

Attention Business/Financial Editors:  
True Energy reports year-end results

TSX: TUI

CALGARY, March 11 /CNW/ - True Energy Inc. ("True", "the Company") is pleased to announce its financial results for the fourth quarter and year ended December 31, 2002 and operations and reserves for the year ended December 31, 2002.

HIGHLIGHTS

True is pleased to report the highlights of 2002 including:

- Finding and development costs of \$8.78 per boe using proved reserves and \$6.91 per boe using established reserves.
- Increase of 85% in the net present value of established reserves, (discounted at 10%, before income taxes) from \$31,479,000 to \$58,208,000.
- Increase of 59% in net asset value per diluted share (using 10% discounted established reserves), from \$0.69 per share to \$1.10 per share.
- Increased undeveloped land holdings by 33% from 115,555 to 153,255 net acres.
- The acquisition of Gresham Resources Ltd. during the third quarter of 2002 adding a second core area in south west Alberta. This area is characterized as having multi-zone potential, high netbacks, liquids-rich natural gas and prone to light oil.

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FINANCIAL HIGHLIGHTS

(\$'000 except per share amounts)	Three Months Ended		Twelve Months Ended	
	December 31, 2002	December 31, 2001	December 31, 2002	December 31, 2001
Revenue	5,807	4,598	18,974	18,103
Funds flow from operations(x)	2,633	899	6,088	4,852
per share - basic	0.06	0.03	0.17	0.25
per share - diluted	0.06	0.03	0.17	0.24
Cash flow from operations	2,633	(220)	5,912	4,159
per share - basic	0.06	(0.01)	0.16	0.21
per share - diluted	0.06	(0.01)	0.16	0.21
Net earnings (loss)	699	(17,559)	222	(19,300)
per share - basic	0.02	(0.65)	0.01	(0.99)
per share - diluted	0.02	(0.65)	0.01	(0.99)
Debt, net of working capital			19,893	17,243
Capital expenditures, net	2,667	455	18,802	37,804
Shares outstanding				
Basic			45,134	28,775
Diluted			47,664	30,798
Weighted average shares				
Basic	45,121	27,006	36,505	19,459
Diluted	45,204	27,006	36,560	20,109

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

OPERATING HIGHLIGHTS

	Three Months Ended	Twelve Months Ended
	December	December

		31, 2002	31, 2001	31, 2002	31, 2001
<b>Volumes</b>					
Oil and NGLs	(bbls/d)	1,054	688	809	566
Natural gas (x)	(mcf/d)	4,527	9,213	7,396	7,887
Combined	(boe/d, 6:1)	1,808	2,221	2,042	1,880
<b>Prices</b>					
Oil and NGLs	(\$/bbl)	27.31	15.03	27.36	20.61
Natural gas before hedging	(\$/mcf)	7.59	3.19	3.96	4.14
Natural gas after hedging	(\$/mcf)	7.59	4.30	4.05	4.81
<b>\$/BOE</b>					
Operating netback		21.56	9.40	12.60	10.74
Operating expense		8.86	7.41	6.87	7.16
G & A expense		3.04	2.48	2.86	2.72

(x) after adjustment to reflect a well payout effective January 1, 2001.

#### RESERVES

True's reserves were determined by Gilbert Laustsen Jung Associates ("GLJ") as at January 1, 2003 and 2002. The Reserve Committee of the Board of Directors, consisting entirely of independent directors, has met with a representative of GLJ and has reviewed the report in accordance with its mandate.

During 2002, total proved reserves increased by 45% and established reserves increased 49%, with proportionate growth occurring in both natural gas and crude oil and NGL's. On an undiscounted basis, the value of total proved reserves grew 78%, reflecting the increased volumes and commodity prices.

