



Gilbert Laustsen Jung

Associates Ltd. Petroleum Consultants

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March 15, 2002

Project 1025303

Mr. Clint Broughton  
**True Energy Inc.**  
300, 520 – 5<sup>th</sup> Avenue S.W.  
Calgary, Alberta  
T2P 3R7

Dear Sir:

**Re: Pricing Sensitivity  
Client Supplied Constant Pricing  
Effective January 1, 2002**

Pursuant to your request, Gilbert Laustsen Jung Associates Ltd. (GLJ) has prepared a constant pricing sensitivity for the True Energy Inc. (True) interests in certain Canadian oil and gas properties with an effective date of January 1, 2002 as evaluated by GLJ in its report dated March 13, 2002.

The enclosed cash flows were developed from the reserves assignments, production forecasts and economic forecasts which utilized GLJ (2002-01) price forecasts and were prepared with a January 1, 2002 effective date. The enclosed cash flows were prepared using the following client specified pricing:

Heavy Oil	\$12.99 Cdn/BBL
Light Oil and Condensate	\$27.79 Cdn/BBL
Gas	\$3.24 Cdn/MCF

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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

**SUMMARY OF RESERVES AND VALUES**  
**TRUE ENERGY INC.**  
**Summary**  
**Total Properties**  
**Client Supplied Constant PRICING**  
**EFFECTIVE DATE January 01, 2002**

	Proved Producing	Total Proved	Proved Plus Probable Producing	Total Proved Plus Probable	Total Established
<b>MARKETABLE RESERVES</b>					
<b>Oil - MMSTB</b>					
Gross	4.11	4.47	4.86	6.22	5.34
Company Interest	0.69	0.80	0.89	1.56	1.18
Net After Royalty	0.62	0.71	0.79	1.35	1.03
<b>Gas - BCF</b>					
Gross	18.76	22.18	25.80	31.43	26.81
Company Interest	9.70	12.26	13.68	17.61	14.94
Net After Royalty	7.68	9.73	10.74	13.78	11.75
<b>Natural Gas Liquids - MMSTB</b>					
Gross	0.125	0.125	0.154	0.154	0.140
Company Interest	0.047	0.047	0.062	0.062	0.054
Net After Royalty	0.044	0.044	0.058	0.058	0.051
<b>Oil Equivalent - MMBOE</b>					
Gross	7.36	8.29	9.32	11.61	9.95
Company Interest	2.35	2.89	3.23	4.55	3.72
Net After Royalty	1.94	2.37	2.64	3.71	3.04
<b>BEFORE TAX PRESENT VALUE - \$MM</b>					
0.0%	17.8	22.5	24.9	32.2	27.4
8.0%	13.8	17.3	18.4	23.7	20.5
10.0%	13.1	16.5	17.4	22.4	19.4
12.0%	12.6	15.7	16.5	21.2	18.4
15.0%	11.8	14.7	15.4	19.6	17.2
18.0%	11.2	13.8	14.5	18.3	16.1
20.0%	10.8	13.3	14.0	17.6	15.4
<b>FIRST 6 YEARS BEFORE TAX CASH FLOW - \$M</b>					
2002	5226	5462	5902	6042	5752
2003	3324	3962	4259	5641	4802
2004	2221	3372	3058	3813	3593
2005	1511	2326	2277	3835	3080
2006	1040	1605	1665	2737	2171
2007	801	1238	1262	2027	1632

## Oil Equivalent Factors:

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

Project 1025303  
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Company: **TRUE ENERGY INC.**  
 Property: **Summary**  
 Description: **Total Properties**

Reserve Class: **Proved**  
 Development Class: **Producing**  
 Pricing: **Client Supplied Constant**  
 Effective Date: **January 01, 2002**

**PRODUCTION FORECAST**

Year	Oil Production							Solution Gas Production					Residue Gas Production				
	Gross Wells		Gross	Compny	Compny	Net	Price \$/Bbl	Gross	Compny	Compny	Net	Price \$/Mcf	Gross	Compny	Compny	Net	Price \$/Mcf
	Oil	Gas	Daily Stb	Daily Stb	Yearly Stb	Yearly Stb		Daily Mcf	Daily Mcf	Yearly Mcf	Yearly Mcf		Daily Mcf	Daily Mcf	Yearly Mmcf	Yearly Mmcf	
2002	383	58	1551	616	224790	187095	15.47	345	38	13717	12396	3.24	12499	7352	2683	1986	3.24
2003	242	56	983	313	114384	98659	16.93	296	27	10022	9122	3.24	8570	4962	1811	1366	3.24
2004	224	52	713	149	54332	49079	20.74	273	25	9118	8309	3.24	6350	3557	1298	1008	3.24
2005	210	46	626	125	45595	41132	20.99	253	23	8383	7629	3.24	4574	2503	914	738	3.24
2006	182	37	527	93	33925	31129	21.07	218	11	4106	4062	3.24	2980	1616	590	486	3.24
2007	166	34	482	83	30225	28060	21.23	205	10	3788	3767	3.24	2412	1322	482	406	3.24
2008	156	30	423	66	24206	23055	21.37	194	10	3613	3592	3.24	1925	1065	389	333	3.24
2009	138	25	387	53	19447	18710	22.79	154	7	2520	2500	3.24	1540	872	318	276	3.24
2010	135	23	350	39	14321	14156	25.61	147	7	2439	2419	3.24	1325	747	273	239	3.24
2011	130	21	329	37	13391	13309	25.65	141	6	2361	2343	3.24	1138	636	232	204	3.24
2012	124	16	309	31	11329	11252	27.22	135	6	2288	2270	3.24	751	437	159	140	3.24
2013	113	15	282	28	10145	10075	27.79	123	6	2081	2065	3.24	629	348	127	111	3.24
Sub.	184	34	580	136	596089	525710	18.65	207	15	64435	60474	3.24	3724	2118	9278	7293	3.24
Rem.	63	2	113	7	92483	91847	27.79	61	3	45069	44687	3.24	50	23	313	279	3.24
<b>Tot.</b>	<b>92</b>	<b>9</b>	<b>225</b>	<b>38</b>	<b>688572</b>	<b>617557</b>	<b>19.87</b>	<b>96</b>	<b>6</b>	<b>109504</b>	<b>105161</b>	<b>3.24</b>	<b>932</b>	<b>526</b>	<b>9591</b>	<b>7572</b>	<b>3.24</b>

Year	Total Gas Production					Condensate Production					Butane Production				
	Gross	Compny	Compny	Net	Price \$/Mcf	Gross	Compny	Compny	Net	Price \$/Bbl	Gross	Compny	Compny	Net	Price \$/Bbl
	Daily Mcf	Daily Mcf	Yearly Mmcf	Yearly Mmcf		Daily Stb	Daily Stb	Yearly Stb	Yearly Stb		Daily Stb	Daily Stb	Yearly Stb	Yearly Stb	
2002	12844	7390	2697	1999	3.24	20	14	4988	4635	27.79	7	0	146	145	17.79
2003	8865	4989	1821	1375	3.24	18	12	4411	4100	27.79	6	0	135	134	17.79
2004	6624	3581	1307	1016	3.24	16	11	4067	3780	27.79	6	0	131	130	17.79
2005	4828	2526	922	745	3.24	15	10	3751	3486	27.79	6	0	127	126	17.79
2006	3198	1628	594	490	3.24	14	9	3410	3174	27.79	6	0	123	122	17.79
2007	2617	1332	486	410	3.24	13	9	3144	2927	27.79	6	0	120	119	17.79
2008	2120	1075	392	337	3.24	12	8	2901	2701	27.79	6	0	116	115	17.79
2009	1693	879	321	279	3.24	11	7	2677	2492	27.79	5	0	113	112	17.79
2010	1472	754	275	241	3.24	10	7	2470	2300	27.79	5	0	110	109	17.79
2011	1279	643	235	206	3.24	9	6	2279	2122	27.79	5	0	107	106	17.79
2012	886	443	162	142	3.24	8	6	2103	1958	27.79	5	0	104	103	17.79
2013	753	354	129	113	3.24	8	5	1941	1807	27.79	4	0	95	94	17.79
Sub.	3932	2133	9342	7353	3.24	13	9	38143	35484	27.79	6	0	1428	1416	17.79
Rem.	111	26	358	323	3.24	1	0	4814	4482	27.79	3	0	2185	2166	17.79
<b>Tot.</b>	<b>1028</b>	<b>532</b>	<b>9700</b>	<b>7677</b>	<b>3.24</b>	<b>3</b>	<b>2</b>	<b>42957</b>	<b>39966</b>	<b>27.79</b>	<b>3</b>	<b>0</b>	<b>3613</b>	<b>3581</b>	<b>17.79</b>

Year	Total NGL Production					Total Oil + NGL Production					Total Oil Equiv. Production				
	Gross	Compny	Compny	Net	Price \$/Bbl	Gross	Compny	Compny	Net	Price \$/Bbl	Gross	Compny	Compny	Net	Price \$/BOE
	Daily Stb	Daily Stb	Yearly Stb	Yearly Stb		Daily Stb	Daily Stb	Yearly Stb	Yearly Stb		Daily Stb	Daily Stb	Yearly Mstb	Yearly Mstb	
2002	27	14	5134	4780	27.51	1578	630	229924	191875	15.74	3719	1862	679	525	18.19
2003	24	12	4547	4234	27.49	1007	326	118930	102893	17.34	2485	1157	422	332	18.85
2004	23	12	4198	3910	27.48	736	160	58530	52989	21.22	1840	757	276	222	19.82
2005	21	11	3878	3612	27.46	647	136	49473	44744	21.50	1452	557	203	169	19.94
2006	19	10	3533	3296	27.44	547	103	37458	34426	21.67	1079	374	136	116	20.05
2007	18	9	3264	3046	27.42	500	92	33490	31106	21.83	936	314	115	99	20.14
2008	17	8	3018	2817	27.40	441	75	27223	25872	22.04	794	254	93	82	20.20
2009	16	8	2790	2605	27.38	403	61	22237	21314	23.36	685	207	76	68	20.59
2010	15	7	2580	2409	27.36	365	46	16901	16565	25.88	610	172	63	57	21.17
2011	14	7	2386	2228	27.34	343	43	15778	15537	25.90	556	150	55	50	21.30
2012	13	6	2207	2061	27.32	322	37	13536	13313	27.24	470	111	40	37	22.05
2013	12	6	2035	1900	27.33	295	33	12180	11975	27.71	420	92	34	31	22.43
Sub.	18	9	39572	36899	27.43	599	145	635661	562610	19.19	1254	501	2193	1788	19.37
Rem.	3	1	6999	6648	24.67	116	7	99482	98495	27.57	135	11	159	152	24.52
<b>Tot.</b>	<b>7</b>	<b>3</b>	<b>46570</b>	<b>43547</b>	<b>27.01</b>	<b>232</b>	<b>40</b>	<b>735143</b>	<b>661104</b>	<b>20.33</b>	<b>403</b>	<b>129</b>	<b>2352</b>	<b>1941</b>	<b>19.72</b>

