

Alberta Securities Commission  
Ontario Securities Commission

Dear Sirs:

**True Energy Inc.**

We refer to the prospectus of True Energy Inc. dated March 22, 2001 relating to the qualification for distribution of 4,166,667 Special Warrants of True Energy Inc.

We are the auditors of Marengo Exploration Ltd. ("Marengo") and under date of April 26, 2000 except as to notes 7 and 9 which are as of March 22, 2001 we reported on the following financial statements in the prospectus:

Balance sheets as at December 31, 1999 and 1998;

Statements of earnings (loss) and retained earnings (deficit) and cash flows for each of the years in the three year period ended December 31, 1999.

The prospectus includes the following unaudited interim financial statements:

Balance sheet as at September 30, 2000;

Statements of earnings (loss) and retained earnings (deficit) and cash flows for the nine months ended September 30, 2000 and 1999.

We have not audited any financial statements of Marengo as at any date or for any period subsequent to December 31, 1999. Although we have performed an audit for the year ended December 31, 1999, the purpose and therefore the scope of the audit was to enable us to express our opinion on the financial statements as at December 31, 1999 and for the year then ended, but not on the financial statements for any interim period within that year.

Therefore, we are unable to and do not express an opinion on the unaudited interim balance sheet as at September 30, 2000 and the unaudited interim statements of earnings (loss) and retained earnings (deficit) and cash flows for the nine months ended September 30, 2000 and 1999 nor on the financial position, results of operations or its cash flows as at any date or for any period subsequent to December 31, 1999.

We have, however, performed review procedures which meet the standards established by The Canadian Institute of Chartered Accountants relating to unaudited interim financial statements in prospectuses. Based on the results of these procedures, nothing has come to our attention which causes us to believe that the above-mentioned unaudited interim financial statements are not presented, in all material respects, in accordance with Canadian generally accepted accounting principles.

The procedures referred to in the preceding paragraph do not constitute an audit and would not necessarily reveal material adjustments which might be required to present fairly, in all material respects, the financial position of Marengo as at September 30, 2000 and the results of its operations and its cash flows for the nine months ended September 30, 2000 and 1999 in accordance with Canadian generally accepted accounting principles.

This letter is provided solely for the purpose of assisting the securities regulatory authorities to which it is addressed in discharging their responsibilities and should not be relied on for any other purpose.

Yours very truly,

(Signed) KPMG LLP

Chartered Accountants

Calgary, Canada  
March 22, 2001