#### Reserves Summary

January 1, 2003	Natural Gas Bcf	Crude Oil & NGLs Mbbbls	Total (6:1) Mboe
<b>Proved</b>			
Producing	14.94	1,426	3,916
Non-producing	3.05	108	616
<b>Total proved</b>	<b>17.99</b>	<b>1,534</b>	<b>4,532</b>
Probable additional	10.38	1,290	3,019
<b>Total proved &amp; probable</b>	<b>28.37</b>	<b>2,824</b>	<b>7,551</b>
Reduction for risk (50%)	5.19	645	1,510
<b>Total established</b>	<b>23.18</b>	<b>2,179</b>	<b>6,041</b>

January 1, 2003	Present Worth Discounted At (\$000's) (x)				
	0%	8%	10%	12%	15%
<b>Proved</b>					
Producing	56,925	45,729	43,719	41,922	39,556

Non-producing	7,234	4,954	4,603	4,299	3,911
Total proved	64,159	50,683	48,322	46,221	43,467
Probable additional	38,284	22,118	19,772	17,808	15,402
Total proved & probable	102,443	72,801	68,094	64,029	58,869
Reduction for risk (50%)	19,142	11,059	9,886	8,904	7,701
Total established	83,301	61,742	58,208	55,125	51,168

(x) Utilizing GLJ's January 1st, 2003 price forecast

January 1, 2002	Natural Gas Bcf	Crude Oil & NGLs Mbbbls	Total (6:1) Mboe
Proved			
Producing	9.82	881	2,517
Non-producing	2.89	135	618
Total proved	12.71	1,016	3,135
Probable additional	5.41	959	1,859
Total proved & probable	18.12	1,975	4,994
Reduction for risk (50%)	2.70	478	930
Total established	15.42	1,497	4,064

January 1, 2002	Present Worth Discounted At (\$'000's) (x)				
	0%	8%	10%	12%	15%
Proved					
Producing	29,042	22,044	20,926	19,946	18,681
Non-producing	6,958	5,208	4,881	4,585	4,195
Total proved	36,000	27,252	25,807	24,531	22,876
Probable additional	18,758	12,324	11,344	10,504	9,446
Total proved & probable	54,758	39,576	37,151	35,035	32,322
Reduction for risk (50%)	9,379	6,162	5,672	5,252	4,723
Total established	45,379	33,414	31,479	29,783	27,599

(x) Utilizing GLJ's January 1st, 2002 price forecast

#### Reserves Reconciliation

	Natural Gas (Bcf)	Crude Oil & NGLs (Mbbbls)	Combined (Mboe)
Proved	Proved &	Proved &	Proved &
Proved &	Proved &	Proved &	Proved &

	Probable(x)		Probable(x)		Probable(x)	
Total, January 1, 2002	12.71	18.12	1,016	1,975	3,135	4,994
Discoveries	4.33	5.93	840	1,073	1,561	2,061
Acquisitions & dispositions	2.19	5.56	(308)	(475)	57	453
Production	(2.70)	(2.70)	(295)	(295)	(745)	(745)
Revisions	1.46	1.46	281	546	524	788
Total, January 1, 2003	17.99	28.37	1,534	2,824	4,532	7,551

(x)Proved and probable reserves are unrisks

#### Reserve Base Efficiency Calculations:

##### Reserve Life Index

The reserve life index is calculated by dividing year-end reserves by the average production during the past year to estimate the number of years of remaining production. Based upon the year end reserve volumes and the average 2002 production rate for True Energy, sufficient reserves exist to continue production at the current rate for approximately 10.1 years based on proved and probable reserves, and 6.1 years based on proved reserves.

##### Reserve life

Years	2002		2001	
	Proved	Proved & Probable(x)	Proved	Proved & Probable(x)
Natural gas	6.7	10.5	4.4	6.3
Crude oil & NGL's	5.2	9.6	4.9	9.5
Total boe	6.1	10.1	4.6	7.3

(x)Proved and probable reserves are unrisks

##### Reserve Recycle Ratio

The reserve recycle ratio is calculated by dividing the average field cash netback (being sales less royalties and operating costs) on a per unit basis by the finding and development cost. This indicator measures the deployment of operating cash flow income compared to reserve additions.