## REVENUE AND EXPENSE FORECAST

Year	Revenue Before Burdens						Royalty Burdens		Gas Processing		Total	Net	Operating Expenses		
	Oil M\$	Working Interest		Total M\$	Royalty Interest M\$	Company Total M\$	Pre-Processing		Allowance		Royalty	Royalty	Fixed M\$	Variable M\$	Total M\$
		Gas M\$	NGL+Sul M\$				Crown M\$	Other M\$	Crown M\$	Other M\$	After Process. M\$	After Royalty M\$			
2002	3343	8673	141	12156	200	12357	1508	1204	0	69	2643	9714	2498	1897	4395
2003	1854	5844	124	7822	140	7962	1006	623	0	35	1594	6368	2045	1071	3116
2004	1061	4186	115	5361	116	5478	663	344	0	15	992	4485	1750	613	2363
2005	901	2944	106	3951	100	4051	430	210	0	4	637	3414	1555	465	2020
2006	670	1886	97	2652	85	2737	251	127	0	-3	382	2355	1083	329	1412
2007	606	1540	89	2235	71	2307	182	99	0	-5	285	2022	1029	281	1309
2008	491	1242	82	1815	56	1872	129	63	0	-5	198	1674	920	220	1141
2009	418	1012	76	1506	53	1559	105	44	0	-5	154	1405	808	183	990
2010	343	866	70	1279	50	1329	76	38	0	-5	119	1210	738	145	883
2011	325	736	65	1126	43	1169	59	34	0	-5	98	1071	699	128	827
2012	290	501	60	852	41	893	38	28	0	-5	71	822	470	91	561
2013	266	398	55	719	38	756	29	25	0	-5	59	697	431	75	506
Sub.	10568	29827	1081	41475	993	42468	4477	2840	0	85	7232	35237	14025	5497	19522
Rem.	2256	1028	167	3450	452	3903	57	77	0	-37	171	3732	2116	388	2504
<b>Tot.</b>	<b>12823</b>	<b>30854</b>	<b>1248</b>	<b>44926</b>	<b>1445</b>	<b>46371</b>	<b>4534</b>	<b>2918</b>	<b>0</b>	<b>48</b>	<b>7403</b>	<b>38969</b>	<b>16141</b>	<b>5885</b>	<b>22026</b>
Disc	7914	22292	688	30894	707	31601	3499	2298	0	87	5709	25891	9513	4201	13714

Year	Other Expenses			Net	Other Income				Net Capital Investment				Before Tax Cash Flow		
	Mineral Tax M\$	Capital Tax M\$	NPI Payment M\$	Prod'n	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\$
				Revenue M\$											
2002	291	0	0	5027	199	0	0	5226	0	0	0	0	5226	5226	4939
2003	101	0	0	3151	173	0	0	3324	0	0	0	0	3324	8550	7743
2004	34	0	0	2088	148	0	0	2236	15	0	0	15	2221	10771	9416
2005	11	0	0	1383	127	0	0	1511	0	0	0	0	1511	12282	10432
2006	4	0	0	939	101	0	0	1040	0	0	0	0	1040	13322	11056
2007	2	0	0	711	90	0	0	801	0	0	0	0	801	14123	11486
2008	0	0	0	533	80	0	0	613	0	0	0	0	613	14736	11779
2009	0	0	0	414	70	0	0	484	0	0	0	0	484	15220	11986
2010	0	0	0	327	62	0	0	389	0	0	0	0	389	15610	12135
2011	0	0	0	244	55	0	0	299	0	0	0	0	299	15908	12237
2012	0	0	0	261	49	0	0	310	0	0	0	0	310	16218	12331
2013	0	0	0	192	44	0	0	236	0	0	0	0	236	16454	12395
Sub.	444	0	0	15271	1198	0	0	16469	15	0	0	15	16454	16454	12395
Rem.	0	0	0	1228	81	0	0	1309	0	0	0	0	1309	17762	12564
<b>Tot.</b>	<b>444</b>	<b>0</b>	<b>0</b>	<b>16498</b>	<b>1279</b>	<b>0</b>	<b>0</b>	<b>17777</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>17762</b>	<b>17762</b>	<b>12564</b>
Disc	397	0	0	11780	795	0	0	12575	11	0	0	11	12564	12564	12564

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## RESERVE SUMMARY

Product	Units	Remaining Reserves at January 1, 2002					Oil Equivalents			Reserve Life Indic. (yr)		
		Gross	Working Interest	Roy/NPI Interest	Total Company	Net	BOE Factor	Company Mstb	% of Total	Reserve Life	Life Index	Half Life
Oil	Mstb	4107	658	31	689	618	1.000	689	29	47	3.1	2.1
Solution Gas	Mmcf	1758	97	12	110	105	6.000	18	1	47	8.0	7.8
Residue Gas	Mmcf	17001	9426	165	9591	7572	6.000	1598	68	20	3.6	2.2
Total Gas	Mmcf	18758	9523	177	9700	7677	6.000	1617	69	47	3.6	2.3
	MMMBtu	18758	9523	0	9700	7677				47	3.6	2.3
Condensate	Mstb	63	43	0	43	40	1.000	43	2	20	8.6	5.3
Butane	Mstb	62	3	0	4	4	1.000	4	0	47	24.7	16.3
Total NGL	Mstb	125	46	1	47	44	1.000	47	2	47	9.1	5.6
Total Oil+NGL	Mstb	4232	704	32	735	661	1.000	735	31	47	3.2	2.3
Total Oil Eq.	Mstb	7359	2291	61	2352	1941		2352	100	47	3.5	2.3

## PRODUCT REVENUE AND EXPENSES

Product	Units	Average First Year Unit Values							Net Revenue After Royalties			
		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	27.79	-12.32	15.47	2.39	9.42	0.06	3.60	12566	32	7401	29
Solution Gas	\$/Mcf	3.24	0.00	3.24	0.31	1.61	0.00	1.31	336	1	146	1
Residue Gas	\$/Mcf	3.24	0.00	3.24	0.80	0.81	0.10	1.52	24886	64	17696	68
Total Gas	\$/Mcf	3.24	0.00	3.24	0.80	0.81	0.10	1.52	25222	65	17842	69
Condensate	\$/Stb	27.79	0.00	27.79	1.97	17.79	0.00	8.04	1119	3	631	2
Butane	\$/Stb	17.79	0.00	17.79	0.16	3.71	0.00	13.92	62	0	17	0
Total NGL	\$/Stb	27.51	0.00	27.51	1.92	17.39	0.00	8.20	1180	3	648	3
Total Oil+NGL	\$/Stb	27.78	-12.05	15.74	2.38	9.60	0.05	3.70	13747	35	8049	31
Total Oil Eq.	\$/BOE	22.26	-4.08	18.19	3.99	6.47	0.43	7.30	38969	100	25891	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\$	\$/BOE
Working Interest	44.5945	26.4331	0.0	16498	17777	15	17762	7.55
Capital Interest	50.0000	30.0000	8.0	12871	13782	12	13769	5.85
Royalty Interest	0.7349	0.8504	10.0	12290	13139	12	13127	5.58
Crown Royalty	12.4035	10.0911	12.0	11780	12575	11	12564	5.34
Non-crown Royalty	9.9074	6.4941	15.0	11116	11842	11	11832	5.03
Mineral Tax	2.3942	0.9883	18.0	10547	11216	10	11206	4.76
NPI Payment	0.0031	0.0018	20.0	10210	10846	10	10837	4.61

Project.....1025303  
Entity.....Total Properties (Proved Producing)  
Run date....Fri Mar 01 2002 14:18:17  
Evaluator...Dell, Neil I.

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

Reserve Class: **Proved**  
 Development Class: **Total**  
 Pricing: **Client Supplied Constant**  
 Effective Date: **January 01, 2002**

**PRODUCTION FORECAST**

Year	Oil Production						Solution Gas Production					Residue Gas Production					
	Gross Wells		Gross	Compny	Compny	Net	Price	Gross	Compny	Compny	Net	Price	Gross	Compny	Compny	Net	Price
	Oil	Gas	Daily Stb	Daily Stb	Yearly Stb	Yearly Stb		Daily Mcf	Daily Mcf	Yearly Mcf	Yearly Mcf		Daily Mcf	Daily Mcf	Yearly Mmcf	Yearly Mmcf	
2002	384	62	1557	622	226977	189008	15.59	349	41	15117	13620	3.24	13750	8431	3077	2269	3.24
2003	246	60	1322	413	150746	131738	19.55	299	31	11251	10197	3.24	10379	6388	2332	1773	3.24
2004	228	57	897	203	74212	67147	22.63	275	27	9906	8999	3.24	7869	4651	1698	1329	3.24
2005	214	51	751	162	59232	52856	22.55	255	25	9038	8202	3.24	5749	3353	1224	990	3.24
2006	186	41	621	121	44228	38172	22.64	219	13	4657	4544	3.24	3867	2254	823	677	3.24
2007	170	38	557	105	38458	33790	22.63	206	12	4256	4176	3.24	3108	1826	666	559	3.24
2008	160	34	486	85	31029	27906	22.78	196	11	4015	3944	3.24	2473	1465	535	455	3.24
2009	142	29	440	69	25252	22923	23.94	155	8	2869	2805	3.24	1971	1190	434	373	3.24
2010	139	27	396	53	19357	17886	26.18	148	8	2743	2686	3.24	1666	1001	365	316	3.24
2011	132	25	342	42	15503	14947	25.94	142	7	2629	2577	3.24	1395	829	303	263	3.24
2012	125	22	310	32	11699	11575	27.24	136	7	2525	2477	3.24	1126	663	242	210	3.24
2013	113	16	282	28	10145	10075	27.79	123	6	2081	2065	3.24	683	376	137	121	3.24
Sub.	187	39	663	161	706837	618023	20.08	209	16	71087	66293	3.24	4503	2702	11835	9336	3.24
Rem.	63	2	113	7	92483	91847	27.79	61	3	45069	44687	3.24	50	23	313	279	3.24
<b>Tot.</b>	<b>93</b>	<b>11</b>	<b>245</b>	<b>44</b>	<b>799320</b>	<b>709870</b>	<b>20.97</b>	<b>97</b>	<b>6</b>	<b>116155</b>	<b>110980</b>	<b>3.24</b>	<b>1118</b>	<b>666</b>	<b>12148</b>	<b>9615</b>	<b>3.24</b>

