf	3.95	0.08	4.03	1.05	0.80	0.18	2.00	55794	63	36432	66
Condensate	$/Stb	31.75	-1.14	30.61	2.18	13.24	0.00	15.20	1469	2	781	1
Butane	$/Stb	20.75	-2.10	18.65	0.16	3.07	0.00	15.42	96	0	19	0
Total NGL	$/Stb	31.46	-1.16	30.30	2.13	12.97	0.00	15.20	1565	2	800	1
Total Oil+NGL	$/Stb	30.76	-11.22	19.55	3.15	8.21	0.25	7.94	32529	37	18910	34
Total Oil Eq.	$/BOE	26.11	-3.52	22.58	5.21	5.96	0.79	10.63	88323	100	55342	100

INTEREST AND NET PRESENT VALUE SUMMARY

Revenue Interests and Burdens (%) Initial	Average	Disc. Rate %	Net Present Value Before Income Tax Prod'n Revenue M$	Operating Income M$	Capital Invest. M$	Cash Flow M$	$/BOE
Working Interest 51.0263	33.9405	0.0	47363	48721	3340	45380	11.16
Capital Interest 93.0637	54.8104	8.0	35407	36352	2939	33413	8.22
Royalty Interest 0.5989	0.7027	10.0	33457	34334	2856	31478	7.74
Crown Royalty 11.8718	9.9875	12.0	31743	32563	2779	29783	7.33
Non-crown Royalty 11.4777	8.0364	15.0	29524	30270	2672	27598	6.79
Mineral Tax 3.5354	1.9928	18.0	27637	28323	2574	25749	6.33
NPI Payment 0.0006	0.0003	20.0	26527	27178	2513	24665	6.07

Project.....1025303
Entity.....Total Properties (Total Established)
Evaluator...Dell, Neil I.

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EVALUATION PROCEDURE

Following is a general discussion of the procedures utilized in evaluating the True Energy Inc. (True) interests in certain Canadian oil and gas properties in the province of Saskatchewan. Variations in the procedures described herewith are presented in the individual property reports.

In the course of the evaluation, Gilbert Laustsen Jung Associates Ltd. (GLJ) was provided with basic information which included land data, well information and discussions of future plans. For this analysis, the extent and character of ownership and all factual data supplied by True was accepted as represented. Other engineering, geological and economic data on which this report is based was obtained from public records.

Individual property documentation is provided in accompanying volumes. The evaluated properties are listed on Table 1.

Interest Descriptions

True confirmed detailed land data including working interests and applicable royalty burdens and appropriate well payout balances. This data has been accepted as factual with no further investigation of title by GLJ. Land maps for each property have been prepared by GLJ utilizing this data showing the interest acreage. In addition, working interest ownership, the type of basic royalty, i.e. Crown or Freehold, and the type of overrides (gross or net), are shown on the economic parameter tables included in the individual major property documentation.

Well Data

Pertinent well data such as drill stem tests, workovers, pressure surveys, production tests, etc., were provided by True as required. Technical data on offsetting lands were obtained from operators and/or public sources.

Reserves Classifications

Basic well data provided by True for the properties were reviewed by GLJ to assist in the assignment of proved and probable reserves in this analysis. The properties were evaluated by GLJ

on a reserves and economic forecast basis in accordance with the National Policy 2-B definitions as attached.

Production Forecasts

In establishing production forecasts for the properties, consideration was given to existing gas contracts and the possibility of contract revisions, to the operator's plans for development drilling and to reserves and well capability. Generally, development drilling in an area was not considered unless there was some indication from the operator that drilling could be expected or unless there was a significant contract deficiency. Nomination forecasts for the various buyers are provided in the Product Price and Market Forecasts section of this report.

Economic Parameters

Pertinent economic parameters are listed as follows:

a) The effective date is January 1, 2002.

b) Operating and capital costs were escalated from 2002 base levels at 1.5 percent per annum.

c) Economic forecasts were prepared for each property on a before income tax basis. Detailed discounting of future cash flow was performed using a mid-year discount factor of 12 percent with all values discounted annually to January 1, 2002 on a calendar year basis.

d) Mineral taxes on freehold interests are included.

e) Royalty credits under the Alberta Royalty Tax Credit (ARTC) plan do not apply as all properties are in the province of Saskatchewan.

f) Individual property analyses and a summary consolidation were prepared based on GLJ's current (2002-01) pricing.

Overhead

Field administrative expenses payable by True interests were included in the operating cost forecasts of the properties.

Office administrative expenses and overhead recovery have not been included in this analysis.

Abandonment Costs

Estimates for well abandonments, facility abandonment and site restoration have not been included in this analysis.

Table 1
TRUE ENERGY INC.

PROPERTY CLASSIFICATION

Major Properties

Coleville
Coleville South
Dodsland Viking Gas Voluntary Unit
Ear Lake
Eyre
Hoosier
Ingoldsby
Kerrobert McLaren
Kerrobert Viking
Marengo/Alsask
Milton
North Dodsland Viking Gas Voluntary Unit
Pinkham/Warrior
Prairiedale
Smiley

Others

Avon Hill Viking Voluntary Unit
Kerrobert/Dodsland Others
Lucky Hills Viking Sand Voluntary Gas Unit
North Eureka Unit
Workman

RESERVES DEFINITIONS

PROVED/PROBABLE/POSSIBLE

Reserves are evaluated by Gilbert Laustsen Jung in accordance with the following definitions, which meet guidelines set out by Canadian Securities regulatory authorities (National Policy 2-B):

Proved Reserves: Those reserves estimated as recoverable with a high degree of certainty under current technology and existing economic conditions in the case of constant price and cost analyses and anticipated economic conditions in the case of escalated price and cost analyses, from that portion of a reservoir which can be reasonably evaluated as economically productive on the basis of analysis of drilling, geological, geophysical and engineering data, including the reserves to be obtained by enhanced recovery processes demonstrated to be economic and technically successful in the subject reservoir.

