



For Immediate Release

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**TRUE ENERGY REPORTS YEAR-END RESERVES AND LAND ACREAGE**

Calgary, February 10, 2005 –True Energy Inc. (“True”, “the Company”) is pleased to announce the results of its year-end reserves report prepared by Gilbert Laustsen Jung Associates Ltd. (“GLJ”), and its undeveloped land acreage, both as of December 31, 2004.

**HIGHLIGHTS**

True is pleased to report the following highlights of the reserve report and undeveloped land, in comparison to the prior year end, including:

- ✓ Increase in proved and probable reserves of 95%,
- ✓ Increase in total proved reserves of 88%,
- ✓ Increase in proved producing reserves of 64%,
- ✓ Increase in NPV 10% (before income taxes) proved and probable reserves of 155%,
- ✓ Increase in proved and probable reserve life index from 5.2 years to 6.4 years, based on the annualized prior quarter production,
- ✓ Increased undeveloped land holdings by 40% to 306,524 net acres.

**RESERVES**

At December 31, 2004 the Company’s proved and probable working interest reserves, using forecast prices and costs, were 13,922 Mboe, an increase of 95% compared to 7,127 Mboe at January 1, 2004. By commodity type, natural gas makes up 69%, heavy oil 25%, and light oil and natural gas liquids the balance. This weighting to natural gas is an increase from 61% at the beginning of the year.

Based on field estimates, True’s average production for 2004 was 5,048 boe/d, weighted 66% towards natural gas and 30% toward heavy oil. Accordingly, True’s 2004 proved and producing working interest reserves growth before production was approximately 8,642 Mboe, replacing production by 368%. The net change in the future capital required to bring these proved and probable reserves onto production is estimated to be \$13.3 million. The growth in reserves volumes resulted principally from True’s successful 2004 drilling program, consisting of 89 (73.9 net) wells at a net 93% success rate.

At December 31, 2004, True’s total proved working interest reserves were 9,763 Mboe, an increase of 88% compared to 5,185 Mboe at January 1, 2004. Proved producing reserves grew 64% to 7,642 Mboe over the year.

**Summary of Oil and Gas Working Interest Reserves<sup>1</sup>  
Forecast Prices and Costs**

	As At December 31, 2004					Total (Mboe, 6:1)	As at Jan 1, 2004 Total (Mboe, 6:1)
	Natural Gas (mmcf)	Heavy Oil (mbbl)	Light and Medium Oil (mbbl)	Natural Gas Liquids (mbbl)	Total		
Proved							
Developed producing	29,764	2,234	267	180	7,642	4,648	
Developed non-producing	4,831	84	96	31	1,016	432	
Undeveloped	5,358	161	-	50	1,104	105	
Total proved	39,953	2,479	363	262	9,763	5,185	
Probable	17,690	1,049	86	76	4,160	1,943	
Total proved plus probable	57,643	3,529	449	338	13,922	7,127	

<sup>1</sup> may not add due to rounding

**Summary of Oil and Gas Net Interest Reserves<sup>1</sup>**  
**Forecast Prices and Costs**

	As At December 31, 2004					Total (Mboe, 6:1)	As at Jan 1, 2004 Total (Mboe, 6:1)
	Natural Gas (mmcf)	Heavy Oil (mdbl)	Light and Medium Oil (mdbl)	Natural Gas Liquids (mdbl)			
Proved							
Developed producing	24,361	1,881	274	151	6,365	3,762	
Developed non-producing	3,934	76	80	24	835	359	
Undeveloped	4,657	136	-	44	956	74	
Total proved	32,951	2,092	353	219	8,156	4,195	
Probable	14,482	880	83	63	3,440	1,557	
Total proved plus probable	47,434	2,972	436	282	11,596	5,752	

