

## MATERIAL CHANGE REPORT

**SECURITIES ACT (BRITISH COLUMBIA) SECTION 67(1) FORM 27**  
**SECURITIES ACT (ALBERTA) SECTION 118(1) FORM 27**  
**SECURITIES ACT (ONTARIO) SECTION 75(1) FORM 27**

**1. Reporting Issuer:**

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

**2. Date of Material Change:**

May 14, 2002

**3. News Release**

A press release was issued through the facilities of Canada NewsWire on May 14, 2002.

**4. Summary of Material Change:**

On May 14, 2002, True Energy Inc. ("True") announced that it had completed its previously announced private placement of 4.1 million common shares at a price of \$0.74 per common share. The offering was led by FirstEnergy Capital Corp. and included Peters & Co. Limited, as agents, and was fully subscribed, resulting in gross proceeds of \$3,034,000.

**5. Full Description of Material Change:**

On May 14, 2002, True Energy Inc. ("True") announced that it had completed its previously announced private placement of 4.1 million common shares at a price of \$0.74 per common share. The offering was led by FirstEnergy Capital Corp. and included Peters & Co. Limited, as agents, and was fully subscribed, resulting in gross proceeds of \$3,034,000. Proceeds from the issue will initially be used to reduce indebtedness and allow True to accelerate its 2002 capital program.

After giving effect to the offering, True has 32,885,102 common shares issued and outstanding.

**6. Reliance on Confidentiality Provisions:**

N/A

**7. Omitted Information:**

N/A

**8. Senior Officers:**

For further information, please contact

Paul R. Baay or Sadiq H. Lalani  
Tel: (403) 266-8670 Fax: (403) 264-8163

**9. Statement of Senior Officer:**

The foregoing accurately discloses the material change referred to in this report.

DATED May 21, 2002, at the City of Calgary, in the Province of Alberta.

**TRUE ENERGY INC.**

Per: (signed) "Paul R. Baay"  
Paul R. Baay  
President and Chief Executive Officer

cc: The Toronto Stock Exchange