

## PRESS RELEASE

For Immediate Release  
January 17, 2001

### TRUE ENERGY INC. ANNOUNCES SPECIAL WARRANT FINANCING

True Energy Inc. ("True") announces that it has entered into agreement for an underwritten private placement of 4,166,667 Special Warrants issuable at a price of \$1.20 per Special Warrant for gross proceeds of \$5.0 million. The offering will be led by FirstEnergy Capital Corp. and includes Peters & Co. Limited. Terms of each Special Warrant will entitle the holder to acquire one common share without the payment of any additional consideration, subject to adjustment in certain events. The subscription proceeds from the Special Warrants will be placed in escrow to be released in connection with True taking up and paying for Class A Shares and Class B Shares of Marengo Exploration Ltd. ("Marengo") pursuant to the previously announced take-over bid to be made by True.

Closing is scheduled for the end of January, 2001 and is subject to regulatory approval.

As previously announced, True has agreed, subject to certain conditions, to make an offer to acquire all of the outstanding Class A Shares (on a fully-diluted basis) and Class B Shares of Marengo on the basis of: (i) \$2.05 or 1.71 common shares of True for each Class A Share; and (ii) \$9.00 or 7.5 common shares of True for each Class B Share, subject to a maximum of 1,000,000 True common shares being issued and to be allocated between the Class A Shares and Class B Shares. The cash consideration payable under the offer will be payable from the net proceeds from the Special Warrants with the balance funded by a credit facility to be made available to True by a Canadian chartered bank.

Certain insiders and other persons will be participating in the private placement and in connection therewith will be disposing of a number of common shares through a cross on the facilities of CDNX today.

The Special Warrants and the Common Shares issuable on exercise of the Special Warrants have not been registered under the *United States Securities Act of 1933*, as amended, and may not be offered or sold in the United States, or to a U.S. person, absent registration or applicable exemption therefrom.

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