Probable Reserves: Those reserves which analysis of drilling, geological, geophysical and engineering data does not demonstrate to be proved, but where such analysis suggests the likelihood of their existence and future recovery under current technology and existing or anticipated economic conditions. Probable additional reserves to be obtained by the application of enhanced recovery processes will be the increased recovery over and above that estimated in the proved category which can be realistically estimated for the pool on the basis of enhanced recovery processes which can be reasonably expected to be instituted in the future.

Possible Reserves: Those reserves which cannot be classified as either proved or probable at the present time because of relatively high uncertainty but which could reasonably be expected to be recovered with additional successful drilling and/or optimum production performance.

PRODUCING/NONPRODUCING

Gilbert Laustsen Jung has further subdivided both the proved and probable reserves into producing or nonproducing, in accordance with the following criteria:

Producing Reserves: Those reserves that are actually on production and could be recovered from existing wells and facilities or, if facilities have not been installed, that would involve a small investment relative to cash flow. In multi-well pools involving a competitive situation, reserves may be subdivided into producing and nonproducing reserves in order to reflect allocation of reserves to specific wells and their respective development status.

Nonproducing Reserves: Those reserves that are not classified as producing.

EVALUATED RESERVES CATEGORIES

Production/revenue projections are prepared on an unrisked basis for each of the following main reserves categories:

Proved Producing
Total Proved
Proved Plus Probable Producing
Total Proved Plus Probable

where "Total Proved" and "Total Proved Plus Probable" represent the sum of the producing and nonproducing reserves. Gilbert Laustsen Jung evaluates the possible reserves component only when specifically requested to do so.

When evaluating reserves, generally Gilbert Laustsen Jung evaluators first identify what the producing situation is and assign proved and proved plus probable reserves in recognition of the existing level of development and the existing depletion strategy. Incremental nonproducing reserves are subsequently assigned recognizing future development opportunities and enhancements to the depletion mechanism. It should be recognized that future developments may result in accelerated recovery of producing reserves.

Gilbert Laustsen Jung Associates Ltd. Petroleum Consultants

PRODUCT PRICE AND MARKET FORECASTS FOR THE CANADIAN OIL AND GAS INDUSTRY

Quarterly Update

January 1, 2002

Prepared by
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Senior Energy Economist

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January 1, 2002

Gilbert Laustsen Jung Associates Ltd. has prepared the enclosed price and market forecasts after a comprehensive review of information available through to November 2001. Information sources include numerous government agencies, industry publications, Canadian oil refiners and natural gas marketers. The accuracy of all factual data, from all sources has been accepted as represented without detailed investigation by Gilbert Laustsen Jung Associates Ltd. The forecasts presented herein are based on an informed interpretation of currently available data. While they are considered reasonable at this time, users of these forecasts should understand the inherent high uncertainty in forecasting any commodity or market. These forecasts will be revised periodically as market, economic and political conditions change. These future revisions may be significant.

GILBERT LAUSTSEN JUNG ASSOCIATES LTD.
PRODUCT PRICE AND MARKET FORECASTS
FOR THE CANADIAN OIL AND GAS INDUSTRY
JANUARY 1, 2002

Gilbert Laustsen Jung Associates Ltd. has completed a quarterly update of our commodity price forecasts as presented on the attachments. Revisions in near-term forecasts reflective of current market conditions have been incorporated. A summary of near-term forecasts follows:

NATURAL GAS PRICES

	October 1, 2001 Calendar Year	January 1, 2002 Calendar Year
Henry Hub Gas Price - ($US/MMBTU)		
2002	3.25	3.20
2003	3.50	3.50
Chicago 30 Day Spot Gas Price – ($US/MMBTU)		
2002	3.45	3.30
2003	3.75	3.65
Sumas 30 Day Spot Gas Price - ($US/MMBTU)		
2002	3.15	3.05
2003	3.25	3.25
AECO-C 30 Day Spot Gas Price – ($Cdn/MMBTU)		
2002	4.25	4.30
2003	4.55	4.65
Average Alberta Plant-Gate Gas Price - ($Cdn/MMBTU)		
2002	3.85	3.95
2003	4.15	4.35
Aggregator Plant-Gate Gas Price - ($Cdn/MMBTU)		
2002	3.30	3.60
2003	3.60	4.15
B.C. 30 Day Spot Plant-Gate Gas Price - ($Cdn/MMBTU)		
2002	4.30	4.35
2003	4.40	4.55

CRUDE OIL PRICES

	October 1, 2001 Calendar Year	January 1, 2002 Calendar Year
WTI @ Cushing Price - ($US/BBL)		
2002	24.00	20.00
2003	22.00	21.00
Light, Sweet @ Edmonton Price - ($Cdn/BBL)		
2002	35.25	30.75
2003	31.75	31.25

Table 1
Gilbert Laustsen Jung Associates Ltd.
Crude Oil and Natural Gas Liquids
Price Forecast
Effective January 1, 2002

