

MATERIAL CHANGE REPORT

Item 1. Reporting Issuer:

True Energy Inc.
300, 520 - 5th Avenue SW
Calgary, AB T2P 3R7

Item 2. Date of Material Change:

July 31, 2002

Item 3. News Release:

A press release reporting the material change was issued by True Energy Inc. on July 31, 2002 through Canada Newswire.

Item 4. Summary of Material Change:

True Energy Inc. ("True") and Gresham Resources Inc. ("Gresham") announced today that the Arrangement involving True and Gresham became effective on July 31, 2002.

Item 5. Full Description of Material Change:

True and Gresham announced today that the Arrangement involving True and Gresham became effective on July 31, 2002.

Pursuant to the Arrangement, all shares of Gresham were transferred to True and Gresham became a wholly-owned subsidiary of True.

Pursuant to the Arrangement, the previous shareholders of Gresham received, for each outstanding Gresham share, 1.4 common shares of True.

Upon completion of the Arrangement, the Board of Directors of True was reconstituted and James R. Glass, a nominee of Gresham, was appointed as a member of the Board of Directors of True. It is intended that application will be made to have the Gresham common shares delisted from trading on the TSX Venture Exchange and for Gresham to cease to be a reporting issuer under applicable securities laws.

After giving effect to the Arrangement, True will have approximately 45.1 million common shares issued and outstanding.

Item 6. Reliance on Section 146(2) of the Securities Act (Alberta):

Not applicable

Item 7. Omitted Information:

Not applicable

Item 8. Senior Officer:

Paul R. Baay
President and Chief Executive Officer
Telephone: (403) 266-8670

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

Dated as of July 31, 2002 at Calgary, Alberta.

TRUE ENERGY INC.

By: (signed) "Paul R. Baay"
Paul R. Baay

cc: TSX Venture Exchange