

## PRESS RELEASE

For Release May 31, 2002

### TRUE ENERGY ENTERS INTO AGREEMENT TO ACQUIRE GRESHAM RESOURCES

Calgary, Alberta - True Energy Inc. ("True") and Gresham Resources Inc. ("Gresham") jointly announce that they have entered into an agreement in principle for a business combination (the "Combination") to be completed by way of a plan of arrangement pursuant to which True will acquire all of the issued and outstanding shares of Gresham on the basis of 1.4 common shares of True for each outstanding common share of Gresham.

Paul R. Baay, President and Chief Executive Officer of True says, "The transaction is consistent with our goal of establishing a second core area in west central Alberta and, adding high netback liquids rich natural gas production to our asset base." Gresham's main producing property is a liquids rich gas property in the Rosevear area of Alberta. Gresham's current production is approximately 820 BOE/d (6:1), (4.5 MMcf/d of natural gas and 70 bbls/d of liquids). Along with the production Gresham has approximately 68,000 net acres of undeveloped land in Alberta that have been independently evaluated with an estimated value of \$4.3 million. Effective January 1, 2002, Gresham's reserves, pursuant to an independent evaluation report, consisted of 3.0 million BOE (6:1) (298,000 bbls of liquids and 16.3 bcf of natural gas) proved reserves and 5.0 million BOE (468,000 bbls of liquids and 26.9 bcf of natural gas) proved plus probable reserves. These reserves are of a long life nature and the combination will result in an increase to True's reserve life index.

Highlights of the proposed combined entity as at May 31, 2002 are as follows:

	True	Gresham	Proforma Combined
Average daily production (estimated current)			
Oil & NGLS (Bbls/d)	800	70	870
Natural gas (Mmcf/d)	6.3	4.5	10.8
Combined (BOE/D @ 6:1)	1,850	820	2,670
Net undeveloped land (acres)	102,000	68,000	170,000
Net debt (\$ millions)	\$8.9	\$7.9	\$16.8
Shares outstanding (millions)			
Basic	32.9	8.7	45.1
Fully diluted	35.0	9.3	47.2

Total consideration for Gresham under the Combination is approximately \$17.0 million, including \$7.9 million of assumed debt, net of working capital. One member of Gresham's current Board of Directors will be appointed to the True Board of Directors on completion of the Combination.

The Combination is subject to certain conditions, including entering into a definitive arrangement agreement, receipt of all required regulatory approvals, Gresham shareholder approval and Court approval. A meeting of Gresham shareholders will be called for in July to vote on the Combination. It is anticipated that the transaction will be completed by the end of July.

The Combination has the unanimous support of the boards of directors of Gresham and True. Jennings Capital Inc. acted as financial advisor to Gresham and has advised that it will provide an opinion that the Combination is fair, from a financial point of view, to Gresham shareholders. FirstEnergy Capital Corp. acted as financial advisors to True. All of the Board members and officers of Gresham have entered into lock-up agreements with True agreeing to vote in favour of and to support the Combination.

Gresham has agreed to pay to True a non-completion fee of \$500,000 in certain circumstances. Gresham has agreed to terminate all discussions with other parties and not to solicit further offers and has granted True a right of first refusal with respect to subsequent offers.

True will issue approximately 12.2 million common shares pursuant to the Combination. After the acquisition of all the outstanding Gresham shares pursuant to the Combination, True will have approximately 45.1 million common shares outstanding.

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***The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this press release.***