<sup>1</sup> may not add due to rounding

**Summary of Oil and Gas Working Interest Reserves<sup>1</sup>**  
**Constant Prices and Costs**

	As At December 31, 2004					Total (Mboe, 6:1)	As at Jan 1, 2004 Total (Mboe, 6:1)
	Natural Gas (mmcf)	Heavy Oil (mdbl)	Light and Medium Oil (mdbl)	Natural Gas Liquids (mdbl)			
Proved							
Developed producing	29,916	2,136	288	181	7,591	4,760.6	
Developed non-producing	4,896	93	96	31	1,036	433.2	
Undeveloped	5,362	154	-	50	1,098	104.9	
Total proved	40,174	2,384	384	262	9,725	5,298.8	
Probable	17,806	1,018	95	76	4,157	1,977.8	
Total proved plus probable	57,980	3,401	479	338	13,882	7,276.6	

<sup>1</sup> may not add due to rounding

**Summary of Oil and Gas Net Interest Reserves<sup>1</sup>**  
**Constant Prices and Costs**

	As At December 31, 2004					Total (Mboe, 6:1)	As at Jan 1, 2004 Total (Mboe, 6:1)
	Natural Gas (mmcf)	Heavy Oil (mdbl)	Light and Medium Oil (mdbl)	Natural Gas Liquids (mdbl)			
Proved							
Developed producing	24,471	1,813	300	151	6,343	3,849.5	
Developed non-producing	3,983	84	80	24	851	359.2	
Undeveloped	4,659	134	-	44	955	73.9	
Total proved	33,114	2,031	379	219	8,149	4,282.6	
Probable	14,565	869	92	63	3,452	1,585.1	
Total proved plus probable	47,679	2,900	472	282	11,600	5,867.7	

<sup>1</sup> may not add due to rounding

## NET PRESENT VALUE OF FUTURE NET REVENUE

The forecast prices used in the reserve report were GLJ's Forecast Prices as at January 1, 2005. The constant prices used were GLJ's Posted Constant Prices as at December 31, 2004. The increase in net present value of future net revenue is primarily the result of increased volumes, higher commodity prices and reduced operating costs achieved during the past year.

The estimated future net revenues are stated before deducting future estimated site restoration costs, but include the Alberta Royalty Tax Credit, and are reduced for estimated future abandonment costs, the Saskatchewan Capital Tax and estimated capital for future development associated with the reserves.

### Summary of Net Present Values of Future Net Revenue <sup>1</sup>

#### Forecast Prices and Costs (\$000s)

#### Before Income Taxes, Discounted at (%/ year)

	As at December 31, 2004					As at January 1, 2004	
	0%	5%	10%	15%	20%	0%	10%
Proved							
Developed producing	142,112	123,425	109,962	99,733	91,651	63,468	50,122
Developed non-producing	19,468	16,534	14,341	12,654	11,324	5,972	3,479
Undeveloped	14,598	10,562	7,880	6,007	4,645	1,515	1,368
Total proved	176,177	150,521	132,183	118,395	107,620	70,955	54,970
Probable	70,252	50,772	39,044	31,333	25,922	21,765	12,248
Total proved plus probable	246,430	201,293	171,227	149,728	133,542	92,720	67,218

<sup>1</sup> May not add due to rounding; **future net revenue values do not represent fair value**

### Summary of Net Present Values of Future Net Revenue <sup>1</sup>

#### Constant Prices and Costs (\$000s)

#### Before Income Taxes, Discounted at (%/ year)

	As at December 31, 2004					As at January 1, 2004	
	0%	5%	10%	15%	20%	0%	10%
Proved							
Developed producing	145,523	123,969	108,962	97,848	89,237	81,234	61,971
Developed non-producing	21,786	18,215	15,617	13,660	12,139	8,344	4,788
Undeveloped	17,372	12,336	9,069	6,832	5,232	1,760	1,576
Total proved	184,681	154,520	133,648	118,340	106,608	91,338	68,335
Probable	76,042	53,863	40,793	32,345	26,498	30,000	16,670
Total proved plus probable	260,723	208,383	174,441	150,685	133,106	121,338	85,004

<sup>1</sup> May not add due to rounding; **future net revenue values do not represent fair value**

True's net present value of future net revenues after income taxes, prepared using both the forecast prices and costs and the constant prices and costs will be included in the Company's Statement of Reserves Data and Other Oil and Gas Information which will be filed before March 31, 2005 on SEDAR.