##### Reserve recycle ratio (\$/boe)

	2002	2001
Average field level cash netback	12.60	10.74
Proved basis	1.4	0.6
Established basis	1.8	0.8

##### Production Replacement Ratio

The production replacement ratio measures the number of times the current year production has been replaced by reserve additions. True's production

replacement ratio reflects the operational focus on decreasing overall debt levels while adding reserves at a cost effective rate.

Production replacement ratio

	2002	2001
Proved basis	2.9 x	3.2 x
Established basis	3.7 x	3.9 x

OPERATING RESULTS

Production

For the twelve months ended December 31, 2002 production averaged 2,042 boe/d, up 9% from 1,880 boe/d for the same period of 2001. Natural gas made up 60% of production averaging 7.4 mscf/d during 2002. True increased its oil volumes for the year to 809 bbls/d, up 43% from 566 bbls/d for the same period in 2001.

Production for the three months ended December 31, 2002 was 2,619 boe/d prior to the reduction of volumes as a result of a payout adjustment effective January 1, 2001, which reduced the average production rate for the last quarter of 2002 by 811 boe/d. During the fourth quarter of 2001, average production rates were 2,221 boe/d. For the twelve months ending December 31, 2002, the effect of the payout adjustment equated to 205 boe/d.

Current production is estimated to be approximately 2,800 boe/d, weighted approximately 60% towards natural gas.

Undeveloped Land

The acquisition of Gresham midyear 2002, with all of its operations located in west central Alberta, brought approximately 70,000 net undeveloped acres. True's average working interest in its undeveloped land holdings 2002 declined to 57% from 61% in 2001.

	Twelve months ended December 31		
	2002	2001	% Change
Undeveloped land			
Gross (acres)	270,933	189,586	43
Net (acres)	153,255	115,555	33
Value (\$ 000's)	11,339	6,000	89

Drilling

During 2002, True drilled 38 (17.8 net) wells with an average net success rate of 74%, which added 11.1 net oil wells and 2.1 net gas wells. Two pending wells have been excluded from the successful category.

During the fourth quarter, True drilled 16 (9.0 net) wells, 10 (5.0 net) were light oil wells at Kerrobert, which were completed and placed on production late in 2002 and early 2003, one gas well was drilled at Rosevear, Alberta, and four were dry holes. True have two wells pending further completion - one at Brazeau drilled during the third quarter and one at Ferrier drilled during the fourth quarter.

Drilling Summary	2002	2001
Gross	38	25
Net	17.8	19.2
Net success rate (before pending wells)	74%	80%

Drilling Results	Gross	Net
Oil	29	11.15
Gas	3	2.07
Dry and abandoned	4	3.44
Pending completion	2	1.14
Total	38	17.80

Drilling to-date in 2003 has consisted of participating in three wells, two natural gas wells and one oil well. With commodity prices at record highs, the rig utilization in Alberta and Saskatchewan is currently nearly at capacity. Consistent with True's determination to focus on the debt to cash flow ratio, the Company made the decision to defer commencing its 2003 drilling program until March to avoid the high drilling costs being charged for services during this peak winter drilling season. This takes advantage of the year-round access characterizing much of True's prospect inventory. True anticipates starting the 2003 drilling program prior to the end of March. Any excess cash flow over capital expenditures will be applied to reduce indebtedness.

#### FINANCIAL RESULTS

Revenue in 2002 was \$19.0 million, up from \$18.1 million in the previous year. Cash flow from operations for the twelve months was \$5.9 million (\$0.16 per share) compared to \$4.2 million (\$0.21 per share) for the corresponding twelve months of 2001. For the twelve months ended December 31, 2002, True recorded net earnings of \$222,000 (\$0.01 per share) compared to a net loss of \$19.3 million for the corresponding period of the previous year. The significant loss reported in the prior year was primarily the result of a ceiling test write down of \$16.0 million, net of future income taxes of \$11.0 million.

