

True Energy Reports Second Quarter 2004 Drilling Results and Production Update

Calgary, AB, July 7, 2004 – True Energy Inc. (“True” or “the Company”) announced today the results of its second quarter 2004 drilling program. During the quarter True achieved a 96.5% net success rate in the drilling or participation in 16 (14.2 net) wells, resulting in 12 (10.7 net) natural gas wells, 3 (3.0 net) heavy oil wells and 1 (0.5 net) well that was dry and abandoned. Four of the successful gas wells were new pool discoveries, three of which were in Saskatchewan with the fourth being in Alberta. The Company participated in 2 (0.7 net) gas wells in Alberta, and drilled ten 100% working interest gas wells in Saskatchewan, six in the Dodsland area and four in the Coleville area. The heavy oil wells were additional horizontal locations located on the Company’s Kerrobert McLaren property in Saskatchewan. During the first six months of 2004, True drilled 39 (30.4 net) wells with a net success rate of 86%.

During the third quarter of 2004, the Company anticipates drilling or participating in up to 26 wells. The program will include up to 23 natural gas wells and three horizontal heavy oil wells.

At the end of the quarter, the Company had 200 bbls/d of oil shut-in due to safety requirements while drilling the fourth successful horizontal well at Kerrobert, resulting in the Company’s current production being approximately 4,900 BOE/d (6:1) based on field estimates, weighted 66% towards natural gas. True expects 11 natural gas wells drilled in the Dodsland, Coleville and Flume areas will be placed on production during the third quarter along with two additional heavy oil wells at Kerrobert. The Company is evaluating facility expansions to fully accommodate the increased gas volumes.

True Energy Inc. is a Calgary-based oil and natural gas exploration and development company. The Company’s common shares trade on the Toronto Stock Exchange under the symbol TUI.

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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