## RESERVE LIFE INDEX

The Company's reserve life index has increased in 2004 compared to 2003 for both proved and proved plus probable working interest reserves determined using forecast prices and costs. The reserve life index is calculated by dividing reserves as at the effective date of the reports (December 31, 2004 and January 1, 2004) by the production during the applicable period, and represents a measure of the amount of time production could be sustained at the production rates based on the reserves at the applicable point in time.

Reserve Life Index	2004		2003	
	Proved	Proved plus probable	Proved	Proved plus probable
Twelve month average production	5.3	7.5	4.7	6.5
Fourth quarter production, annualized	4.5	6.4	3.8	5.2

## METHOD OF PREPARATION

In this press release both "Working Interest" reserves (being working interest reserves, excluding royalty interest reserves before deduction of royalty burdens payable) and "Net Interest" reserves (being working interest reserves and royalty interests less royalty burdens payable) are disclosed. The reserve reports were prepared utilizing definitions as set out under National Instrument 51-101, utilizing GLJ's Forecast Prices and Costs as at January 1, 2005 (in the case of the report effective December 31, 2004) and January 1, 2004 (in the case of the report effective January 1, 2004). The constant prices used are the GLJ Posted Constant Prices as at December 31, 2004 and 2003.

## UNDEVELOPED LAND

As at December 31, 2004, True had over 300,000 net undeveloped acres, split between Alberta and Saskatchewan.

Land Statistics	2004	2003
Average working interest		
Developed	59%	53%
Undeveloped	68%	60%
Total	66%	58%

Land Holdings	2004		2003	
	Gross	Net	Gross	Net
Developed				
Alberta	69,967	31,234	59,251	26,755
Saskatchewan	106,459	73,051	66,594	39,362
Total	176,426	104,285	125,845	66,117
Undeveloped				
Alberta	252,188	153,660	209,617	112,530
Saskatchewan	197,268	152,864	152,876	105,714
Total	449,456	306,524	362,493	218,244
Total				
Alberta	322,155	184,894	268,868	139,285
Saskatchewan	303,727	225,915	219,470	145,076
Total	625,882	410,809	488,338	284,361

## **READER ADVISORY**

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.

Statements in this document may contain forward-looking information including expectations of future production and components of cash flow and earnings. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. These risks include, but are not limited to; the risks associated with the oil and gas industry, commodity prices and exchange rate changes. Industry related risks could include, but are not limited to; operational risks in exploration, development and production, delays or changes in plans, risks associated to the uncertainty of reserve estimates, health and safety risks and the uncertainty of estimates and projections of production, costs and expenses. The reader is cautioned not to place undue reliance on this forward looking information.

The reader is further cautioned that the preparation of financial statements in accordance with Generally Accepted Accounting Principles requires management to make certain judgements and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. Estimating reserves is also critical to several accounting estimates and requires judgments and decisions based upon available geological, geophysical, engineering and economic data. These estimates may change, having either a negative or positive effect on net earnings as further information becomes available, and as the economic environment changes.

The reader is also cautioned that this document contains the term reserve life index, which is not a recognized measure under Generally Accepted Accounting Principles ("GAAP"). Management believes that this measure is a useful supplemental measure of the length of time the reserves would be produced over at the rate used in the calculation. Readers are cautioned, however, that this measure should not be construed as an alternative to other terms such as net income determined in accordance with GAAP as a measure of performance. True's method of calculating this measure may differ from other companies, and accordingly, they may not be comparable to measures used by other companies.

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.

For further information, please contact:

Paul R. Baay, President & CEO, (403) 750-1272

or

Joan E. Dunne, Vice President, Finance & CFO, (403) 750-1262

or

Scott Koyich, Investor Relations, (403) 750-2428

### **True Energy Inc.**

2300, 530 – 8<sup>th</sup> Avenue S.W., Calgary, AB T2P 3S8

Tel: (403) 266-8670

Fax: (403) 264-8163

Internet: [www.trueenergy.ca](http://www.trueenergy.ca)