Year	Total Gas Production					Condensate Production					Butane Production				
	Gross	Compny	Compny	Net	Price	Gross	Compny	Compny	Net	Price	Gross	Compny	Compny	Net	Price
	Daily Mcf	Daily Mcf	Yearly Mmcf	Yearly Mmcf		Daily Stb	Daily Stb	Yearly Stb	Yearly Stb		Daily Stb	Daily Stb	Yearly Stb	Yearly Stb	
2002	14099	8472	3092	2283	3.24	20	14	5007	4652	27.79	7	0	146	145	17.79
2003	10678	6419	2343	1783	3.24	18	12	4428	4115	27.79	6	0	135	134	17.79
2004	8145	4678	1707	1338	3.24	16	11	4078	3790	27.79	6	0	131	130	17.79
2005	6005	3378	1233	998	3.24	15	10	3760	3494	27.79	6	0	127	126	17.79
2006	4086	2266	827	682	3.24	14	9	3417	3181	27.79	6	0	123	122	17.79
2007	3314	1837	671	563	3.24	13	9	3151	2933	27.79	6	0	120	119	17.79
2008	2668	1476	539	459	3.24	12	8	2907	2706	27.79	6	0	116	115	17.79
2009	2126	1198	437	376	3.24	11	7	2682	2497	27.79	5	0	113	112	17.79
2010	1815	1008	368	319	3.24	10	7	2474	2303	27.79	5	0	110	109	17.79
2011	1537	836	305	265	3.24	9	6	2283	2125	27.79	5	0	107	106	17.79
2012	1262	670	245	213	3.24	8	6	2106	1961	27.79	5	0	104	103	17.79
2013	807	381	139	123	3.24	8	5	1941	1807	27.79	4	0	95	94	17.79
Sub.	4712	2718	11906	9402	3.24	13	9	38235	35564	27.79	6	0	1428	1416	17.79
Rem.	111	26	358	324	3.24	1	0	4814	4482	27.79	3	0	2185	2166	17.79
<b>Tot.</b>	<b>1215</b>	<b>672</b>	<b>12264</b>	<b>9726</b>	<b>3.24</b>	<b>3</b>	<b>2</b>	<b>43049</b>	<b>40046</b>	<b>27.79</b>	<b>3</b>	<b>0</b>	<b>3613</b>	<b>3581</b>	<b>17.79</b>

Year	Total NGL Production					Total Oil + NGL Production					Total Oil Equiv. Production				
	Gross	Compny	Compny	Net	Price	Gross	Compny	Compny	Net	Price	Gross	Compny	Compny	Net	Price
	Daily Stb	Daily Stb	Yearly Stb	Yearly Stb		Daily Stb	Daily Stb	Yearly Stb	Yearly Stb		Daily Stb	Daily Stb	Yearly Mstb	Yearly Mstb	
2002	27	14	5154	4797	27.51	1584	636	232131	193805	15.85	3934	2048	748	574	18.33
2003	24	13	4563	4249	27.49	1346	426	155309	135987	19.78	3126	1495	546	433	19.54
2004	23	12	4209	3920	27.48	919	215	78421	71067	22.89	2277	995	363	294	20.18
2005	21	11	3887	3620	27.46	772	173	63119	56476	22.86	1773	736	269	223	20.24
2006	19	10	3541	3303	27.44	641	131	47769	41475	22.99	1322	509	186	155	20.35
2007	18	9	3271	3052	27.42	576	114	41728	36842	23.01	1128	421	154	131	20.41
2008	17	8	3023	2822	27.40	503	93	34052	30728	23.20	948	339	124	107	20.47
2009	16	8	2795	2609	27.38	456	77	28047	25531	24.28	810	277	101	88	20.78
2010	15	7	2584	2413	27.36	411	60	21942	20298	26.32	714	228	83	73	21.25
2011	14	7	2390	2231	27.34	356	49	17893	17178	26.13	612	188	69	61	21.18
2012	13	6	2211	2064	27.32	323	38	13909	13640	27.25	534	150	55	49	21.43
2013	12	6	2035	1900	27.33	295	33	12180	11975	27.71	429	97	35	33	22.29
Sub.	18	9	39663	36979	27.43	682	170	746500	655002	20.47	1467	623	2731	2222	19.72
Rem.	3	1	6999	6648	24.67	116	7	99482	98495	27.57	135	11	159	152	24.52
<b>Tot.</b>	<b>7</b>	<b>3</b>	<b>46662</b>	<b>43627</b>	<b>27.02</b>	<b>252</b>	<b>46</b>	<b>845982</b>	<b>753497</b>	<b>21.30</b>	<b>454</b>	<b>158</b>	<b>2890</b>	<b>2374</b>	<b>19.99</b>

**REVENUE AND EXPENSE FORECAST**

Year	Revenue Before Burdens						Royalty Burdens		Gas Processing		Total	Net	Operating Expenses		
	Oil M\$	Working Interest		Total M\$	Royalty Interest M\$	Company Total M\$	Pre-Processing		Allowance		Royalty	Revenue	Fixed M\$	Variable M\$	Total M\$
		Gas M\$	NGL+Sul M\$				Crown M\$	Other M\$	Crown M\$	Other M\$	After Process. M\$	After Royalty M\$			
2002	3404	9953	141	13498	200	13698	1601	1470	2	102	2967	10731	2554	2199	4753
2003	2864	7534	125	10523	140	10663	1179	898	2	64	2011	8652	2170	1332	3502
2004	1613	5482	115	7211	116	7327	766	538	1	39	1264	6063	1885	795	2681
2005	1280	3951	106	5337	100	5437	514	363	1	24	852	4586	1690	606	2296
2006	956	2641	97	3694	85	3779	356	245	1	14	586	3193	1192	437	1629
2007	835	2137	89	3062	71	3133	256	194	1	11	438	2695	1138	371	1509
2008	681	1716	83	2479	56	2535	184	141	1	9	315	2220	1030	301	1331
2009	579	1389	76	2045	53	2098	147	108	1	7	247	1851	917	258	1175
2010	483	1167	70	1720	50	1770	109	90	1	5	194	1576	847	221	1068
2011	384	965	65	1413	43	1456	70	74	1	2	142	1314	783	170	954
2012	301	770	60	1131	41	1171	49	57	1	0	106	1066	701	115	816
2013	266	430	55	751	38	788	29	25	1	-5	58	730	444	79	523
Sub.	13645	38134	1084	52863	993	53857	5260	4203	12	272	9179	44678	15352	6884	22236
Rem.	2256	1028	167	3451	452	3903	57	77	0	-37	171	3732	2117	388	2504
<b>Tot.</b>	<b>15901</b>	<b>39162</b>	<b>1251</b>	<b>56314</b>	<b>1445</b>	<b>57760</b>	<b>5317</b>	<b>4280</b>	<b>12</b>	<b>235</b>	<b>9350</b>	<b>48410</b>	<b>17468</b>	<b>7271</b>	<b>24740</b>
Disc	10026	28027	690	38743	707	39449	4033	3258	8	212	7071	32378	10232	5174	15406

Year	Other Expenses			Net	Other Income				Net Capital Investment				Before Tax Cash Flow		
	Mineral Tax M\$	Capital Tax M\$	NPI Payment M\$	Prod'n	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\$
				Revenue M\$											
2002	385	0	0	5593	199	0	0	5792	105	130	95	330	5462	5462	5161
2003	242	0	0	4909	173	0	0	5081	438	452	228	1119	3962	9424	8504
2004	143	0	0	3239	148	0	0	3387	15	0	0	15	3372	12796	11044
2005	91	0	0	2198	127	0	0	2326	0	0	0	0	2326	15122	12608
2006	60	0	0	1504	101	0	0	1605	0	0	0	0	1605	16727	13572
2007	38	0	0	1148	90	0	0	1238	0	0	0	0	1238	17965	14236
2008	22	0	0	868	80	0	0	948	0	0	0	0	948	18913	14690
2009	11	0	0	664	70	0	0	734	0	0	0	0	734	19647	15003
2010	5	0	0	503	62	0	0	565	0	0	0	0	565	20212	15219
2011	1	0	0	359	55	0	0	414	0	0	0	0	414	20626	15360
2012	1	0	0	249	49	0	0	298	0	0	0	0	298	20924	15451
2013	1	0	0	206	44	0	0	250	0	0	0	0	250	21175	15519
Sub.	1001	0	0	21440	1198	0	0	22639	558	582	323	1464	21175	21175	15519
Rem.	0	0	0	1228	81	0	0	1309	0	0	0	0	1309	22483	15688
<b>Tot.</b>	<b>1001</b>	<b>0</b>	<b>0</b>	<b>22668</b>	<b>1279</b>	<b>0</b>	<b>0</b>	<b>23947</b>	<b>558</b>	<b>582</b>	<b>323</b>	<b>1464</b>	<b>22483</b>	<b>22483</b>	<b>15688</b>
Disc	812	0	0	16160	795	0	0	16955	480	504	282	1267	15688	15688	15688