			West Texas Intermediate Crude Oil at Cushing Oklahoma		Brent Blend Crude Oil FOB North Sea		Light, Sweet Crude Oil (40 API, 0.3%S) at Edmonton		Medium Crude Oil (25.6 API, 2.1%S) at Hardisty		Heavy Crude Oil Proxy (12 API) at Hardisty		Medium Crude Oil (29 API, 2.0%S) at Cromer		Alberta Natural Gas Liquids (Then Current Dollars)			
Year	Inflation %	Exchange Rate $US/$Cdn	Constant 2002 $ $US/bbl	Then Current $US/bbl	Constant 2002 $ $US/bbl	Then Current $US/bbl	Constant 2002 $ $Cdn/bbl	Then Current $Cdn/bbl	Constant 2002 $ $Cdn/bbl	Then Current $Cdn/bbl	Constant 2002 $ $Cdn/bbl	Then Current $Cdn/bbl	Constant 2002 $ $Cdn/bbl	Then Current $Cdn/bbl	Spec Ethane $Cdn/bbl	Edmonton Propane $Cdn/bbl	Edmonton Butane $Cdn/bbl	Edmonton Pentanes Plus $Cdn/bbl
1992	1.5	0.830	23.78	20.64	22.28	19.34	27.21	23.62	20.21	17.54	14.93	12.96	21.26	18.45	n/a	10.58	14.04	n/a
1993	1.8	0.775	20.95	18.46	19.33	17.03	24.90	21.94	18.99	16.73	15.05	13.26	19.96	17.59	n/a	14.10	13.64	21.17
1994	0.2	0.730	19.16	17.18	17.64	15.82	24.78	22.22	20.59	18.47	16.75	15.02	21.52	19.30	n/a	12.53	13.45	21.69
1995	2.2	0.729	20.46	18.39	18.96	17.04	26.96	24.23	23.15	20.80	19.23	17.28	24.14	21.69	n/a	13.90	13.79	24.11
1996	1.5	0.733	23.95	21.99	22.25	20.43	32.01	29.39	27.37	25.13	21.85	20.06	28.43	26.10	n/a	22.31	17.15	30.06
1997	1.6	0.722	22.12	20.61	20.58	19.18	29.88	27.85	22.72	21.17	15.46	14.41	25.45	23.72	n/a	18.62	18.73	30.91
1998	1.0	0.672	15.23	14.42	13.55	12.83	21.50	20.36	15.46	14.64	9.98	9.45	17.90	16.95	n/a	11.15	12.44	21.83
1999	1.5	0.675	20.17	19.29	18.62	17.81	28.95	27.69	24.93	23.84	20.57	19.67	26.58	25.42	n/a	15.89	18.70	27.71
2000	1.5	0.674	31.13	30.22	29.21	28.35	45.91	44.56	36.32	35.25	28.17	27.34	41.12	39.91	n/a	32.18	35.60	46.31
2001 (e)	1.5	0.640	26.14	25.75	25.38	25.00	41.62	41.00	28.42	28.00	18.27	18.00	32.48	32.00	n/a	33.00	32.00	44.00
2002 Q1	1.5	0.630	19.50	19.50	18.00	18.00	30.00	30.00	18.00	18.00	11.25	11.25	22.00	22.00	13.00	19.00	20.00	31.00
2002 Q2	1.5	0.630	19.75	19.75	18.25	18.25	30.50	30.50	22.50	22.50	16.75	16.75	25.50	25.50	13.00	19.50	20.50	31.50
2002 Q3	1.5	0.640	20.00	20.00	18.50	18.50	30.25	30.25	25.25	25.25	20.50	20.50	28.25	28.25	14.00	19.25	20.25	31.25
2002 Q4	1.5	0.640	21.00	21.00	19.50	19.50	31.75	31.75	23.75	23.75	18.00	18.00	26.75	26.75	15.25	20.75	21.75	32.75
2002 Full Year	1.5	0.635	20.00	20.00	18.50	18.50	30.75	30.75	22.50	22.50	16.75	16.75	25.75	25.75	13.75	19.75	20.75	31.75
2003	1.5	0.650	20.75	21.00	19.25	19.50	30.75	31.25	23.00	23.25	17.25	17.50	27.25	27.75	15.25	20.25	21.25	32.25
2004	1.5	0.670	20.50	21.00	19.00	19.50	29.50	30.50	23.75	24.50	19.00	19.50	26.25	27.00	15.50	19.50	20.50	31.50
2005	1.5	0.690	20.00	21.00	18.75	19.50	28.25	29.50	23.00	24.00	18.50	19.25	25.25	26.50	15.75	18.50	19.50	30.00
2006	1.5	0.700	20.00	21.25	18.50	19.75	27.75	29.50	22.50	24.00	18.25	19.25	25.00	26.50	15.75	18.50	19.50	30.00
2007	1.5	0.700	20.00	21.75	18.75	20.25	27.75	30.00	22.75	24.50	18.25	19.75	25.00	27.00	15.75	19.00	20.00	30.50
2008	1.5	0.700	20.00	22.00	18.75	20.50	28.00	30.50	22.75	25.00	18.50	20.25	25.25	27.50	15.75	19.50	20.50	31.00
2009	1.5	0.700	20.00	22.25	18.75	20.75	28.00	31.00	23.00	25.50	18.75	20.75	25.25	28.00	15.75	19.75	21.00	31.50
2010	1.5	0.700	20.00	22.50	18.75	21.00	28.00	31.50	23.00	26.00	18.75	21.25	25.25	28.50	16.00	20.25	21.50	32.00
2011	1.5	0.700	20.00	23.00	18.75	21.50	28.00	32.00	23.25	26.50	19.00	21.75	25.25	29.00	16.25	20.50	22.00	32.50
2012	1.5	0.700	20.00	23.25	18.75	21.75	28.00	32.50	23.25	27.00	19.25	22.25	25.50	29.50	16.50	20.75	22.50	33.00
2013+	1.5	0.700	20.00	+1.5%/yr	18.75	+1.5%/yr	28.00	+1.5%/yr	23.25	+1.5%/yr	19.25	+1.5%/yr	25.50	+1.5%/yr		Escalate at 1.5 % per year		

Revised December 3, 2001

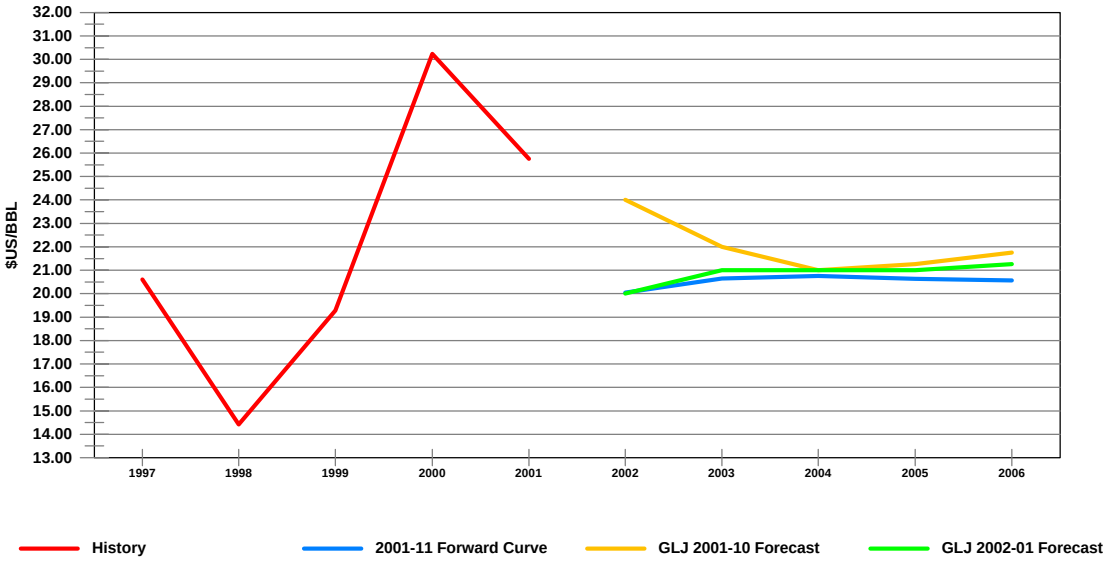
Table 2
Gilbert Laustsen Jung Associates Ltd.
Natural Gas and Sulphur
Price Forecast
Effective January 1, 2002