During the fourth quarter of 2002, True recorded an adjustment to account for the payout of a natural gas well which paid out in January 2001 for which True's working interest was reduced by 50%. The impact of this payout reduced daily sales by 205 boe/d for the year 2002 from 2,247 boe/d. The impact of this adjustment was to reduce for the fourth quarter production volumes by an average of 811 boe/d. Net adjustment to cash flow from operations was (\$414,000), or (\$0.01) per basic and diluted share on the years' results.

Fourth quarter revenue in 2002 was \$5.8 million compared to \$4.6 million in the comparable 2001 quarter. Cash flow from operations for the last three months of 2002 was \$2.6 million (\$0.06 per share) compared to (\$220,000) (\$0.01 per share) for the corresponding three months of 2001. Net earnings for the last quarter of 2002 were \$0.7 million (\$0.02 per share), compared to a fourth quarter 2001 net loss of \$17.6 million (\$0.65 per share).

#### Revenue

Sales of crude oil and natural gas increased 5% in 2002, compared to 2001, reflecting increased production volumes of crude oil and NGLs of 43% from the drilling of 11.15 net oil wells during the year, primarily at South Coleville and Kerrobert, combined with a 33% increase in crude oil and NGL commodity prices. In 2001, the Company sold a costless collar, receiving a lump sum payment of \$1.6 million, which is included in natural gas sales.

Revenue (\$000's)

	Years		% Change
	ended 2002	December 31 2001	
Crude oil & NGLs	8,083	4,256	90
Natural gas	10,891	13,847	(21)
<b>Total</b>	<b>18,974</b>	<b>18,103</b>	<b>5</b>

Production volumes

	Years		% Change
	ended 2002	December 31 2001	
Crude oil & NGLs (bbls/d)	809	566	43
Natural gas (mmcf/d)	7.40	7.89	(6)
<b>Total (6:1) (boe/d)</b>	<b>2,042</b>	<b>1,880</b>	<b>9</b>

Average prices

	Years		% Change
	ended 2002	December 31 2001	
Crude oil & NGLs (\$/bbl)	\$27.36	\$20.61	33
Natural gas (before hedge) (\$/mcf)	\$ 3.96	\$ 4.14	(4)
Natural gas (after hedge) (\$/mcf)	\$ 4.05	\$ 4.81	(16)
<b>Total (\$/boe)</b>	<b>\$25.46</b>	<b>\$26.38</b>	<b>(3)</b>

Royalties

Royalties for the twelve months ending December 31, 2002 were \$4.5 million, down 23% down \$5.8 million from the comparable 2001 period. The overall reduction in royalties is accounted for the disposal during the year of crude oil properties with high royalty burdens, combined with the payout (effective January 2001) conversion during the fourth quarter of 2002 to a 50% working interest of a natural gas property with a 15% GORR in addition to the regular crown royalty burden. Partially offsetting these factors are increased prices for crude oil and NGL's during 2002 compared to 2001.

Royalties for the fourth quarter of 2002 were \$0.7 million (\$4.49/boe) compared to \$1.2 million in the last quarter of 2001 (\$5.69/boe). The payout adjustment in this quarter of 2002 reduced crown royalties by \$0.4 million and other royalties by \$0.7 million on gross gas sales of \$1.8 million.

Royalties, by commodity type  
\$000's

	Years		% Change
	ended 2002	December 31 2001	

Crude oil and NGLs	1,677	639	162
Natural gas	2,787	5,180	(46)
Total	4,464	5,819	(23)

Royalties, as a % of commodity sales

	Years		% Change
	ended 2002	ended December 31 2001	
Crude oil and NGLs	20.75	15.01	38
Natural gas	25.59	37.41	(32)
Total	23.53	32.14	(27)

Royalties, by type  
\$ 000's

	Years		% Change
	ended 2002	ended December 31 2001	
Crown royalties	2,917	3,501	(17)
Freehold & GORR	1,646	2,318	(29)
Alberta Royalty Tax Credit	(99)	-	100
Total	4,464	5,819	(23)

Production Costs

Operating costs for the year ended December 31, 2002 were \$5.1 million, a 4% increase from \$4.9 million for the same twelve months in 2001. Crude oil and NGL production costs averaged \$9.60/bbl, down 30% from the \$13.65/bbl unit cost in 2001, reflecting the disposition of high operating cost properties during the year.