**RESERVE SUMMARY**

Product	Units	Remaining Reserves at January 1, 2002					Oil Equivalents			Reserve Life Indic. (yr)		
		Gross	Working Interest	Roy/NPI Interest	Total Company	Net	BOE Factor	Company Mstb	% of Total	Reserve Life	Life Index	Half Life
Oil	Mstb	4472	768	31	799	710	1.000	799	28	47	3.5	2.3
Solution Gas	Mmcf	1764	104	12	116	111	6.000	19	1	47	7.7	7.0
Residue Gas	Mmcf	20412	11983	165	12148	9615	6.000	2025	70	20	3.9	2.4
Total Gas	Mmcf	22176	12087	177	12264	9726	6.000	2044	71	47	4.0	2.4
	MMMBtu	22176	12087	0	12264	9726				47	4.0	2.4
Condensate	Mstb	63	43	0	43	40	1.000	43	1	20	8.6	5.3
Butane	Mstb	62	3	0	4	4	1.000	4	0	47	24.7	16.3
Total NGL	Mstb	125	46	1	47	44	1.000	47	2	47	9.1	5.6
Total Oil+NGL	Mstb	4597	814	32	846	753	1.000	846	29	47	3.6	2.5
Total Oil Eq.	Mstb	8293	2829	61	2890	2374		2890	100	47	3.9	2.4

**PRODUCT REVENUE AND EXPENSES**

Product	Units	Average First Year Unit Values							Net Revenue After Royalties			
		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	27.79	-12.20	15.59	2.40	9.38	0.07	3.73	15132	31	9200	28
Solution Gas	\$/Mcf	3.24	0.00	3.24	0.32	1.67	0.00	1.25	357	1	160	0
Residue Gas	\$/Mcf	3.24	0.00	3.24	0.82	0.82	0.12	1.49	31738	66	22369	69
Total Gas	\$/Mcf	3.24	0.00	3.24	0.81	0.82	0.12	1.49	32095	66	22529	70
Condensate	\$/Stb	27.79	0.00	27.79	1.97	17.79	0.00	8.02	1121	2	633	2
Butane	\$/Stb	17.79	0.00	17.79	0.16	3.71	0.00	13.92	62	0	17	0
Total NGL	\$/Stb	27.51	0.00	27.51	1.92	17.39	0.00	8.19	1183	2	650	2
Total Oil+NGL	\$/Stb	27.78	-11.93	15.85	2.39	9.56	0.07	3.83	16315	34	9849	30
Total Oil Eq.	\$/BOE	22.03	-3.71	18.33	4.11	6.36	0.51	7.34	48410	100	32378	100

**INTEREST AND NET PRESENT VALUE SUMMARY**

Revenue Interests and Burdens (%)			Net Present Value Before Income Tax					
			Disc. Rate %	Prod'n Revenue M\$	Operating Income M\$	Capital Invest. M\$	Cash Flow	
Initial	Average					M\$	\$/BOE	
Working Interest	46.8594	29.4578	0.0	22668	23947	1464	22483	7.78
Capital Interest	100.0000	48.2372	8.0	17730	18641	1327	17314	5.99
Royalty Interest	0.6954	0.7561	10.0	16898	17747	1296	16451	5.69
Crown Royalty	11.8591	9.4415	12.0	16160	16955	1267	15688	5.43
Non-crown Royalty	10.8881	7.6005	15.0	15190	15917	1226	14691	5.08
Mineral Tax	2.8520	1.7778	18.0	14354	15023	1187	13837	4.79
NPI Payment	0.0028	0.0013	20.0	13856	14493	1162	13331	4.61

Project.....1025303  
 Entity.....Total Properties (Total Proved)  
 Run date....Fri Mar 01 2002 14:18:18  
 Evaluator...Dell, Neil I.

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

Reserve Class: **Proved Plus Probable**  
 Development Class: **Producing**  
 Pricing: **Client Supplied Constant**  
 Effective Date: **January 01, 2002**

**PRODUCTION FORECAST**

Year	Oil Production						Solution Gas Production					Residue Gas Production					
	Gross Wells		Gross	Compny	Compny	Net	Price \$/Bbl	Gross	Compny	Compny	Net	Price \$/Mcf	Gross	Compny	Compny	Net	Price \$/Mcf
	Oil	Gas	Daily Stb	Daily Stb	Yearly Stb	Yearly Stb		Daily Mcf	Daily Mcf	Yearly Mcf	Yearly Mcf		Daily Mcf	Daily Mcf	Yearly Mmcf	Yearly Mmcf	
2002	384	58	1618	666	242923	200228	15.31	348	38	13865	12529	3.24	13776	8228	3003	2214	3.24
2003	244	57	1088	398	145311	122188	16.13	300	28	10232	9311	3.24	10380	6184	2257	1684	3.24
2004	233	56	891	283	103406	89496	17.12	281	26	9513	8671	3.24	8247	4773	1742	1324	3.24
2005	222	50	696	164	59779	53064	19.81	263	24	8834	8038	3.24	6322	3577	1306	1019	3.24
2006	208	46	609	123	44820	40518	21.12	248	23	8324	7569	3.24	4895	2752	1004	800	3.24
2007	197	41	540	102	37255	33866	21.78	234	21	7607	6949	3.24	3895	2178	795	642	3.24
2008	165	34	463	79	28983	27110	20.86	205	10	3811	3790	3.24	2775	1532	559	462	3.24
2009	148	32	434	71	26016	24215	20.82	196	10	3667	3647	3.24	2388	1318	481	403	3.24
2010	145	29	403	63	22894	21621	21.47	188	10	3533	3513	3.24	2058	1132	413	349	3.24
2011	137	27	356	40	14733	14541	25.47	149	7	2459	2439	3.24	1817	994	363	309	3.24
2012	131	23	341	39	14056	13963	25.51	144	7	2393	2374	3.24	1523	834	304	261	3.24
2013	126	21	323	36	13264	13178	25.52	139	6	2330	2312	3.24	1262	714	260	225	3.24
Sub.	195	40	647	172	753441	653988	17.90	225	17	76568	71142	3.24	4945	2851	12488	9692	3.24
Rem.	76	4	146	10	133990	132952	27.54	76	4	53653	53205	3.24	152	76	1057	927	3.24
<b>Tot.</b>	<b>105</b>	<b>12</b>	<b>266</b>	<b>49</b>	<b>887431</b>	<b>786940</b>	<b>19.35</b>	<b>111</b>	<b>7</b>	<b>130221</b>	<b>124347</b>	<b>3.24</b>	<b>1303</b>	<b>742</b>	<b>13546</b>	<b>10619</b>	<b>3.24</b>

Year	Total Gas Production					Condensate Production					Butane Production				
	Gross	Compny	Compny	Net	Price \$/Mcf	Gross	Compny	Compny	Net	Price \$/Bbl	Gross	Compny	Compny	Net	Price \$/Bbl
	Daily Mcf	Daily Mcf	Yearly Mmcf	Yearly Mmcf		Daily Stb	Daily Stb	Yearly Stb	Yearly Stb		Daily Stb	Daily Stb	Yearly Stb	Yearly Stb	
2002	14123	8266	3017	2226	3.24	20	14	5075	4716	27.79	7	0	147	146	17.79
2003	10680	6212	2267	1693	3.24	19	13	4731	4398	27.79	6	0	136	135	17.79
2004	8528	4799	1752	1333	3.24	17	12	4298	3995	27.79	6	0	132	131	17.79
2005	6585	3601	1314	1027	3.24	16	11	4043	3758	27.79	6	0	129	127	17.79
2006	5143	2775	1013	808	3.24	15	10	3805	3537	27.79	6	0	125	124	17.79
2007	4130	2198	802	649	3.24	14	10	3578	3326	27.79	6	0	122	121	17.79
2008	2980	1543	563	465	3.24	13	9	3321	3091	27.79	6	0	119	118	17.79
2009	2584	1328	485	406	3.24	12	9	3126	2910	27.79	6	0	116	115	17.79
2010	2246	1141	417	353	3.24	12	8	2942	2739	27.79	5	0	113	112	17.79
2011	1966	1001	365	312	3.24	11	8	2769	2578	27.79	5	0	111	110	17.79
2012	1666	840	307	264	3.24	10	7	2607	2427	27.79	5	0	108	107	17.79
2013	1401	720	263	227	3.24	10	7	2454	2285	27.79	5	0	106	105	17.79
Sub.	5169	2869	12565	9763	3.24	14	10	42749	39760	27.79	6	0	1464	1452	17.79
Rem.	228	80	1111	980	3.24	2	1	14947	13916	27.79	3	0	2564	2542	17.79
<b>Tot.</b>	<b>1414</b>	<b>749</b>	<b>13676</b>	<b>10743</b>	<b>3.24</b>	<b>5</b>	<b>3</b>	<b>57695</b>	<b>53676</b>	<b>27.79</b>	<b>4</b>	<b>0</b>	<b>4029</b>	<b>3994</b>	<b>17.79</b>