	US Gulf Coast Gas		Midwest		Alberta Plant Gate					Saskatchewan Plant Gate			British Columbia			Alberta
	Price @ Henry Hub		Price @ Chicago	AECO-C Spot	Average Price										Sulphur	Sulphur
	Constant 2002 $	Then Current	Then Current	Then Current	Constant 2002 $	Then Current	Spot	Aggregator	Alliance	SaskEnergy	Spot	Sumas Spot	CanWest Plant Gate	Spot Plant Gate	FOB Vancouver	at Plant Gate
Year	$US/mmbtu	$US/mmbtu	$US/mmbtu	$Cdn/mmbtu	$/mmbtu	$/mmbtu	$/mmbtu	$/mmbtu	$/mmbtu	$/mmbtu	$/mmbtu	$US/mmbtu	$/mmbtu	$/mmbtu	$US/LT	$Cdn/LT
1992	1.99	1.73	1.89	1.15	1.58	1.37	1.04	n/a	n/a	1.48	1.17	1.16	1.47	n/a	53.72	19.77
1993	2.39	2.11	2.31	2.26	1.94	1.71	2.16	n/a	n/a	1.48	2.07	1.89	1.73	2.10	30.22	-9.68
1994	2.16	1.94	2.11	1.98	2.02	1.81	1.86	n/a	n/a	1.88	1.87	1.59	1.81	1.87	44.96	16.57
1995	1.89	1.70	1.69	1.15	1.46	1.31	1.02	n/a	n/a	1.35	0.98	1.03	1.29	1.12	54.99	30.07
1996	2.74	2.52	2.73	1.39	1.78	1.63	1.26	n/a	n/a	1.52	1.28	1.32	1.50	1.47	36.28	14.44
1997	2.65	2.47	2.75	1.84	2.10	1.96	1.69	n/a	n/a	1.84	1.74	1.70	1.80	1.98	34.75	11.50
1998	2.28	2.16	2.20	2.03	2.05	1.94	1.88	n/a	n/a	2.05	2.13	1.60	1.94	2.00	24.59	-6.51
1999	2.43	2.32	2.34	2.92	2.59	2.48	2.75	n/a	n/a	2.83	2.97	2.15	2.51	2.78	33.74	6.93
2000	4.46	4.33	4.38	5.08	4.64	4.50	4.92	4.60	n/a	4.79	5.16	4.17	5.27	4.88	38.14	13.59
2001 (e)	4.06	4.00	4.00	6.00	5.08	5.00	5.75	5.10	n/a	5.15	6.00	4.75	6.65	6.25	18.00	-14.50
2002 Q1	3.00	3.00	3.10	4.05	3.70	3.70	3.85	3.45	3.30	3.85	4.05	2.80	4.00	4.00	21.50	-9.00
2002 Q2	3.00	3.00	3.05	4.05	3.70	3.70	3.85	3.30	3.25	3.85	4.05	2.60	3.70	3.70	17.00	-17.00
2002 Q3	3.25	3.25	3.30	4.40	4.00	4.00	4.15	3.60	3.55	4.15	4.40	3.25	4.60	4.60	16.50	-17.50
2002 Q4	3.50	3.50	3.65	4.75	4.40	4.40	4.55	4.00	4.10	4.55	4.75	3.50	5.00	5.00	20.00	-12.50
2002 Full Year	3.20	3.20	3.30	4.30	3.95	3.95	4.10	3.60	3.55	4.10	4.30	3.05	4.35	4.35	18.75	-14.00
2003	3.45	3.50	3.65	4.65	4.30	4.35	4.45	4.15	4.00	4.50	4.65	3.25	4.55	4.55	30.00	2.50
2004	3.50	3.60	3.80	4.70	4.30	4.45	4.50	4.35	4.05	4.60	4.70	3.35	4.50	4.50	35.00	8.50
2005	3.50	3.65	3.90	4.70	4.30	4.50	4.50	4.50	4.00	4.65	4.70	3.40	4.50	4.50	40.00	14.50
2006	3.50	3.70	3.95	4.70	4.20	4.50	4.50	4.50	4.05	4.65	4.70	3.45	4.50	4.50	45.00	21.00
2007	3.50	3.75	4.00	4.70	4.20	4.50	4.50	4.50	4.10	4.65	4.70	3.45	4.50	4.50	46.00	22.00
2008	3.50	3.80	4.05	4.70	4.10	4.50	4.50	4.50	4.15	4.65	4.70	3.45	4.50	4.50	47.00	23.50
2009	3.50	3.90	4.10	4.75	4.10	4.55	4.55	4.55	4.25	4.70	4.75	3.50	4.55	4.55	48.00	25.00
2010	3.50	3.95	4.20	4.80	4.10	4.60	4.60	4.60	4.35	4.75	4.80	3.55	4.60	4.60	49.00	27.00
2011	3.50	4.00	4.25	4.90	4.10	4.70	4.70	4.70	4.40	4.85	4.90	3.60	4.70	4.70	50.00	28.00
2012	3.50	4.05	4.30	4.95	4.10	4.75	4.75	4.75	4.45	4.90	4.95	3.65	4.75	4.75	51.00	29.50
2013+	3.50	+1.5%/yr	+1.5%/yr	+1.5%/yr	4.10	+1.5%/yr	Escalate at 1.5 % per year								+1.5%/yr	

