

MATERIAL CHANGE REPORT

SECURITIES ACT (BRITISH COLUMBIA) SECTION 67(1) FORM 27
SECURITIES ACT (ALBERTA) SECTION 118(1) FORM 27
SECURITIES ACT (ONTARIO) SECTION 75(1) FORM 27

1. **Reporting Issuer:**

True Energy Inc.
300, 520 - 5th Avenue S.W.
Calgary, Alberta T2P 3R7

2. **Date of Material Change:**

October 24, 2001

3. **News Release**

A Press Release was issued through the facilities of Canada NewsWire on October 24, 2001.

4. **Summary of Material Change:**

On October 24, 2001, True Energy Inc. ("True") announced that it had entered into an agreement with FirstEnergy Capital Corp. ("FirstEnergy") to issue, on a private placement basis, up to 3,000,000 common shares of the Corporation, on a flow-through basis ("Flow-Through Shares") at a price of \$1.05 per share for gross proceeds of up to \$3,150,000. On October 31, 2001, True and FirstEnergy amended the terms of their agreement whereby True agreed to issue up to 3,700,000 Flow-Through Shares at a price of \$0.95 per share for gross proceeds of up to \$3,515,000. Closing is scheduled on or about November 13, 2001 and is subject to regulatory approval.

True also announced that Mr. Sadiq H. Lalani will be joining True effective November 1, 2001 as Vice President, Finance and Chief Financial Officer.

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

On October 24, 2001, True announced that it had entered into an agreement with FirstEnergy to issue, on a private placement basis, up to 3,000,000 Flow-Through Shares at a price of \$1.05 per share for gross proceeds of up to \$3,150,000. FirstEnergy agreed to sell the Flow-Through Shares on a best efforts, agency basis. On October 31, 2001, True and FirstEnergy amended the terms of their agreement whereby True agreed to issue up to 3,700,000 Flow-Through Shares at a price of \$0.95 per share for gross proceeds of up to \$3,515,000. Closing is scheduled on or about November 13, 2001 and is subject to regulatory approval.

The subscription proceeds from the Flow-Through Share offering will be used by True to fund its ongoing exploration and development program and incur expenditures that may be renounced as Canadian Exploration Expenditures, or qualifying Canadian Development Expenditures. The main focus of the program will be in the Coleville and Kerrobert areas of west central Saskatchewan.

In addition to the equity financing, True has completed non-core property dispositions resulting in proceeds of \$2.5 million since June 30, 2001. After giving effect to the dispositions, the Corporation is currently producing 2,300 boe/d (converting natural gas on a 6:1 basis).

True also announced that Mr. Sadiq H. Lalani, will be joining True effective November 1, 2001 as Vice President, Finance and Chief Financial Officer. Mr. Lalani joins True after spending the past five years at Triumph Energy Corporation, most recently as Senior Vice President and Chief Financial Officer. Mr. Lalani will be responsible for all financial aspects of the business of the Corporation and will be the liaison with the equity and debt markets.

6. **Reliance on Confidentiality Provision:**

N/A

7. **Omitted Information:**

N/A

8. **Senior Officer:**

For further information, please contact:

Paul R. Baay or Sadiq H. Lalani
Tel: (403) 266-8670 Fax: (403) 264-8163

9. **Statement of Senior Officer:**

The foregoing accurately discloses the material change referred to in this report.

DATED November 2, 2001, at the City of Calgary, in the Province of Alberta.

TRUE ENERGY INC.

Per: "Paul Baay"
Paul R. Baay
President and Chief Executive Officer

cc: The Toronto Stock Exchange