Year	Total NGL Production					Total Oil + NGL Production					Total Oil Equiv. Production				
	Gross	Compny	Compny	Net	Price \$/Bbl	Gross	Compny	Compny	Net	Price \$/Bbl	Gross	Compny	Compny	Net	Price \$/BOE
	Daily Stb	Daily Stb	Yearly Stb	Yearly Stb		Daily Stb	Daily Stb	Yearly Stb	Yearly Stb		Daily Stb	Daily Stb	Yearly Mstb	Yearly Mstb	
2002	27	14	5222	4861	27.51	1646	680	248145	205089	15.56	3999	2058	751	576	18.16
2003	25	13	4867	4533	27.51	1114	411	150178	126720	16.50	2894	1447	528	409	18.60
2004	24	12	4430	4126	27.49	914	295	107836	93622	17.55	2336	1095	400	316	18.93
2005	22	11	4172	3885	27.48	718	175	63951	56950	20.31	1816	775	283	228	19.64
2006	21	11	3930	3661	27.47	630	134	48751	44179	21.63	1487	596	218	179	19.93
2007	20	10	3700	3447	27.46	560	112	40954	37312	22.29	1248	479	175	146	20.11
2008	19	9	3440	3210	27.44	482	89	32423	30320	21.56	978	346	126	108	19.98
2009	18	9	3242	3025	27.43	452	80	29258	27240	21.56	883	302	110	95	20.00
2010	17	8	3056	2852	27.42	420	71	25950	24473	22.17	794	261	95	83	20.18
2011	16	8	2880	2688	27.41	372	48	17613	17230	25.78	700	215	79	69	20.86
2012	16	7	2715	2534	27.39	356	46	16771	16498	25.81	634	186	68	60	21.01
2013	15	7	2560	2389	27.38	338	43	15824	15567	25.82	572	163	60	53	21.13
Sub.	20	10	44213	41212	27.46	667	182	797654	695199	18.43	1528	660	2892	2322	19.16
Rem.	5	1	17511	16458	26.33	151	11	151501	149410	27.40	189	24	337	313	23.02
<b>Tot.</b>	<b>8</b>	<b>3</b>	<b>61724</b>	<b>57670</b>	<b>27.14</b>	<b>275</b>	<b>52</b>	<b>949155</b>	<b>844609</b>	<b>19.86</b>	<b>511</b>	<b>177</b>	<b>3228</b>	<b>2635</b>	<b>19.56</b>

**REVENUE AND EXPENSE FORECAST**

Year	Revenue Before Burdens						Royalty Burdens		Gas Processing		Total	Net	Operating Expenses		
	Oil M\$	Working Interest		Total M\$	Royalty Interest M\$	Company Total M\$	Pre-Processing		Allowance		Royalty	Royalty	Fixed M\$	Variable M\$	Total M\$
		Gas M\$	NGL+Sul M\$				Crown M\$	Other M\$	Crown M\$	Other M\$	After Process. M\$	After Royalty M\$			
2002	3582	9709	143	13433	204	13637	1624	1444	0	87	2981	10657	2512	2025	4537
2003	2258	7287	133	9678	146	9824	1212	915	0	60	2066	7758	2141	1320	3461
2004	1699	5622	121	7443	125	7567	902	619	0	43	1478	6089	2039	1026	3065
2005	1121	4212	114	5447	111	5558	655	365	0	22	998	4560	1724	658	2381
2006	894	3239	108	4241	96	4336	478	251	0	13	716	3621	1568	488	2057
2007	766	2561	101	3428	85	3513	363	186	0	4	545	2968	1398	403	1801
2008	568	1788	94	2450	73	2523	219	120	0	-2	341	2182	995	296	1291
2009	515	1538	89	2141	60	2202	183	97	0	-3	283	1919	917	259	1176
2010	466	1321	83	1871	54	1925	147	77	0	-2	226	1699	855	225	1080
2011	351	1157	79	1586	52	1638	117	59	0	-3	179	1459	759	178	937
2012	335	968	74	1377	50	1427	99	41	0	-5	145	1282	687	154	842
2013	320	827	70	1217	43	1260	79	37	0	-5	121	1139	663	137	800
Sub.	12874	40229	1210	54312	1098	55410	6078	4211	0	211	10078	45332	16258	7170	23427
Rem.	3299	3306	454	7059	691	7751	251	211	0	-77	539	7212	4073	776	4849
<b>Tot.</b>	<b>16173</b>	<b>43534</b>	<b>1664</b>	<b>61372</b>	<b>1789</b>	<b>63161</b>	<b>6329</b>	<b>4422</b>	<b>0</b>	<b>134</b>	<b>10617</b>	<b>52544</b>	<b>20331</b>	<b>7946</b>	<b>28276</b>
Disc	9618	29229	793	39641	781	40422	4537	3305	0	176	7666	32755	10999	5346	16346

Year	Other Expenses			Net	Other Income				Net Capital Investment				Before Tax Cash Flow		
	Mineral Tax M\$	Capital Tax M\$	NPI Payment M\$	Prod'n	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\$
				Revenue M\$											
2002	411	0	0	5708	193	0	0	5902	0	0	0	0	5902	5902	5577
2003	215	0	0	4082	177	0	0	4259	0	0	0	0	4259	10161	9170
2004	107	0	0	2917	156	0	0	3073	15	0	0	15	3058	13219	11473
2005	37	0	0	2141	136	0	0	2277	0	0	0	0	2277	15496	13005
2006	16	0	0	1548	117	0	0	1665	0	0	0	0	1665	17161	14005
2007	8	0	0	1159	103	0	0	1262	0	0	0	0	1262	18423	14681
2008	4	0	0	887	80	0	0	967	0	0	0	0	967	19389	15144
2009	2	0	0	740	70	0	0	810	0	0	0	0	810	20200	15490
2010	1	0	0	618	62	0	0	680	0	0	0	0	680	20880	15750
2011	1	0	0	521	55	0	0	576	0	0	0	0	576	21456	15946
2012	0	0	0	440	49	0	0	489	0	0	0	0	489	21946	16095
2013	0	0	0	339	44	0	0	383	0	0	0	0	383	22329	16199
Sub.	803	0	1	21102	1242	0	0	22344	15	0	0	15	22329	22329	16199
Rem.	0	0	0	2363	201	0	0	2564	0	0	0	0	2564	24892	16543
<b>Tot.</b>	<b>803</b>	<b>0</b>	<b>1</b>	<b>23464</b>	<b>1443</b>	<b>0</b>	<b>0</b>	<b>24907</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>24892</b>	<b>24892</b>	<b>16543</b>
Disc	693	0	0	15716	838	0	0	16555	11	0	0	11	16543	16543	16543

## RESERVE SUMMARY

Product	Units	Remaining Reserves at January 1, 2002					Oil Equivalents			Reserve Life Indic. (yr)		
		Gross	Working Interest	Roy/NPI Interest	Total Company	Net	BOE Factor	Company Mstb	% of Total	Reserve Life	Life Index	Half Life
Oil	Mstb	4863	851	36	887	787	1.000	887	27	50	3.7	2.5
Solution Gas	Mmcf	2032	116	14	130	124	6.000	22	1	50	9.4	7.8
Residue Gas	Mmcf	23773	13320	225	13546	10619	6.000	2258	70	29	4.5	2.9
Total Gas	Mmcf	25805	13437	240	13676	10743	6.000	2279	71	50	4.5	2.9
	MMMBtu	25805	13437	0	13676	10743				50	4.5	2.9
Condensate	Mstb	84	58	0	58	54	1.000	58	2	26	11.4	7.0
Butane	Mstb	70	3	1	4	4	1.000	4	0	50	27.4	18.0
Total NGL	Mstb	154	61	1	62	58	1.000	62	2	50	11.8	7.3
Total Oil+NGL	Mstb	5017	912	37	949	845	1.000	949	29	50	3.8	2.7
Total Oil Eq.	Mstb	9318	3152	77	3228	2635		3228	100	50	4.3	2.8

## PRODUCT REVENUE AND EXPENSES

Product	Units	Average First Year Unit Values							Net Revenue After Royalties			
		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	27.79	-12.48	15.31	2.49	8.91	0.07	3.84	15620	30	8832	27
Solution Gas	\$/Mcf	3.24	0.00	3.24	0.31	1.62	0.00	1.31	400	1	167	1
Residue Gas	\$/Mcf	3.24	0.00	3.24	0.82	0.75	0.13	1.54	34953	67	23010	70
Total Gas	\$/Mcf	3.24	0.00	3.24	0.81	0.76	0.13	1.54	35352	67	23177	71
Condensate	\$/Stb	27.79	0.00	27.79	1.97	17.53	0.00	8.29	1503	3	730	2
Butane	\$/Stb	17.79	0.00	17.79	0.16	3.71	0.00	13.92	69	0	17	0
Total NGL	\$/Stb	27.51	0.00	27.51	1.92	17.14	0.00	8.45	1572	3	747	2
Total Oil+NGL	\$/Stb	27.78	-12.22	15.56	2.47	9.09	0.07	3.93	17191	33	9579	29
Total Oil Eq.	\$/BOE	22.20	-4.04	18.16	4.09	6.04	0.55	7.48	52544	100	32755	100

## INTEREST AND NET PRESENT VALUE SUMMARY

Revenue Interests and Burdens (%)			Net Present Value Before Income Tax					
			Disc. Rate %	Prod'n Revenue M\$	Operating Income M\$	Capital Invest. M\$	Cash Flow	
Initial	Average					M\$	\$/BOE	
Working Interest	46.0894	28.9457	0.0	23464	24907	15	24892	7.71
Capital Interest	50.0000	30.0000	8.0	17450	18424	12	18411	5.70
Royalty Interest	0.6995	0.8439	10.0	16523	17423	12	17411	5.39
Crown Royalty	12.0921	10.3126	12.0	15716	16555	11	16543	5.12
Non-crown Royalty	10.7468	7.2055	15.0	14682	15443	11	15433	4.78
Mineral Tax	3.0631	1.3078	18.0	13810	14508	10	14498	4.49
NPI Payment	0.0030	0.0022	20.0	13300	13961	10	13951	4.32

Project.....1025303  
Entity.....Total Properties (Proved Plus Probable Producing)  
Run date....Fri Mar 01 2002 14:18:19  
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: **Client Supplied Constant**  
 Effective Date: **January 01, 2002**