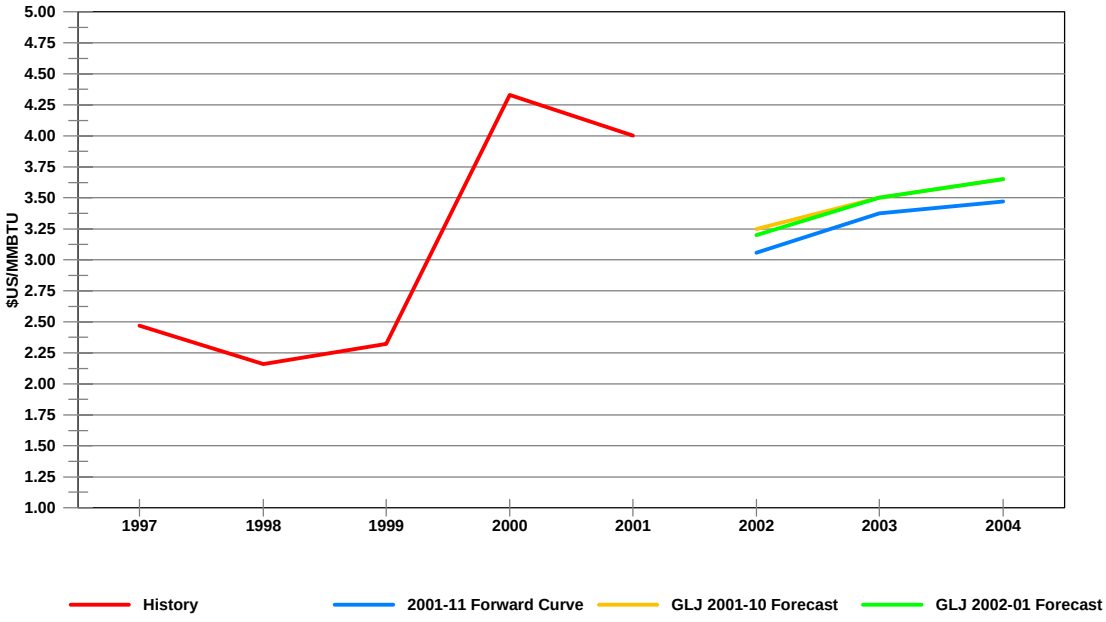
Unless otherwise stated, the gas price reference point is the receipt point on the applicable provincial gas transmission system known as the plant gate.
The plant gate price represents the price before raw gas gathering and processing charges are deducted.
Spot refers to weighted average one month price.

