

## 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:**

October 18, 2002

**Item 3. News Release:**

A press release reporting the material change was issued by True Energy Inc. on October 21, 2002 through Canada Newswire.

**Item 4. Summary of Material Change:**

True Energy Inc. ("True" or the "Company") announced a material upward revision in its oil and natural gas reserves following an independent reserves evaluation by Gilbert Laustsen Jung Associates ("GLJ").

**Item 5. Full Description of Material Change:**

In September, True commissioned GLJ to evaluate certain of the Company's producing assets in its west-central Saskatchewan core area, including Coleville/Driver, Coleville South, Eyre, Kerrobert and Smiley (the "West-Central Properties").

In a report dated October 16, 2002 (the "GLJ Report") and received by True on October 18, 2002, GLJ evaluated the above mentioned reserves. Using a natural gas conversion factor of 6:1, proved producing reserves increased from 763,000 BOE to 1,687,000 BOE for the five properties evaluated. This represents a 36 per cent improvement in the Company's overall proved producing reserves compared to the January reserve report and a \$7.7 million increase in net present value discounted at 15 per cent. The most significant change resulted from better production than forecast in the December 31<sup>st</sup>, 2001 report from the Company's natural gas wells at Colville/Driver and from a single development well drilled at Smiley. Oil reserves were positively impacted at Kerrobert and Coleville South while poor well performance resulted in a decrease in reserves at Eyre.

The September reserves evaluation does not include the Company's properties in its west-central Alberta core area acquired in June or all of its Saskatchewan properties, nor does it take into consideration 16 successful wells drilled recently at Coleville South and a new pool discovery at Druid.

In Saskatchewan, True plans to drill 10 additional light oil wells at Kerrobert and one gas well at Dodsland, while in Alberta the Company has commenced a deep test at Ferrier that will take approximately 30 days.

**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 October 28, 2002 at Calgary, Alberta.

**TRUE ENERGY INC.**

By: (signed) "Paul R. Baay"  
Paul R. Baay  
President and Chief Executive Officer

cc: TSX