During the fourth quarter of 2002 and 2001, operating costs were \$1.5 million. On a per unit of production basis, the last quarter of 2002 averaged \$8.86/boe, compared to \$7.41/boe. Operating costs during the fourth quarter of 2002 were reduced by \$0.3 million for the January 2001 working interest conversion on payout entry.

Production costs, by commodity type  
\$ 000's

	Years		% Change
	ended 2002	ended December 31 2001	
Crude oil and NGLs	2,835	2,734	4
Natural gas	2,284	2,181	5
Total	5,119	4,915	4

Production costs per unit, by commodity type

	Years		
	ended December 31		% Change
	2002	2001	
Crude oil and NGLs (\$/bbl)	9.60	13.23	(27)
Natural gas (\$/mcf)	0.85	0.76	12
Total (\$/boe)	6.87	7.16	(4)

Field operating netbacks

	2002		2001	
	Crude oil & NGLs \$/bbl	Natural gas \$/mcf	Crude oil & NGLs \$/bbl	Natural gas \$/mcf
Petroleum & natural gas sales	27.36	3.96	20.61	4.14
Hedge	0	0.09	-	0.67
Royalties	(5.68)	(1.03)	(3.09)	(1.76)
Production expense	(9.60)	(0.85)	(13.65)	(0.74)
Field operating netback	12.08	2.17	3.87	2.31

Field operating netbacks have improved dramatically for crude oil and NGL's to \$12.08/bbl in 2002 from \$3.87/bbl in 2001. The disposition of high royalty burdened and high operating cost properties combined with an increase of \$6.75/bbl in commodity price accounts for the significant improvement in project economics for the Company's crude oil and NGL properties. Field operating netbacks for natural gas in 2001 was boosted by \$0.67/mcf through hedging activities. The cost of royalties and production expenses on a per unit basis have declined \$0.67/mcf during 2002 compared to 2001 costs, primarily due to the impact of the payout adjustment during 2002.

Corporate netbacks

\$/boe

	Three months ended			Years ended		
	December 31,		%	December 31,		%
	2002	2001	Change	2002	2001	Change
Petroleum & natural gas sales	34.91	22.50	55	25.46	26.38	(3)
Royalties	(4.49)	(5.69)	(21)	(5.99)	(8.48)	(29)
Production expense	(8.86)	(7.41)	20	(6.87)	(7.16)	(4)
Field operating netback	21.56	9.40	129	12.60	10.74	17
General & administrative costs	(3.34)	(2.48)	35	(2.92)	(2.35)	24
Interest expense	(1.49)	(1.14)	31	(1.05)	(1.07)	(2)
Bad debt expense	0.30	(1.23)	(124)	0.07	(0.37)	(119)
Capital taxes	(5.39)	(0.15)	349	(0.62)	(0.04)	1450
Current income taxes	0.04	-	100	0.10	0.17	(41)
Prepaid contract revenue	-	(5.48)	(100)	(0.25)	(1.02)	(75)
Cash flow from operations	15.83	(1.08)	157	7.93	6.06	31

Depletion, depreciation & site	(7.50)	(17.49)	(57)	(6.95)	(14.14)	(51)
Writedown of oil & gas properties	-	(132.12)	(100)	-	(39.35)	(100)
Prepaid contract revenue	-	5.48	(100)	0.25	1.02	(75)
Capital taxes - non current	4.13	-	100	(0.93)	-	(100)
Future income taxes (recovery)	-	59.29	(100)	-	18.29	(100)
Earnings (loss)	4.20	(85.92)	105	0.30	(28.12)	101

#### General & Administrative Costs and Bad Debt Expense

General and administrative costs combined with bad debt expense climbed 14% for the twelve months ended December 31, 2002 to \$2.1 million from \$1.9 million for the comparable period in 2001. On a per unit of production basis, net costs grew 5% as the Company incurred additional costs to accommodate the growth of its production base. During the fourth quarter of 2002 and 2001, general administrative costs were both \$0.5 million.