Revised December 3, 2001

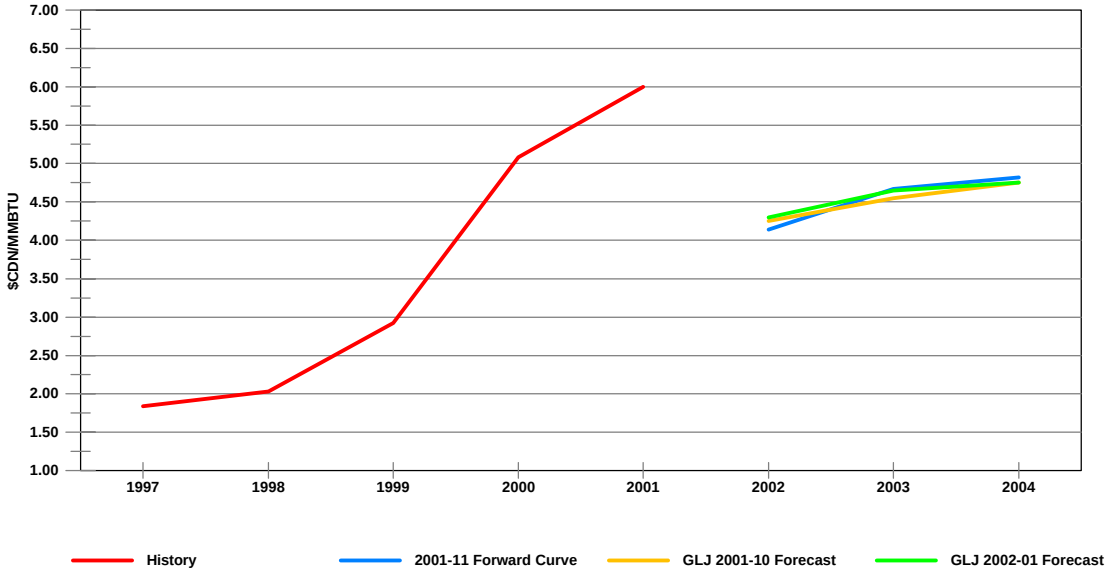
WTI Crude Oil @ Cushing



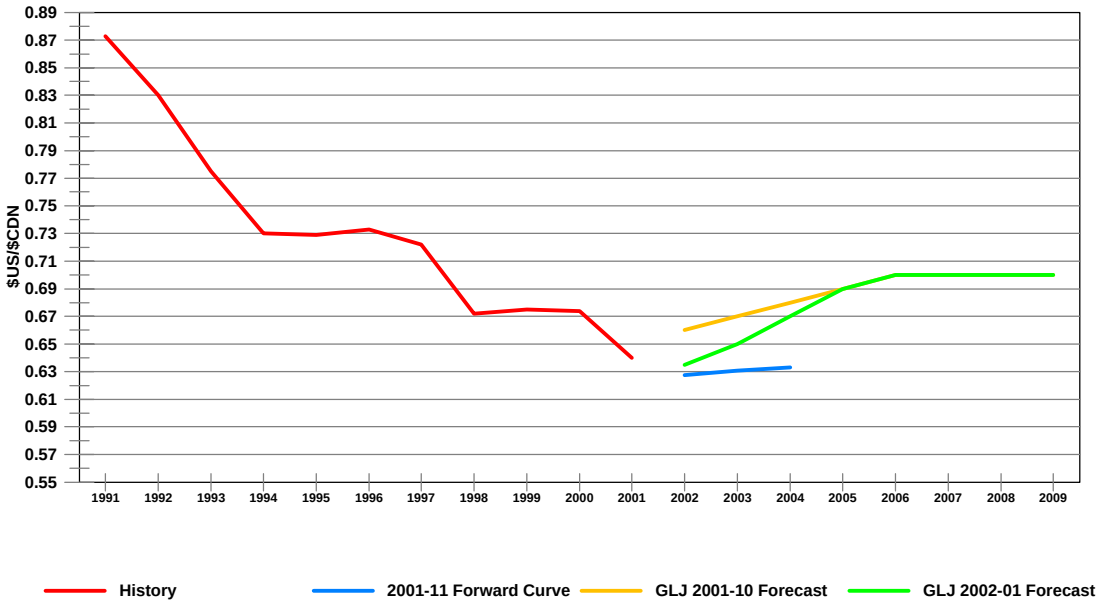
Natural Gas @ Henry Hub



Natural Gas @ AECO-C

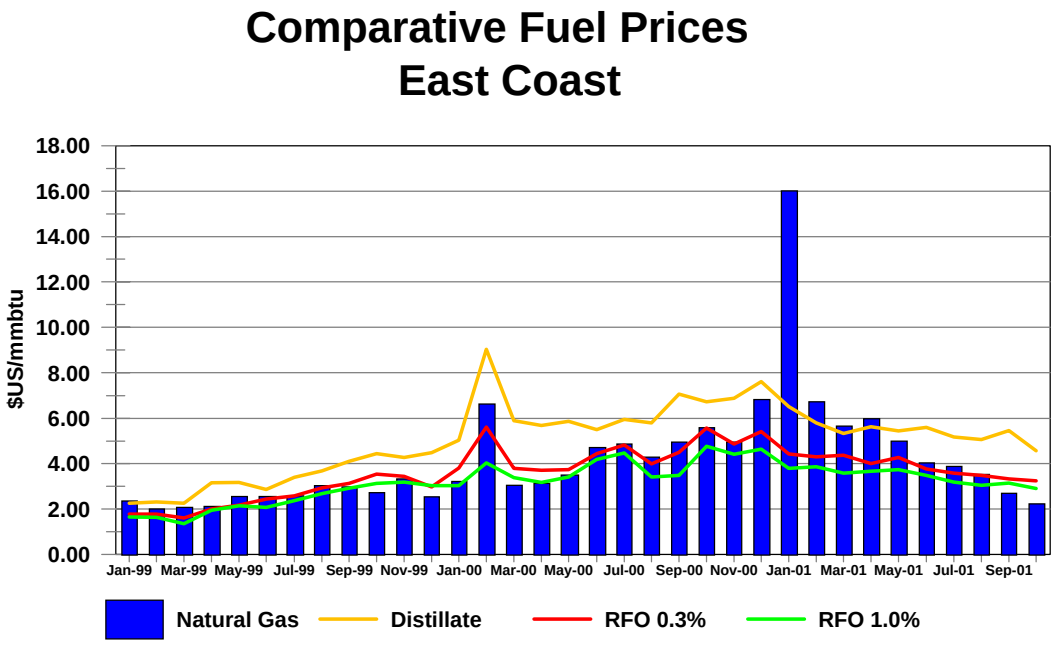


Foreign Exchange



Energy Prices: Back to Earth

The last twelve months have been a roller coaster ride for prices for all the energy commodities. By December 2000, natural gas prices were starting their rapid ascent into space thanks to low levels of storage and an early arrival of winter in the major U.S. markets. The price for natural gas in Alberta peaked at over $Cdn 14.00/mmbtu in January 2001. Prices moderated over the spring and by late summer prices had returned to levels of around $Cdn 3.00/mmbtu. The natural gas industry received a taste of the bitter cure for high prices in the form of lost demand. The following graph compares the New York City natural gas price with distillate and residual fuel oil (RFO) prices on the East Coast. Traditionally, the ceiling for natural gas prices was set by RFO. With the jump in natural gas prices last winter, though, natural gas prices exceeded not only residual fuel oil but also the premium distillate price.



Fuel switching away from natural gas during these months was a clear contributor to a surge in oil product consumption. According to the Energy information Administration (EIA), year-over-year demand for distillate jumped 463,000 barrels per day and 322,000 barrels per day for residual fuel oil, over the same period that natural gas prices were extremely high. The combined impact, on a BTU basis, would have represented 4.7 BCF/D of lost gas use.

At the current level of gas prices, fuel switching should not be a concern for natural gas demand as natural gas prices are below residual fuel oil levels. However, the current economic situation in the U.S. **is** of major concern for not only natural gas demand, but also for crude oil and products consumption as well as electricity demand. We believe that natural gas prices in the longer term will be more sensitive to fluctuations in oil prices. In the future, natural gas prices will be more volatile as the supply/demand balance shifts from gas-to-gas competition to RFO-to-gas competition to distillate-to-gas competitive ranges.

Although there are several reasons for this new premium on natural gas, we believe that the primary factor is that natural gas markets are becoming fundamentally tighter compared to the last decade. Our supply analysis concludes that despite record natural gas drilling in the Western Canada Sedimentary Basin, production levels have remained flat. This is due to the industry focus over the last decade of drilling primarily shallow wells. This type of drilling is characterized by low initial well rates and steep initial year declines. Production basins throughout North America, including the Western Canada Sedimentary Basin (WCSB), will need to change focus from exploitation to exploration of reserves due to the maturing nature of the basins. The WCSB, in particular, needs to see an increase in exploration to the West, where larger pools may be discovered. Due to the challenging nature of the geology and drilling, higher natural gas prices are needed to encourage companies to participate in the higher risk plays. Therefore, our long-term price expectation reflects the higher costs associated with finding and developing new reserves.

