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Attention Business/Financial Editors:
True Energy reports third quarter results

TSE: TUI

CALGARY, Nov. 21 /CNW/ - True Energy Inc. ("True", "the Company") is pleased to announce its financial and operating results for the three months and nine months ended September 30, 2001.

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FINANCIAL HIGHLIGHTS

(\$ except share)

	Three Months Ended		Nine Months Ended	
	September 30, 2001	September 30, 2000	September 30, 2001	September 30, 2000
Revenue	\$5,664,095	\$746,005	\$13,504,939	\$1,765,716
Funds flow from operations(x)	\$1,807,176	\$173,568	\$3,952,864	\$586,898
per share - basic	\$0.09	\$0.02	\$0.23	\$0.07
per share - diluted	\$0.09	\$0.02	\$0.22	\$0.07
Cash flow from operations	\$2,577,376	\$173,568	\$4,379,164	\$298,098
per share - basic	\$0.13	\$0.02	\$0.26	\$0.03
per share - diluted	\$0.13	\$0.02	\$0.25	\$0.03
Net earnings (loss)	(\$1,072,963)	(\$37,432)	(\$1,741,757)	(\$46,102)
per share - basic	(\$0.05)	(\$0.00)	(\$0.10)	(\$0.01)
per share - diluted	(\$0.05)	(\$0.00)	(\$0.10)	(\$0.01)
Working capital deficit (including prepaid gas)			\$6,552,652	\$2,828,535
Long-term debt (including prepaid gas)			\$13,801,997	\$351,500
Net capital expenditures	(\$37,079)	\$4,197,162	\$37,349,397	\$4,900,245
Shares outstanding			25,075,101	10,649,934
Weighted average shares basic			16,915,784	8,833,718
diluted			17,783,023	9,003,709

(x)Funds flow from operations includes prepaid gas revenue and hedging gains or losses pertaining to the corresponding period.

Operating Highlights

	Three Months Ended		Nine Months Ended	
	September 30, 2001	September 30, 2000	September 30, 2001	September 30, 2000
Daily Volumes				
Oil and NGLs (bbls/d)	768	86	525	60
Natural Gas (mcf/d)	10,340	1,440	7,440	1,430
Equivalent Oil (BOE/d)				
(at) 6:1	2,491	326	1,765	298
Prices				
Oil and NGLs (\$/bbl)	\$24.77	\$38.13	\$23.05	\$37.02
Natural Gas (\$/mcf)	\$4.04	\$3.33	\$5.02	\$2.96

Combined (\$/BOE)				
(at) 6:1	\$24.72	\$24.79	\$28.03	\$21.60
\$/BOE (at) 6:1				
Operating Netback	\$10.51	\$11.81	\$11.31	\$11.82
Operating Expense	\$6.53	\$7.14	\$7.06	\$4.49
G & A Expense	\$2.13	\$5.84	\$2.30	\$4.50

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FINANCIAL RESULTS

For the nine months ended September 30, 2001 True recorded a net loss of \$1.7 million (\$0.10/share) on revenue of \$13.5 million compared to a loss of \$46,102 for the corresponding period of the previous year. Cash flow from operations for the nine months was \$4.4 million (\$0.26/share) compared to \$298,098 (\$0.03/share) for the corresponding nine months of 2000. Long-term debt, net of working capital increased to \$20.4 from \$3.2 million in 2000. During the first nine months of 2001, the Company invested \$10.1 million on exploration and development activities, \$14.5 million on the acquisition of producing assets in its core area and \$14.6 million on the acquisition of Marengo Exploration Ltd. for total capital expenditures of \$39.2 million, compared to \$1.4 million during the corresponding period of 2000. During the same period in 2001, True realized \$1.9 million from property dispositions.

During the nine months ended September 30, 2001, True issued 5.1 million common shares for gross proceeds of \$6.1 million, in part to finance the Marengo acquisition, and 7.2 million common shares for gross proceeds of \$13.7 million to fund the Kerrobert/Dodsland property acquisition. At September 30, 2001, True had 25,075,101 common shares outstanding.

OPERATING RESULTS

Production (natural gas equated to BOE at 6:1), increased to 2,491 BOE/d from 326 BOE/d during the third quarter of 2000. For the nine months ended September 30th, 2001 production averaged 1,765 BOE/d up from 298 BOE/d for the same period of 2000. Natural gas made up 69% of production averaging 10.34 MMcf/d during the third quarter of 2001. True increased it's oil volumes for the period to 768 bbls/d up from 86 bbls/d for the same period in 2000. Current production is approximately 2,300 BOE/d. The Company continues to be successful at reducing operating costs, averaging 6.53/BOE during the third quarter of 2001.

The main operational focus for the third quarter was to optimize production and fully integrate the Kerrobert/Dodsland property acquisitions.

The Company reactivated two wells in the Kerrobert area that more than doubled production from the field to over 80 bbls/d. True was also successful in drilling an additional well on the Driver Coleville property that tested at rates in excess of 2 MMcf/d (1.5 MMcf/d net). The well will be rate restricted when it comes on-stream in the fourth quarter. At Smiley, a successful gas zone re-completion will also add to the production base.

Following the end of the quarter True completed its previously announced flow through share offering that resulted in gross proceeds of \$3.5 million.

Dispositions during the quarter resulted in the reduction of production by 150 BOE/d. These dispositions were almost entirely offset by the above-mentioned tie-ins and re-completions. The disposition also resulted

in a reduction of undeveloped land that results in the company having approximately 170,000 net acres.

OUTLOOK

During the fourth quarter the company will continue to steward its financial resources through property dispositions, operating costs reductions and limited capital spending. True will continue to develop a second core focus area that will further enhance the balanced commodity growth strategy that has been successful to date.

True Energy Inc. is a Calgary-based oil and natural gas exploration and development company. True Energy's first core operating area is in west-central Saskatchewan. The Company's shares trade on the Toronto Stock Exchange under the symbol TUI.

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IN: OIL
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