

## Attention Business/Financial Editors:

## True Energy Doubles Production Over The Same Period Last Year

CALGARY, May 23 /CNW/ - True Energy Inc. ("True", "the Company") announces its financial and operating results for the three months ended March 31, 2002. During the first quarter of this fiscal year, True continued to focus on maximizing existing facilities and disposing of non-strategic assets in order to position the Company for its next stage of growth.

On a barrel of oil equivalent basis, the Company doubled its production over the same period last year, while materially reducing its net debt. Subsequent to the end of the first quarter, the Company reduced its debt from \$17.7 million to its current level of under \$9.0 million, while current production is 1,850 BOE/d. This reduction in debt has now resulted in the Company having the financial flexibility to continue with the development of its initial core area in west central Saskatchewan and to commence its drilling program in west central Alberta, the Company's second core area.

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## FINANCIAL HIGHLIGHTS

(\$ except shares)

	Three Months Ended	
	March 31, 2002	March 31, 2001
Revenue	3,818,241	3,187,779
Funds flow from operations(x)	684,878	1,276,216
per share - basic	0.02	0.10
per share - diluted	0.02	0.09
Cash flow from operations	513,878	1,105,216
per share - basic	0.02	0.09
per share - diluted	0.02	0.08
Net earnings (loss)	(744,078)	(110,353)
per share - basic	(0.03)	(0.01)
per share - diluted	(0.03)	(0.01)
Debt, net of working capital	17,720,727	16,022,849
Capital expenditures, net	1,153,554	2,287,537
Shares outstanding	28,775,102	17,688,851
Weighted average shares		
Basic	28,775,102	12,947,505
Diluted	28,779,102	14,037,299

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

## OPERATING HIGHLIGHTS

	Three Months Ended	
	March 31, 2002	March 31, 2001
Volumes		
Oil and NGLs (bbls/d)	668	311
Natural Gas (mcf/d)	8,635	4,470
Equivalent Oil (BOE/d)	2,107	1,056
Prices		
Oil and NGLs (\$/bbl)	23.14	19.26
Natural Gas (\$/mcf), before hedging	3.12	7.00
Natural Gas (\$/mcf), after hedging	3.12	6.59
Combined (\$/BOE)	20.14	33.57
\$/BOE		
Operating Netback	7.21	16.22

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## FINANCIAL RESULTS

Revenue for the first quarter of 2002 was \$3.8 million, up from \$3.2 million in the same period of the previous year. Cash flow from operations for the three months was \$0.5 million (\$0.02/share) compared to \$1.1 million \$(0.09/share) for the corresponding three months of 2001. For the three months ended March 31, 2002 True recorded a net loss \$0.7 million (\$0.03/share) compared to a loss of \$0.1 million (\$0.01/share) for the corresponding period of the previous year. Debt, net of working capital increased to \$17.7 from \$16.0 million at March 31, 2001. During the first quarter, the Company invested \$1.2 million on exploration and development activities, compared to \$2.3 million during the corresponding period of 2001.

## OPERATING RESULTS

Production doubled to 2,107 BOE/d from 1,056 BOE/d during the first quarter of 2001. Natural gas made up 68% of production volumes averaging 8.6 MMcf/d during the first quarter of 2002. True increased its oil volumes for the period to 668 bbls/d, up from 311 bbls/d for the same period in 2001. Current production following the recent dispositions, is approximately 1,850 BOE/d.

The main areas of operation during the quarter were at Kerrobert and Coleville in west central Saskatchewan. At Kerrobert, the Company drilled its initial 100% owned development well that is now producing at stable rates of 180 bbls/d of oil. The Company has acquired 3-D seismic confirming up to five additional locations. The second development well will spud in early June with further work to continue through the summer. This project represents long-term reserves with excellent finding costs and low operating expenses.

The Company has put in place a fixed price heavy oil contract that will see the Company receive a price of Cdn \$30.18 per barrel for 200 barrels of oil per day for the period from May 1, 2002 to December 31, 2002. This price is before diluent and tariff costs.

At Coleville, the Company's main natural gas producing area, recent facility expansion has resulted in capacity of 6-8 MMcf/d. True is currently producing 4 MMcf/d (net) of natural gas at this facility. This expansion represents significant opportunity to the Company as development drilling can now commence to fully utilize the capacity. During the second quarter, the Company will drill two development wells to maximize throughput at both the Company's Coleville and Smiley natural gas facilities.

The Company has put in place a natural gas costless collar for 3,000 GJ/d for the summer period of April to October of this year. The floor price is Cdn \$4.00/GJ and the ceiling is Cdn \$5.00/GJ.

During the summer, the Company will also commence drilling its first well in west central Alberta targeting the Shunda formation at 2,800 metres. The Company will continue to build this core area, which will be more defined by year-end.

Subsequent to the end of the quarter, True Energy completed the sale of certain non-strategic assets in west central Saskatchewan for proceeds of \$6.25 million, effective April 1, 2002 and; on May 14, 2002, the Company completed its previously announced private placement of 4.1 million common shares for gross proceeds of \$3.0 million.

True Energy Inc. is a Calgary-based oil and natural gas exploration and development company. The Company's shares trade on The Toronto Stock Exchange under the symbol TUI. The Company is holding its Annual and Special Meeting of Shareholders at 3:00 p.m. on May 28, 2002. The meeting will be held at the Devonian Room, Calgary Petroleum Club in Calgary, Alberta.

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

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