Although lack of significant growth in supply bodes well for prices, especially for the coming winter, full storage and slowing economic growth will continue to put pressure on prices for the next six months. Much will depend on the coming winter weather, the pace of the addition of incremental gas-fired power generation facilities and the timing of the economic recovery in the U.S. In our last forecast, we predicted a drop in natural gas prices in 2002. In this current forecast, we have maintained this price level, which reflects moderate price levels in the first half of the year. We believe that the supply/demand situation will tighten considerably in the last half of 2002, and have projected that prices will strengthen over this period. The graphs contained near the beginning of this document illustrate the futures contract prices as of mid-November, 2001, as well as a comparison of our previous forecast versus our current price projections.

Crude oil itself is suffering from a supply/demand imbalance that has weakened the price considerably relative to a year ago. The average West Texas Intermediate crude oil price traded on the New York Mercantile Exchange for November 2000 at $US 34.37/BBL, while current trading is below $US 20.00/BBL. With the standoff between OPEC and non-OPEC producers, and President Bush's "just watch me" comment regarding the possibility of military action against Iraq, the market is torn between these decidedly bearish and bullish possibilities. Weak economic growth globally is putting more pressure on the crude oil price, and a repeat of 1998 is likely if production cuts do not materialize in the next few months.

Due to the uncertainty surrounding the supply situation for crude oil, we have reduced our 2002 U.S. crude oil prices relative to our last forecast to reflect the lower demand situation. This reduced price outlook takes a moderate view that production will be curtailed, averting a serious price collapse. However, we anticipate that demand will remain lackluster until the last half of 2002, which will keep crude oil prices close to our long-term average. We believe that in the future, omitting times of severe economic or political strife, U.S crude oil prices will converge around the $US 20.00/BBL (2002 Dollars) mark. This price is considered adequate to maintain a healthy and active exploration and production sector while at the same time encouraging demand growth.

The implications of a prolonged U.S. recession for the Canadian upstream oil sector are significant. Demand for gasoline and aviation fuels has dropped due to the reduction of travel. Offsetting the possible reduction in demand would be fact that the U.S. will become very

motivated to speed up the development of a continental energy policy in an attempt to reduce dependence on Middle East supply. Additionally, the weak Canadian dollar makes our exports into the U.S. very attractive, which bodes well for continued strong growth of Canadian light crude oil exports. Growth in U.S. incremental heavy crude oil refinery capacity is expected to be limited, in light of the slowing economy and expensive environmental specification requirements for products. Heavy crude oil prices are expected to continue to struggle, especially if the anticipated growth in medium and heavy crude oil production from Western Canada outpaces market growth.

CERTIFICATION OF QUALIFICATION

I, Neil I. Dell, Professional Engineer, 4100, 400 - 3rd Avenue S.W., Calgary, Alberta, Canada hereby certify:

1. That I am an employee of Gilbert Laustsen Jung Associates Ltd., which company did prepare a detailed analysis of certain oil and gas properties of True Energy Inc. The effective date of this evaluation is January 1, 2002.

2. That I do not have, nor do I expect to receive any direct or indirect interest in the securities of True Energy Inc. or its affiliated companies.

3. That I attended the University of Saskatchewan and that I graduated with a Bachelor of Science Degree in Civil Engineering in 1971; that I am a Registered Professional Engineer in the Province of Alberta; and, that I have in excess of thirty years experience in engineering studies relating to Canadian oil and gas fields.

4. That a personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of the information available from the files of True Energy Inc. and the appropriate provincial regulatory authorities.

ORIGINALLY SIGNED BY

Neil I. Dell, P. Eng.

CERTIFICATION OF QUALIFICATION

I, John E. Keith, Professional Engineer, 4100, 400 - 3rd Avenue S.W., Calgary, Alberta, Canada hereby certify:

1. That I am an employee of Gilbert Laustsen Jung Associates Ltd., which company did prepare a detailed analysis of certain oil and gas properties of True Energy Inc. The effective date of this evaluation is January 1, 2002.

2. That I do not have, nor do I expect to receive any direct or indirect interest in the securities of True Energy Inc. or its affiliated companies.

3. That I attended the University of Calgary and that I graduated with a Bachelor of Science Degree in Chemical Engineering in 1984; that I am a Registered Professional Engineer in the Province of Alberta; and, that I have in excess of seventeen years experience in engineering studies relating to Western Canadian oil and gas fields.

4. That a personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of the information available from the files of True Energy Inc. and the appropriate provincial regulatory authorities.

ORIGINALLY SIGNED BY

John E. Keith, P. Eng.

CERTIFICATION OF QUALIFICATION

I, P. Byron Bahnsen, Professional Geologist, 4100, 400 - 3rd Avenue S.W., Calgary, Alberta, Canada hereby certify:

1. That I am an employee of Gilbert Laustsen Jung Associates Ltd., which company did prepare a detailed analysis of certain oil and gas properties of True Energy Inc. The effective date of this evaluation is January 1, 2002.

2. That I do not have, nor do I expect to receive any direct or indirect interest in the securities of True Energy Inc. or its affiliated companies.

3. That I attended the University of Alberta and that I graduated in 1986 with a Bachelor of Science Degree in Geology; that I am a Registered Professional Geologist in the Province of Alberta; and, that I have in excess of fifteen years experience in geological studies relating to International and Western Canadian oil and gas fields.

4. That a personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of the information available from the files of True Energy Inc. and the appropriate provincial regulatory authorities.

ORIGINALLY SIGNED BY

P. Byron Bahnsen, P. Geol.

CERTIFICATION OF QUALIFICATION

I, Dean A. Clarke, Professional Engineer, 4100, 400 - 3rd Avenue S.W., Calgary, Alberta, Canada hereby certify:

1. That I am an employee of Gilbert Laustsen Jung Associates Ltd., which company did prepare a detailed analysis of certain oil and gas properties of True Energy Inc. The effective date of this evaluation is January 1, 2002.

2. That I do not have, nor do I expect to receive any direct or indirect interest in the securities of True Energy Inc. or its affiliated companies.

3. That I attended the University of Regina and that I graduated with a Bachelor of Applied Science Degree in Industrial Systems Engineering in 1993; that I am a Registered Professional Engineer in the Province of Alberta; and, that I have in excess of eight years engineering experience relating to Canadian oil and gas fields.