**PRODUCTION FORECAST**

Year	Oil Production							Solution Gas Production					Residue Gas Production				
	Gross Wells		Gross	Compny	Compny	Net	Price \$/Bbl	Gross	Compny	Compny	Net	Price \$/Mcf	Gross	Compny	Compny	Net	Price \$/Mcf
	Oil	Gas	Daily Stb	Daily Stb	Yearly Mstb	Yearly Mstb		Daily Mcf	Daily Mcf	Yearly Mcf	Yearly Mcf		Daily Mcf	Daily Mcf	Yearly Mmcf	Yearly Mmcf	
2002	388	62	1838	868	317	261	14.87	351	42	15265	13753	3.24	15044	9321	3402	2500	3.24
2003	256	64	1942	737	269	231	17.82	304	31	11462	10386	3.24	13072	8292	3027	2253	3.24
2004	249	63	1576	613	224	197	17.05	284	28	10309	9368	3.24	10499	6421	2344	1779	3.24
2005	238	57	1210	418	153	133	17.89	374	73	26715	24423	3.24	8269	4895	1787	1388	3.24
2006	223	53	1005	324	118	101	18.31	319	54	19815	18285	3.24	6373	3770	1376	1091	3.24
2007	211	48	878	269	98	84	18.52	236	22	8105	7385	3.24	5026	2969	1084	874	3.24
2008	179	39	758	221	81	69	18.09	206	12	4248	4173	3.24	3496	2033	742	610	3.24
2009	156	36	577	125	46	39	20.92	197	11	4054	3985	3.24	2916	1707	623	519	3.24
2010	152	33	513	105	38	33	21.70	189	11	3879	3816	3.24	2478	1443	527	444	3.24
2011	140	31	388	62	23	21	22.95	150	8	2770	2712	3.24	2153	1245	454	385	3.24
2012	133	28	354	52	19	18	22.68	144	7	2675	2621	3.24	2188	1172	428	357	3.24
2013	128	26	332	45	16	16	23.52	140	7	2587	2536	3.24	1745	962	351	295	3.24
Sub.	204	45	947	320	1401	1203	17.57	241	26	111884	103443	3.24	6105	3686	16144	12497	3.24
Rem.	77	4	149	11	156	151	25.47	76	4	53653	53205	3.24	187	94	1301	1129	3.24
<b>Tot.</b>	<b>107</b>	<b>14</b>	<b>341</b>	<b>85</b>	<b>1557</b>	<b>1354</b>	<b>18.36</b>	<b>115</b>	<b>9</b>	<b>165537</b>	<b>156648</b>	<b>3.24</b>	<b>1607</b>	<b>956</b>	<b>17446</b>	<b>13626</b>	<b>3.24</b>

Year	Total Gas Production					Condensate Production					Butane Production				
	Gross	Compny	Compny	Net	Price \$/Mcf	Gross	Compny	Compny	Net	Price \$/Bbl	Gross	Compny	Compny	Net	Price \$/Bbl
	Daily Mcf	Daily Mcf	Yearly Mmcf	Yearly Mmcf		Daily Stb	Daily Stb	Yearly Stb	Yearly Stb		Daily Stb	Daily Stb	Yearly Stb	Yearly Stb	
2002	15395	9363	3418	2514	3.24	20	14	5094	4733	27.79	7	0	147	146	17.79
2003	13375	8324	3038	2264	3.24	19	13	4748	4413	27.79	6	0	136	135	17.79
2004	10782	6450	2354	1789	3.24	17	12	4309	4005	27.79	6	0	132	131	17.79
2005	8642	4968	1813	1413	3.24	16	11	4052	3766	27.79	6	0	129	127	17.79
2006	6692	3824	1396	1110	3.24	15	10	3813	3543	27.79	6	0	125	124	17.79
2007	5262	2991	1092	881	3.24	14	10	3584	3332	27.79	6	0	122	121	17.79
2008	3702	2045	746	615	3.24	13	9	3327	3097	27.79	6	0	119	118	17.79
2009	3113	1718	627	523	3.24	13	9	3131	2915	27.79	6	0	116	115	17.79
2010	2667	1454	531	448	3.24	12	8	2947	2743	27.79	5	0	113	112	17.79
2011	2302	1252	457	388	3.24	11	8	2774	2582	27.79	5	0	111	110	17.79
2012	2333	1180	431	359	3.24	10	7	2611	2430	27.79	5	0	108	107	17.79
2013	1885	969	354	298	3.24	10	7	2457	2288	27.79	5	0	106	105	17.79
Sub.	6346	3711	16256	12601	3.24	14	10	42847	39846	27.79	6	0	1464	1452	17.79
Rem.	262	98	1355	1182	3.24	2	1	14947	13916	27.79	3	0	2564	2542	17.79
<b>Tot.</b>	<b>1722</b>	<b>965</b>	<b>17611</b>	<b>13783</b>	<b>3.24</b>	<b>5</b>	<b>3</b>	<b>57794</b>	<b>53762</b>	<b>27.79</b>	<b>4</b>	<b>0</b>	<b>4029</b>	<b>3994</b>	<b>17.79</b>

Year	Total NGL Production					Total Oil + NGL Production					Total Oil Equiv. Production				
	Gross	Compny	Compny	Net	Price \$/Bbl	Gross	Compny	Compny	Net	Price \$/Bbl	Gross	Compny	Compny	Net	Price \$/BOE
	Daily Stb	Daily Stb	Yearly Stb	Yearly Stb		Daily Stb	Daily Stb	Yearly Mstb	Yearly Mstb		Daily Stb	Daily Stb	Yearly Mstb	Yearly Mstb	
2002	27	14	5241	4878	27.51	1865	882	322	266	15.07	4431	2442	891	685	17.86
2003	25	13	4884	4548	27.51	1967	750	274	235	18.00	4196	2138	780	613	18.93
2004	24	12	4441	4136	27.49	1599	625	228	201	17.26	3396	1700	620	499	18.64
2005	22	11	4181	3894	27.48	1232	430	157	137	18.15	2672	1258	459	372	19.00
2006	21	11	3938	3668	27.47	1026	335	122	104	18.60	2141	972	355	289	19.15
2007	20	10	3707	3453	27.46	899	279	102	87	18.84	1776	778	284	234	19.23
2008	19	9	3446	3215	27.44	777	230	84	73	18.47	1394	571	208	175	19.05
2009	18	9	3247	3030	27.43	595	134	49	42	21.35	1114	420	153	129	20.05
2010	17	8	3060	2856	27.42	531	113	41	36	22.12	975	356	130	111	20.29
2011	16	8	2885	2692	27.41	404	70	25	23	23.46	788	278	102	88	20.45
2012	16	7	2719	2538	27.39	369	59	22	20	23.27	758	256	93	80	20.33
2013	15	7	2563	2393	27.38	347	52	19	18	24.04	661	213	78	68	20.56
Sub.	20	10	44312	41298	27.46	968	330	1445	1244	17.87	2025	948	4154	3344	18.89
Rem.	5	1	17511	16458	26.33	154	13	174	167	25.56	198	29	400	364	22.10
<b>Tot.</b>	<b>8</b>	<b>3</b>	<b>61823</b>	<b>57756</b>	<b>27.14</b>	<b>349</b>	<b>89</b>	<b>1619</b>	<b>1411</b>	<b>18.69</b>	<b>636</b>	<b>250</b>	<b>4554</b>	<b>3709</b>	<b>19.18</b>

## REVENUE AND EXPENSE FORECAST

Year	Revenue Before Burdens						Royalty Burdens		Gas Processing		Total	Net	Operating Expenses		
	Oil M\$	Working Interest		Total M\$	Royalty Interest M\$	Company Total M\$	Pre-Processing		Allowance		Royalty	Royalty	Fixed M\$	Variable M\$	Total M\$
		Gas M\$	NGL+Sul M\$				Crown M\$	Other M\$	Crown M\$	Other M\$	After Process. M\$	After Royalty M\$			
2002	4572	11006	143	15721	204	15925	1724	1869	2	120	3471	12454	2599	2412	5011
2003	4707	9785	134	14626	146	14772	1634	1373	2	88	2917	11854	2426	1888	4314
2004	3742	7575	122	11438	125	11563	1197	981	1	65	2111	9451	2440	1513	3952
2005	2669	5828	115	8612	111	8723	952	658	1	43	1565	7157	2184	1080	3264
2006	2111	4480	108	6699	96	6794	757	484	1	33	1207	5587	2028	833	2861
2007	1774	3498	101	5374	85	5459	562	379	1	22	918	4541	1837	707	2544
2008	1420	2382	94	3896	73	3969	348	275	1	13	610	3359	1357	564	1921
2009	927	1999	89	3015	60	3075	274	196	1	11	459	2617	1076	410	1486
2010	805	1690	84	2579	54	2634	219	155	1	10	364	2270	1004	373	1377
2011	493	1454	79	2026	52	2078	136	121	1	8	249	1829	877	250	1127
2012	404	1369	74	1847	50	1897	142	97	1	4	234	1663	801	205	1006
2013	366	1121	70	1557	43	1600	107	79	1	1	185	1415	755	172	927
Sub.	23991	52187	1212	77391	1098	78489	8052	6667	12	417	14289	64200	19383	10408	29791
Rem.	3587	4097	454	8138	691	8829	330	318	0	-70	717	8112	4662	950	5612
<b>Tot.</b>	<b>27578</b>	<b>56284</b>	<b>1667</b>	<b>85529</b>	<b>1789</b>	<b>87318</b>	<b>8382</b>	<b>6984</b>	<b>13</b>	<b>347</b>	<b>15006</b>	<b>72312</b>	<b>24045</b>	<b>11358</b>	<b>35403</b>
Disc	17333	37453	795	55581	781	56362	5855	5025	8	309	10564	45798	12965	7548	20512