\$ 000's

	Years ended December 31		
	2002	2001	% Change
Gross costs	3,157	2,337	35
Bad debt expense	(50)	251	(113)
Capitalized Recoveries	(327)	(194)	69
	(652)	(528)	23
Net costs	2,128	1,866	14
Net costs, per unit (\$/boe)	2.86	2.72	5

#### Interest Expense

Interest expense increased by 6% in 2002 to \$0.8 million compared to \$0.7 million in 2001, the net effect of increased borrowings, primarily in the second half of each year. On a per boe basis interest cost has declined marginally, reflecting increased volumes in 2002.

\$ 000's, except where noted

	Three months ended December 31,			Years ended December 31,		
	2002	2001	% Change	2002	2001	% Change
Interest expense	247	233	6	781	737	6
Interest (\$/boe)	1.49	1.14	31	1.05	1.07	(2)
Net debt at year end	19,893	17,243	15	19,893	17,243	15
Debt to historical cash flow ratio annualized	1.89 x	-	-	3.36 x	4.15 x	(19)

## Depletion and Depreciation

Depletion and depreciation expense was \$5.2 million in 2002, compared to \$9.7 million in 2001, the net result of an improved reserve base in 2002 combined with the benefit of a ceiling test write down in 2001. Fourth quarter depletion, depreciation and site restoration costs were \$1.2 million in 2002 and \$3.6 million in 2001.

\$ 000's, except where noted

	Three months ended			Years ended		
	December 31, 2002	2001	% Change	December 31, 2002	2001	% Change
Depletion	670	2,722	(75)	2,615	7,400	(65)
Depreciation	508	748	(32)	2,262	2,027	12
Future site restoration	69	104	(34)	303	278	9
<b>Total</b>	<b>1,247</b>	<b>3,574</b>	<b>(65)</b>	<b>5,180</b>	<b>9,705</b>	<b>(47)</b>
<b>Per unit (\$/boe)</b>	<b>7.50</b>	<b>17.49</b>	<b>(57)</b>	<b>6.95</b>	<b>14.14</b>	<b>(51)</b>

## Income Taxes

For the year ended December 31, 2002, True recorded a current income tax recovery of \$71,340 reflecting prior over-estimates of taxes. Included in capital tax expense of \$1,151,213 are capital taxes of \$686,430 that will become payable in 2003. For the year ended December 31, 2001, a current income tax recovery was recorded to reflect prior over-estimates of taxes. The ceiling test write down in 2001 was recorded net of a future income tax recovery of \$11,000,000, the bulk of the total income statement provision of \$12,551,855.

### Income tax pools (\$ MM)

	2002	2001
Canadian exploration expense	3.5	2.6
Canadian development expense	9.3	4.6
Canadian oil & gas property expense	18.2	13.1
Undepreciated capital cost	8.0	8.6
Share issue costs	1.2	1.9
<b>Total</b>	<b>40.2</b>	<b>30.8</b>

As at December 31, 2002 the Company has a future tax asset for which it has taken a valuation allowance in the amount of \$916,434. At year end 2001, this amount was \$898,723. Total estimated income tax pools at the end of 2002 are \$40.2 million, up almost \$10 million from the end of 2001.

## Capital Expenditures

During the year, the Company invested a net total of \$18.8 million, down 50% from the \$37.8 million in 2001, reflecting the emphasis on overall debt level reduction in comparison to cash flow. A total of \$9.8 million was spent

on exploration and development activities. Acquisition activities included \$0.6 million on producing assets in the Company's core areas plus the purchase of Gresham Resources Ltd. for \$14.6 million. Dispositions realized \$6.4 million during 2002.

Fourth quarter capital activity in 2002 cost \$2.7 million compared to \$0.5 million in 2001, directly mirroring the active drilling program carried out during the last three months of 2002.