4. That a personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of the information available from the files of True Energy Inc. and the appropriate provincial regulatory authorities.

ORIGINALLY SIGNED BY

Dean A. Clarke, P. Eng.

CERTIFICATION OF QUALIFICATION

I, Christina K. Mielke, Engineer In Training, 4100, 400 - 3rd Avenue S.W., Calgary, Alberta, Canada hereby certify:

1. That I am an employee of Gilbert Laustsen Jung Associates Ltd., which company did prepare a detailed analysis of certain oil and gas properties of True Energy Inc. The effective date of this evaluation is January 1, 2002.

2. That I do not have, nor do I expect to receive any direct or indirect interest in the securities of True Energy Inc. or its affiliated companies.

3. That I attended the University of Calgary where I graduated with a Bachelor of Science in Civil Engineering in 1998, that I am an Engineer in Training; and, that I have in excess of two years experience in engineering studies relating to Western Canadian oil and gas fields.

4. That a personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of the information available from the files of True Energy Inc. and the appropriate provincial regulatory authorities.

ORIGINALLY SIGNED BY

Christina K. Mielke, E.I.T.

CERTIFICATION OF QUALIFICATION

I, Robert A. Nixon, Professional Geologist, 4100, 400 - 3rd Avenue S.W., Calgary, Alberta, Canada hereby certify:

1. That I am an employee of Gilbert Laustsen Jung Associates Ltd., which company did prepare a detailed analysis of certain oil and gas properties of True Energy Inc. The effective date of this evaluation is January 1, 2002.

2. That I do not have, nor do I expect to receive any direct or indirect interest in the securities of True Energy Inc. or its affiliated companies.

3. That I attended the University of Alberta and graduated with a Bachelor of Science Degree in Geology in 1973; that I am a Registered Professional Geologist in the Province of Alberta; and, that I have in excess of twenty-seven years experience in geological studies and evaluations of Western Canadian oil and gas fields.

4. That a personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of the information available from the files of True Energy Inc. and the appropriate provincial regulatory authorities.

ORIGINALLY SIGNED BY

Robert A. Nixon, P. Geol.

CERTIFICATION OF QUALIFICATION

I, David B. Finn, Petroleum Technologist, 717, 738 - 3rd Avenue S.W., Calgary, Alberta, Canada hereby certify:

1. That I have been retained by Gilbert Laustsen Jung Associates Ltd., which company did prepare a detailed analysis of certain oil and gas properties of True Energy Inc. The effective date of this evaluation is January 1, 2002.

2. That I do not have, nor do I expect to receive any direct or indirect interest in the securities of True Energy Inc. or its affiliated companies.

3. That I attended the British Columbia Institute of Technology and that I graduated with a Diploma of Engineering Technology in Natural Gas and Petroleum Technology in 1969; that I am a Registered Applied Science Technologist in the Province of British Columbia; and, that I have in excess of thirty-two years experience in engineering studies relating to Western Canadian oil and gas fields.

4. That a personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of the information available from the files of True Energy Inc. and the appropriate provincial regulatory authorities.

ORIGINALLY SIGNED BY

David B. Finn, A. Sc.T.

CERTIFICATION OF QUALIFICATION

I, Mirek Zaoral, Professional Geologist, 4100, 400 – 3rd Avenue S.W., Calgary, Alberta, Canada hereby certify:

1. That I am an employee of Gilbert Laustsen Jung Associates Ltd., which company did prepare a detailed analysis of certain oil and gas properties of True Energy Inc. The effective date of this evaluation is January 1, 2002.

2. That I do not have, nor do I expect to receive any direct or indirect interest in the securities of True Energy Inc. or its affiliated companies.

3. That I attended the University of Calgary and that I graduated in 1977 with a Bachelor of Science Degree with honours in Geology; that I am a registered Professional Geologist in the Province of Alberta; and, that I have in excess of twenty-four years experience in geological studies relating to Western Canadian oil and gas fields.

4. That a personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of the information available from the files of True Energy Inc. and the appropriate provincial regulatory authorities.

ORIGINALLY SIGNED BY

Mirek Zaoral, P. Geol.

CERTIFICATION OF QUALIFICATION

I, Charlene A. Maines, B.Sc., Geologist, 4100, 400 - 3rd Avenue S.W., Calgary, Alberta, Canada hereby certify:

1. That I am an employee of Gilbert Laustsen Jung Associates Ltd., which company did prepare a detailed analysis of certain oil and gas properties of True Energy Inc. The effective date of this evaluation is January 1, 2002.

2. That I do not have, nor do I expect to receive any direct or indirect interest in the securities of True Energy Inc. or its affiliated companies.

3. That I attended the University of Waterloo where I graduated with a Bachelor of Science in Earth Sciences (Geology) in 1983; and that I have in excess of nine years experience in geological studies relating to Western Canadian oil and gas fields.

4. That a personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of the information available from the files of True Energy Inc. and the appropriate provincial regulatory authorities.

ORIGINALLY SIGNED BY

Charlene A. Maines, B.Sc. Geol.

CERTIFICATION OF QUALIFICATION

I, Kevin J. Trickett, Professional Geologist, 3, Woodfield Road S.W., Calgary, Alberta, Canada hereby certify:

1. That I have been retained by Gilbert Laustsen Jung Associates Ltd., which company did prepare a detailed analysis of certain oil and gas properties of True Energy Inc. The effective date of this evaluation is January 1, 2002.

2. That I do not have, nor do I expect to receive any direct or indirect interest in the securities of True Energy Inc. or its affiliated companies.

3. That I attended the University of Western Ontario and that I graduated in 1981 with a Bachelor of Science Degree (Honors) in Geology; that I am a Registered Professional Geologist in the Province of Alberta; and, that I have in excess of seventeen years experience in geological and engineering studies relating to Western Canadian oil and gas fields.

4. That a personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of the information available from the files of True Energy Inc. and the appropriate provincial regulatory authorities.

ORIGINALLY SIGNED BY

Kevin J. Trickett, P. Geol.