Year	Other Expenses			Net	Other Income				Net Capital Investment				Before Tax Cash Flow		
	Mineral Tax M\$	Capital Tax M\$	NPI Payment M\$	Prod'n	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\$
				Revenue M\$											
2002	546	0	0	6897	193	0	0	7090	549	130	370	1049	6042	6042	5709
2003	360	0	0	7181	176	0	0	7357	907	483	326	1716	5641	11682	10468
2004	252	0	0	5247	155	0	0	5402	781	779	29	1589	3813	15496	13340
2005	149	0	0	3744	136	0	0	3880	13	22	11	45	3835	19331	15920
2006	98	0	0	2628	117	0	0	2746	9	0	0	9	2737	22068	17563
2007	66	0	0	1931	103	0	0	2034	8	0	0	8	2027	24094	18650
2008	43	0	0	1396	80	0	0	1476	0	0	0	0	1476	25570	19356
2009	23	0	0	1107	70	0	0	1177	0	0	0	0	1177	26747	19859
2010	12	0	0	881	62	0	0	943	0	0	0	0	943	27690	20219
2011	6	0	0	697	55	0	0	752	0	0	0	0	752	28442	20475
2012	2	0	0	655	49	0	0	704	35	0	3	38	666	29107	20678
2013	1	0	0	487	44	0	0	531	0	0	0	0	531	29638	20822
Sub.	1558	0	1	32851	1241	0	0	34091	2301	1413	739	4453	29638	29638	20822
Rem.	6	0	0	2494	201	0	0	2695	51	0	58	109	2586	32224	21169
<b>Tot.</b>	<b>1563</b>	<b>0</b>	<b>1</b>	<b>35345</b>	<b>1442</b>	<b>0</b>	<b>0</b>	<b>36787</b>	<b>2352</b>	<b>1413</b>	<b>797</b>	<b>4563</b>	<b>32224</b>	<b>32224</b>	<b>21169</b>
Disc	1243	0	0	24043	837	0	0	24880	1911	1131	669	3711	21169	21169	21169

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**RESERVE SUMMARY**

Product	Units	Remaining Reserves at January 1, 2002					Oil Equivalents			Reserve Life Indic. (yr)		
		Gross	Working Interest	Roy/NPI Interest	Total Company	Net	BOE Factor	Company Mstb	% of Total	Reserve Life	Life Index	Half Life
Oil	Mstb	6218	1521	36	1557	1354	1.000	1557	34	50	4.9	2.9
Solution Gas	Mmcf	2105	151	14	166	157	6.000	28	1	50	10.8	5.0
Residue Gas	Mmcf	29330	17220	225	17446	13626	6.000	2908	64	29	5.1	3.0
Total Gas	Mmcf	31435	17372	240	17611	13783	6.000	2935	64	50	5.2	3.0
	MMMBtu	31435	17372	0	17611	13783				50	5.2	3.0
Condensate	Mstb	84	58	0	58	54	1.000	58	1	26	11.3	7.0
Butane	Mstb	70	3	1	4	4	1.000	4	0	50	27.4	18.0
Total NGL	Mstb	154	61	1	62	58	1.000	62	1	50	11.8	7.3
Total Oil+NGL	Mstb	6372	1582	37	1619	1411	1.000	1619	36	50	5.0	2.9
Total Oil Eq.	Mstb	11611	4477	77	4554	3709		4554	100	50	5.1	3.0

**PRODUCT REVENUE AND EXPENSES**

Product	Units	Average First Year Unit Values							Net Revenue After Royalties			
		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	27.79	-12.92	14.87	2.43	7.23	0.20	5.01	25196	35	15387	34
Solution Gas	\$/Mcf	3.24	0.00	3.24	0.32	1.67	0.00	1.25	508	1	238	1
Residue Gas	\$/Mcf	3.24	0.00	3.24	0.82	0.77	0.14	1.51	45033	62	29424	64
Total Gas	\$/Mcf	3.24	0.00	3.24	0.82	0.77	0.14	1.51	45541	63	29662	65
Condensate	\$/Stb	27.79	0.00	27.79	1.97	17.54	0.00	8.28	1506	2	732	2
Butane	\$/Stb	17.79	0.00	17.79	0.16	3.71	0.00	13.92	69	0	17	0
Total NGL	\$/Stb	27.51	0.00	27.51	1.92	17.15	0.00	8.44	1574	2	749	2
Total Oil+NGL	\$/Stb	27.79	-12.71	15.07	2.43	7.39	0.19	5.06	26771	37	16136	35
Total Oil Eq.	\$/BOE	22.45	-4.59	17.86	4.03	5.62	0.61	7.60	72312	100	45798	100

**INTEREST AND NET PRESENT VALUE SUMMARY**

Revenue Interests and Burdens (%)			Net Present Value Before Income Tax					
			Disc. Rate %	Prod'n Revenue M\$	Operating Income M\$	Capital Invest. M\$	Cash Flow	
Initial	Average					M\$	\$/BOE	
Working Interest	49.5562	33.1833	0.0	35345	36787	4563	32224	7.08
Capital Interest	88.1092	54.4127	8.0	26708	27680	3950	23730	5.21
Royalty Interest	0.6427	0.6942	10.0	25291	26190	3826	22364	4.91
Crown Royalty	10.9635	9.8002	12.0	24043	24880	3711	21169	4.65
Non-crown Royalty	11.8870	8.1659	15.0	22421	23181	3551	19630	4.31
Mineral Tax	3.4750	1.8278	18.0	21038	21734	3406	18328	4.02
NPI Payment	0.0025	0.0015	20.0	20221	20881	3316	17565	3.86

Project.....1025303  
 Entity.....Total Properties (Total Proved Plus Probable)  
 Run date....Fri Mar 01 2002 14:18:20  
 Evaluator...Dell, Neil I.

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

Reserve Class: **Established**  
 Development Class: **Total**  
 Pricing: **Client Supplied Constant**  
 Effective Date: **January 01, 2002**

**PRODUCTION FORECAST**

Year	Oil Production							Solution Gas Production					Residue Gas Production				
	Gross Wells		Gross	Compny	Compny	Net	Price \$/Bbl	Gross	Compny	Compny	Net	Price \$/Mcf	Gross	Compny	Compny	Net	Price \$/Mcf
	Oil	Gas	Daily Stb	Daily Stb	Yearly Mstb	Yearly Mstb		Daily Mcf	Daily Mcf	Yearly Mcf	Yearly Mcf		Daily Mcf	Daily Mcf	Yearly Mmcf	Yearly Mmcf	
2002	386	62	1697	745	272	225	15.17	350	42	15191	13687	3.24	14397	8876	3240	2385	3.24
2003	251	62	1632	575	210	181	18.44	301	31	11356	10292	3.24	11725	7340	2679	2013	3.24
2004	239	60	1236	408	149	132	18.44	280	28	10107	9183	3.24	9184	5536	2021	1554	3.24
2005	226	54	980	290	106	93	19.20	314	49	17876	16313	3.24	7009	4124	1505	1189	3.24
2006	205	47	813	222	81	69	19.49	269	34	12236	11415	3.24	5120	3012	1099	884	3.24
2007	190	43	718	187	68	59	19.67	221	17	6181	5781	3.24	4067	2397	875	716	3.24
2008	169	37	622	153	56	49	19.39	201	11	4132	4059	3.24	2984	1749	638	533	3.24
2009	149	33	509	97	35	31	21.99	176	9	3462	3395	3.24	2444	1449	529	446	3.24
2010	146	30	455	79	29	26	23.20	168	9	3311	3251	3.24	2072	1222	446	380	3.24
2011	136	28	365	52	19	18	24.17	146	7	2700	2644	3.24	1774	1037	378	324	3.24
2012	129	25	332	42	15	15	24.43	140	7	2600	2549	3.24	1657	918	335	283	3.24
2013	121	21	307	36	13	13	25.16	132	6	2334	2300	3.24	1214	669	244	208	3.24
Sub.	196	42	805	241	1054	910	18.41	225	21	91485	84868	3.24	5304	3194	13990	10917	3.24
Rem.	70	3	131	9	124	121	26.34	68	4	49361	48946	3.24	118	58	807	704	3.24
<b>Tot.</b>	<b>100</b>	<b>12</b>	<b>293</b>	<b>65</b>	<b>1178</b>	<b>1032</b>	<b>19.25</b>	<b>106</b>	<b>8</b>	<b>140846</b>	<b>133814</b>	<b>3.24</b>	<b>1363</b>	<b>811</b>	<b>14797</b>	<b>11620</b>	<b>3.24</b>

Year	Total Gas Production					Condensate Production					Butane Production				
	Gross	Compny	Compny	Net	Price \$/Mcf	Gross	Compny	Compny	Net	Price \$/Bbl	Gross	Compny	Compny	Net	Price \$/Bbl
	Daily Mcf	Daily Mcf	Yearly Mmcf	Yearly Mmcf		Daily Stb	Daily Stb	Yearly Stb	Yearly Stb		Daily Stb	Daily Stb	Yearly Stb	Yearly Stb	
2002	14747	8918	3255	2398	3.24	20	14	5051	4692	27.79	7	0	147	145	17.79
2003	12027	7371	2690	2023	3.24	18	13	4588	4264	27.79	6	0	135	134	17.79
2004	9464	5564	2031	1564	3.24	17	11	4194	3897	27.79	6	0	132	130	17.79
2005	7323	4173	1523	1206	3.24	16	11	3906	3630	27.79	6	0	128	127	17.79
2006	5389	3045	1112	896	3.24	14	10	3615	3362	27.79	6	0	124	123	17.79
2007	4288	2414	881	722	3.24	13	9	3368	3132	27.79	6	0	121	120	17.79
2008	3185	1760	642	537	3.24	12	9	3117	2901	27.79	6	0	118	117	17.79
2009	2620	1458	532	450	3.24	12	8	2906	2706	27.79	5	0	115	114	17.79
2010	2241	1231	449	383	3.24	11	7	2711	2523	27.79	5	0	112	111	17.79
2011	1920	1044	381	327	3.24	10	7	2528	2354	27.79	5	0	109	108	17.79
2012	1797	925	338	286	3.24	9	6	2359	2196	27.79	5	0	106	105	17.79
2013	1346	675	246	211	3.24	9	6	2199	2047	27.79	5	0	100	99	17.79
Sub.	5529	3215	14081	11001	3.24	14	9	40541	37705	27.79	6	0	1446	1434	17.79
Rem.	187	62	857	753	3.24	1	1	9881	9199	27.79	3	0	2375	2354	17.79
<b>Tot.</b>	<b>1469</b>	<b>819</b>	<b>14938</b>	<b>11754</b>	<b>3.24</b>	<b>4</b>	<b>3</b>	<b>50422</b>	<b>46904</b>	<b>27.79</b>	<b>4</b>	<b>0</b>	<b>3821</b>	<b>3788</b>	<b>17.79</b>

