

For Immediate Release
TSX: TUI

True Energy Reports Second Quarter 2005 Drilling Results, Operations Update

Calgary, AB, July 21, 2005 – True Energy Inc. (“True” or the “Company”) announced today the results of its second quarter 2005 drilling program. During the quarter True achieved a 93% success rate in the drilling or participation in 14 (10.5 net) wells, resulting in 7 (4.3 net) natural gas wells, 6 (5.5 net) heavy oil wells and 1 (0.7 net) dry and abandoned well, with 8 (5.0 net) wells in Alberta and 6 (5.5 net) wells in Saskatchewan. Two of the successful Alberta gas wells are new pool discoveries. During the first six months of 2005, True and its wholly owned subsidiary, Meridian Energy Corporation, have achieved a 94% success rate with the drilling of 38 (26.7 net) wells, resulting in 30 (19.5 net) gas wells and 6 (5.5 net) heavy oil wells.

During the second quarter of 2005, an extended break-up combined with rain late in the spring significantly restricted True's planned field operations. The Company experienced difficulties in completing planned field operations, specifically drilling, tying-in wells, facility construction as well as servicing and hauling oil and water from wells already on production, necessitating slowing down production rates in some cases. The Company was only able to place three wells onto production during the quarter. Subsequent to the end of the second quarter and with the improvement in weather, True has recommenced its 2005 activities.

During the second half of 2005, True anticipates drilling or participating in up to ninety-five wells, of which 10 (6.7 net) have already been drilled, and currently has five rigs drilling. The Company has 40 (30.1 net) wells to be placed on production, of which 7 (4.3 net) have been drilled during the third quarter. Based on field estimates, current production is approximately 9,000 boe/d, weighted 70% toward natural gas.

In Alberta, the Company has continued with the development of the Willesden Green property which includes both the drilling of multi-zone wells and horizontal developmental opportunities. The second and latest horizontal well was completed last week and tested at rates up to 1,300 boe/d. The well is expected to be placed on-stream prior to the end of this month at approximately 550 boe/d based on available facility capacity. True operates the well with a 70% working interest. The successful drilling program has necessitated the expansion of existing compression and dehydration facilities in the Willesden Green area.

During the third quarter, True will increase gross throughput capability by 9 mmcf/d, allowing for production from wells currently facility-constrained and from new drilling. The Company is currently drilling its third horizontal well on the project, which should be rig released by the end of the month. Paul Baay, President and CEO of True said, "The early results of the horizontal program are encouraging and with up to 10 more horizontal opportunities on existing acreage, we will continue to actively pursue drilling in the Willesden Green area". In the Whitecourt area, True has acquired the additional acreage necessary to follow up two new pool discoveries identified earlier this year. These discoveries are scheduled to be brought onto production late in 2005, providing developmental drilling prospects for 2006.

In Saskatchewan, the new heavy oil battery at Smiley is expected to be placed in service this week, allowing for the tying-in of several single well batteries, which is expected to reduce operating costs and allow for incremental production. In the East Dodsland area, True is surveying approximately 100 km of gas gathering and sales pipelines to be constructed in conjunction with the tie-in of current and prospective area wells to True's planned Stranraer natural gas plant. The Company plans to construct the 100% owned 5.0 mmcf/d capacity natural gas facility during the third quarter of 2005. Fifteen wells are standing ready to be tied-in. True has also received government approval of its North Dodsland Viking gas down-spacing project on which drilling is expected to commence prior to the end of August, with sales directed through existing capacity at the Company's Dodsland gas plant. Two stratigraphic wells at True's Kerrobert heavy oil project have established a southern extension of the project area. The Company plans to drill up to five additional horizontal wells into the pool this year.

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.

READER ADVISORY

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Statements in this document may contain forward-looking information including expectations of future production and components of cash flow and earnings. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. These risks include, but are not limited to; the risks associated with the oil and gas industry, commodity prices and exchange rate changes. Industry related risks could include, but are not limited

to; operational risks in exploration, development and production, delays or changes in plans, risks associated to the uncertainty of reserve estimates, health and safety risks and the uncertainty of estimates and projections of production, costs and expenses. The reader is cautioned not to place undue reliance on this forward looking information.

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