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Attention Business/Financial Editors:
True Energy Reports Second Quarter Results

TSE: TUI

CALGARY, Aug. 13 /CNW/ - True Energy Inc. ("True", "the Company") announces its financial and operating results for the three months and six months ended June 30, 2002. Production for the second quarter averaged 2,001 BOE/d compared to 2,107 BOE/d in the first quarter of the year. During the second quarter of 2002, True was successful in replacing the majority of production sold for \$6.25 million (see press release dated April 10th, 2002). Year over year, the Company improved its financial position significantly. Debt, net of working capital at June 30, 2002 was \$10.3 million, down 55% from \$22.7 million at June 30, 2001.

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FINANCIAL HIGHLIGHTS

(000's except per share amounts)	Three Months		Six Months		% Change
	Ended, June 30		Ended, June 30		
	2002	2001	2002	2001	
Revenue	4,319	4,653	8,137	7,841	4
Funds flow from operations(x)	1,266	871	1,951	2,147	-9
per share - basic	0.04	0.05	0.07	0.14	-50
Cash flow from operations	1,260	697	1,774	1,802	-2
per share - basic	0.04	0.03	0.06	0.12	-50
Net earnings (loss)	299	(558)	(445)	(669)	33
per share - basic	0.01	(0.04)	(0.01)	(0.04)	50
Debt, net of working capital			10,256	22,726	-55
Capital expenditures, net			(2,142)	22,759	-
Shares outstanding			32,885	17,875	84
Weighted average shares			29,866	15,394	94

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

OPERATING HIGHLIGHTS

	Three Monhs		Six Months		% Change
	Endd, June 30		Ended, June 30		
	2002	2001	2002	2001	
Production					
Oil and NGLs (bbls/d)	785	492	727	402	81
Natural Gas (mcf/d)	7,296	7,433	7,961	5,960	34
Combined Oil (BOE/d)	2,001	1,730	2,053	1,395	47
Prices					
Oil and NGLs (\$/bbl)	27.72	21.12	25.62	20.41	26
Natural Gas (\$/mcf), before hedging	3.53	5.14	3.33	5.83	-43
Natural Gas (\$/mcf), after hedging	3.53	5.48	3.33	5.89	-44
Combined (\$/BOE)	23.73	29.56	21.89	31.04	-29
\$/BOE					
Operating Netback	11.76	9.52	9.44	12.04	-22
Operating Expense	5.40	6.61	6.19	7.54	-18

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FINANCIAL RESULTS

Revenue for the second quarter of 2002 was \$4.3 million, down from \$4.7 million in the same period of the previous year. Cash flow from operations for the three months ended June 30, 2002 was \$1.3 million (\$0.04/share) compared to \$0.7 million (\$0.05/share) for the corresponding three month period of 2001. For the three months ended June 30, 2002 True recorded net earnings of \$299,000 (\$0.01/share) compared to a loss of \$558,000 (\$0.04/share) for the corresponding period of the previous year. Debt, net of working capital decreased to \$10.3 million from \$22.7 million at June 30, 2001. During the second quarter, the Company invested \$3.8 million on exploration and development activities.

On July 31, 2002, the Company acquired all of the issued and outstanding shares of Gresham Resources Inc., pursuant to a plan of arrangement on the basis of 1.4 common shares of the Company for each outstanding share of Gresham. After giving effect to this transaction, the Corporation will have 45.1 million common shares issued and outstanding. In addition, the Company has negotiated with its bankers to put in place a demand revolving credit facility with an authorized borrowing amount of \$19.0 million. Availability under this facility is subject to an interim review by September 30, 2002 and an annual review on or before May 31, 2003.

OPERATING RESULTS

Production during the three month period ended June 30, 2002 increased to 2,001 BOE/d from 1,730 BOE/d during the second quarter of 2001. Natural gas made up 61% of production volumes averaging 7.3 MMcf/d during the second quarter of 2002. True increased its oil volumes for the period to 785 bbls/d, up from 492 bbls/d for the same period in 2001. Current production following the recent business combination with Gresham Resources Inc. is approximately 2,600 BOE/d.

During the second quarter, the Company's field activity focus continued to be on its properties in the Smiley - Coleville - Kerrobert area of Saskatchewan. A second 100% owned horizontal development well was drilled and placed on production at Kerrobert and is now producing 105 Bbl/d of oil. The producing rate is gradually being increased, overall production from the Kerrobert field is 300 BOE/d. At Smiley, a 100% interest dual zone natural gas well was drilled and tied-in to the Company's facility and is currently producing approximately 850 Mcf/d, bringing total net production at this facility to 2.0 MMcf/d. A 100% owned oilwell was drilled at Coleville. The well was placed on production in July and is averaging 60 Bbl/d of oil.

Subsequent to the second quarter, the Company commenced the second phase of its oil development program at Coleville South. This phase includes the drilling of 16 wells, the first of which spud on August 8, 2002. The Company also anticipates drilling a well at Brazeau at the end of August 2002. Later in September, the Company will also begin its ten well light oil program at Kerrobert.

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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