\$ 000's

	Three months ended			Years ended		
	December 31, 2002	December 31, 2001	% Change	December 31, 2002	December 31, 2001	% Change
Lease acquisitions & retention	257	35	634	760	549	38
Geological & geophysical	404	220	84	1,164	1,035	12
Drilling & completion costs	2,542	310	720	6,402	6,244	3
Facilities & equipment	50	164	(70)	1,426	2,992	(52)
Exploration & development	3,253	729	346	9,752	10,820	(10)
Acquisitions	188	1,127	(83)	570	15,663	(96)
Corporate acquisitions	(411)	32	(1,384)	14,585	14,659	(1)
Head office expenditures	72	137	(47)	273	135	102
Total expenditures	3,102	2,025	53	25,180	41,277	(39)
Dispositions	(435)	(1,570)	(72)	(6,378)	(3,473)	84
Net capital expenditures	2,667	455	486	18,802	37,804	(50)

#### Finding and Development Costs

Finding and development costs are a measure of the efficiency that a company employs as it accumulates reserves. The addition of reasonable cost reserves is essential in providing long term growth to shareholders. True has spent the past year balancing asset dispositions to reduce corporate debt levels, prudent acquisitions, and an active exploration program which enjoyed decreased oilfield service costs.

#### Finding and development costs

		Proved	Established
Capital expenditures	(\$000's)	18,802	18,802
Reserve additions & revisions	(Mboe)	2,142	2,722
Finding and development costs/boe		8.78	6.91

#### Liquidity and Capital Resources

During the twelve months ended December 31, 2002, True issued an aggregate 16.4 million common shares for gross value of \$10.4 million, of which 12.2 million shares were issued for the Gresham acquisition. In May 2002, the Company completed a private placement of 4.1 million shares at \$0.74 per share. In total, 26,665 options were exercised for common shares in 2002. At December 31, 2002, True had 45,134,421 common shares outstanding and 2,529,166 options at an average exercised price of \$0.77 per share. As at

March 7, 2003, the Company has 45,234,421 shares outstanding and 2,579,166 options outstanding at an average exercise price of \$0.78 per share.

At December 31, 2002, True had a demand revolving credit facility of \$19 million with a Canadian chartered bank. Subsequent to year end, in conjunction with the January 1, 2003 reserve report, proposed changes to the facility are currently being evaluated.

#### Net Asset Value

True's net asset value increased by 59% in 2002 to \$1.10 per diluted share. With a 85% increase in risked reserves discounted at 10%, the number of diluted shares outstanding grew by 55% with 12,232,654 shares issued on the acquisition of Gresham Resources Ltd. Undeveloped land per net acre was valued internally at \$ 51.76 per net acre in 2002, compared to \$ 38.42 per net acre in 2001.

Net asset value per diluted share  
(000's, except per share)

	2002	2001 (restated)
Reserves value (1)	58,208	31,479
Undeveloped land	11,339	6,000
Total debt	(19,893)	(17,243)
Total	49,654	20,236
Outstanding shares - diluted (2)	45,190	29,426
Net asset value per share - diluted	1.10	0.69

(1) Reserves used is the proved plus 50% risked probable reserves, discounted at 10% before income taxes.

(2) Diluted shares outstanding is calculated using the treasury stock method whereby only "in the money" dilutive instruments impact the diluted calculation. The dilutive effect of employee stock options for 2002 added 55,113 shares to the total outstanding year end shares of 45,134,421, and in 2001 added 650,429 shares to the total outstanding year end shares of 28,775,102.

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True Energy Inc. is a Calgary-based oil and natural gas exploration and development company. The Company's shares trade on the Toronto Stock Exchange under the symbol TUI.

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/For further information: Paul R. Baay, President & CEO, (403) 750-1272; Joan E. Dunne, Vice President Finance & CFO, (403) 750-1262; True Energy Inc., 2300, 530 - 8th Avenue S.W. Calgary, Alberta, T2P 3S8, Phone (403) 266-8670, Fax (403) 264-8163, Internet: [www.trueenergy.ab.ca/](http://www.trueenergy.ab.ca/) (TUI.)

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