Year	Total NGL Production					Total Oil + NGL Production					Total Oil Equiv. Production				
	Gross	Compny	Compny	Net	Price \$/Bbl	Gross	Compny	Compny	Net	Price \$/Bbl	Gross	Compny	Compny	Net	Price \$/BOE
	Daily Stb	Daily Stb	Yearly Stb	Yearly Stb		Daily Stb	Daily Stb	Yearly Mstb	Yearly Mstb		Daily Stb	Daily Stb	Yearly Mstb	Yearly Mstb	
2002	27	14	5197	4837	27.51	1725	759	277	230	15.40	4182	2245	820	630	18.07
2003	25	13	4724	4398	27.50	1657	588	215	186	18.64	3661	1816	663	523	19.18
2004	23	12	4325	4028	27.49	1259	420	153	136	18.70	2836	1347	492	397	19.21
2005	22	11	4034	3757	27.47	1002	301	110	97	19.50	2223	997	364	298	19.46
2006	20	10	3739	3485	27.46	833	233	85	73	19.84	1732	740	270	222	19.57
2007	19	10	3489	3252	27.44	737	197	72	62	20.05	1452	599	219	182	19.64
2008	18	9	3235	3018	27.43	640	162	59	52	19.84	1171	455	166	141	19.58
2009	17	8	3021	2819	27.41	526	105	38	34	22.42	962	348	127	109	20.34
2010	16	8	2822	2634	27.39	471	87	32	28	23.58	844	292	107	92	20.67
2011	15	7	2637	2462	27.38	380	59	22	20	24.56	700	233	85	75	20.74
2012	14	7	2465	2301	27.36	346	49	18	17	24.83	646	203	74	65	20.73
2013	14	6	2299	2146	27.35	321	43	16	15	25.48	545	155	57	50	21.10
Sub.	19	10	41987	39139	27.45	825	250	1096	950	18.76	1746	786	3443	2783	19.22
Rem.	4	1	12255	11553	25.85	135	10	137	133	26.29	166	20	279	258	22.79
<b>Tot.</b>	<b>8</b>	<b>3</b>	<b>54243</b>	<b>50692</b>	<b>27.09</b>	<b>301</b>	<b>68</b>	<b>1232</b>	<b>1082</b>	<b>19.59</b>	<b>545</b>	<b>204</b>	<b>3722</b>	<b>3041</b>	<b>19.49</b>

## REVENUE AND EXPENSE FORECAST

Year	Revenue Before Burdens						Royalty Burdens		Gas Processing		Total	Net	Operating Expenses		
	Oil M\$	Working Interest		Total M\$	Royalty Interest M\$	Company Total M\$	Pre-Processing		Allowance		Royalty	Royalty	Fixed M\$	Variable M\$	Total M\$
		Gas M\$	NGL+Sul M\$				Crown M\$	Other M\$	Crown M\$	Other M\$	After Process. M\$	After Royalty M\$			
2002	3988	10480	142	14610	202	14812	1662	1669	2	111	3219	11593	2577	2305	4882
2003	3786	8660	129	12575	143	12718	1407	1135	2	76	2464	10253	2298	1610	3908
2004	2678	6529	118	9325	120	9445	981	760	1	52	1688	7757	2163	1154	3316
2005	1975	4889	110	6975	105	7080	733	510	1	34	1208	5872	1937	843	2780
2006	1534	3560	102	5196	90	5286	556	364	1	23	896	4390	1610	635	2245
2007	1305	2818	95	4218	78	4296	409	286	1	16	678	3618	1488	539	2027
2008	1050	2049	88	3187	65	3252	266	208	1	11	462	2790	1193	433	1626
2009	753	1694	83	2530	57	2587	210	152	1	9	353	2234	996	334	1331
2010	644	1429	77	2150	52	2202	164	123	1	7	279	1923	926	297	1223
2011	438	1209	72	1720	47	1767	103	98	1	5	195	1572	830	210	1040
2012	352	1070	67	1489	45	1534	96	77	1	2	170	1364	751	160	911
2013	316	775	63	1154	40	1194	68	52	1	-2	121	1073	600	125	725
Sub.	18818	45161	1148	65127	1046	66173	6656	5435	12	344	11734	54439	17367	8646	26013
Rem.	2921	2562	311	5794	572	6366	194	197	0	-53	444	5922	3389	669	4058
<b>Tot.</b>	<b>21739</b>	<b>47723</b>	<b>1459</b>	<b>70921</b>	<b>1617</b>	<b>72539</b>	<b>6849</b>	<b>5632</b>	<b>12</b>	<b>291</b>	<b>12178</b>	<b>60361</b>	<b>20757</b>	<b>9314</b>	<b>30071</b>
Disc	13679	32740	742	47162	744	47906	4944	4142	8	260	8817	39088	11598	6361	17959

Year	Other Expenses			Net	Other Income				Net Capital Investment				Before Tax Cash Flow		
	Mineral Tax M\$	Capital Tax M\$	NPI Payment M\$	Prod'n	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\$
				Revenue M\$											
2002	466	0	0	6245	196	0	0	6441	327	130	233	689	5752	5752	5435
2003	301	0	0	6045	174	0	0	6219	673	467	277	1418	4802	10553	9486
2004	198	0	0	4243	152	0	0	4394	398	389	14	802	3593	14146	12192
2005	120	0	0	2971	132	0	0	3103	6	11	5	22	3080	17227	14264
2006	79	0	0	2066	109	0	0	2175	5	0	0	5	2171	19397	15568
2007	52	0	0	1540	97	0	0	1636	4	0	0	4	1632	21030	16443
2008	32	0	0	1132	80	0	0	1212	0	0	0	0	1212	22242	17023
2009	17	0	0	886	70	0	0	956	0	0	0	0	956	23197	17431
2010	9	0	0	692	62	0	0	754	0	0	0	0	754	23951	17719
2011	4	0	0	528	55	0	0	583	0	0	0	0	583	24534	17918
2012	1	0	0	452	49	0	0	501	18	0	2	19	482	25016	18064
2013	1	0	0	347	44	0	0	391	0	0	0	0	391	25406	18170
Sub.	1279	0	0	27146	1219	0	0	28365	1430	998	531	2959	25406	25406	18170
Rem.	3	0	0	1861	141	0	0	2002	26	0	29	55	1947	27354	18428
<b>Tot.</b>	<b>1282</b>	<b>0</b>	<b>0</b>	<b>29007</b>	<b>1360</b>	<b>0</b>	<b>0</b>	<b>30367</b>	<b>1455</b>	<b>998</b>	<b>560</b>	<b>3013</b>	<b>27354</b>	<b>27354</b>	<b>18428</b>
Disc	1027	0	0	20101	816	0	0	20917	1196	818	476	2489	18428	18428	18428

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## RESERVE SUMMARY

Product	Units	Remaining Reserves at January 1, 2002					Oil Equivalents			Reserve Life Indic. (yr)		
		Gross	Working Interest	Roy/NPI Interest	Total Company	Net	BOE Factor	Company Mstb	% of Total	Reserve Life	Life Index	Half Life
Oil	Mstb	5345	1144	34	1178	1032	1.000	1178	32	50	4.3	2.7
Solution Gas	Mmcf	1934	128	13	141	134	6.000	23	1	50	9.3	5.6
Residue Gas	Mmcf	24871	14602	195	14797	11620	6.000	2466	66	29	4.6	2.7
Total Gas	Mmcf	26805	14729	208	14938	11754	6.000	2490	67	50	4.6	2.8
	MMMBtu	26805	14729	0	14938	11754				50	4.6	2.8
Condensate	Mstb	74	50	0	50	47	1.000	50	1	26	10.0	6.2
Butane	Mstb	66	3	1	4	4	1.000	4	0	50	26.1	17.2
Total NGL	Mstb	140	54	1	54	51	1.000	54	1	50	10.4	6.5
Total Oil+NGL	Mstb	5485	1198	34	1232	1082	1.000	1232	33	50	4.4	2.8
Total Oil Eq.	Mstb	9952	3653	69	3722	3041		3722	100	50	4.5	2.8

## PRODUCT REVENUE AND EXPENSES

Product	Units	Average First Year Unit Values							Net Revenue After Royalties			
		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	27.79	-12.62	15.17	2.42	8.13	0.15	4.47	20164	33	12294	31
Solution Gas	\$/Mcf	3.24	0.00	3.24	0.32	1.67	0.00	1.25	433	1	199	1
Residue Gas	\$/Mcf	3.24	0.00	3.24	0.82	0.79	0.13	1.50	38385	64	25897	66
Total Gas	\$/Mcf	3.24	0.00	3.24	0.82	0.79	0.13	1.50	38818	64	26095	67
Condensate	\$/Stb	27.79	0.00	27.79	1.97	17.66	0.00	8.15	1313	2	682	2
Butane	\$/Stb	17.79	0.00	17.79	0.16	3.71	0.00	13.92	65	0	17	0
Total NGL	\$/Stb	27.51	0.00	27.51	1.92	17.27	0.00	8.32	1379	2	699	2
Total Oil+NGL	\$/Stb	27.78	-12.39	15.40	2.41	8.30	0.14	4.54	21543	36	12993	33
Total Oil Eq.	\$/BOE	22.26	-4.19	18.07	4.07	5.96	0.57	7.48	60361	100	39088	100

## INTEREST AND NET PRESENT VALUE SUMMARY

Revenue Interests and Burdens (%)			Net Present Value Before Income Tax					
			Disc. Rate %	Prod'n Revenue M\$	Operating Income M\$	Capital Invest. M\$	Cash Flow	
Initial	Average					M\$	\$/BOE	
Working Interest	48.2728	31.5968	0.0	29007	30367	3013	27354	7.35
Capital Interest	90.6908	52.7715	8.0	22219	23160	2639	20522	5.51
Royalty Interest	0.6678	0.7206	10.0	21095	21969	2561	19407	5.21
Crown Royalty	11.3772	9.6578	12.0	20101	20917	2489	18428	4.95
Non-crown Royalty	11.4256	7.9414	15.0	18806	19549	2388	17161	4.61
Mineral Tax	3.1872	1.8080	18.0	17696	18379	2296	16082	4.32
NPI Payment	0.0027	0.0014	20.0	17038	17687	2239	15448	4.15

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

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