



COMPANY PRESS RELEASE

Arête Industries, Inc. (OTC:BB ARET) Arête Industries Signs Letter of Intent to Purchase an Interest in Tri-State Transfer Industries, LLC.

For Immediate Release

Monday March 3, 2003

Niwot, Colorado – March 3, 2003 – Arête Industries, Inc. (OTCBB: ARET), a publicly traded business development company, announced today that it signed a non-binding letter of intent to purchase a 5% non-managing membership interest in Tri-State Transfer Industries, LLC, of Stratford, Connecticut. Tri-State is a development stage company in the business of owning and operating municipal solid waste ("MSW") transfer facilities and bulky waste construction and demolition ("C&D") recycling facilities, in the eastern United States. It is presently involved in developing its first such facility in Grosvenor-Dale, Connecticut, to serve communities in Connecticut, Massachusetts and Rhode Island.

The LLC interest will be purchased with restricted shares of the Company's common stock. The transaction is subject to completion of due diligence and approval of formal documents, scheduled to be completed within 15 days of the date of this release. Tri-State is in the process of completing site acquisition contracts, formalizing and presenting development plans, obtaining building permits, purchasing equipment, securing commitment letters from municipalities for delivery of MSW to the site, and securing financing for equipment purchases and construction of the facilities.

"The Company is very fortunate to have the opportunity to participate in this venture, which will in the near future provide us with both revenue and asset value, as we launch our roll-out as a Business Development Company," stated Tom Raabe, CEO of Arête Industries, Inc. "Tri-State has in place an experienced management team that knows how to set up and run these facilities, and has the contacts and ability to obtain the financing to bring the first facility into production in the current fiscal year. They are keen on building up quickly to meet an ever increasing demand for these facilities in the northeast of the country where municipal waste management and construction material recycling is a real issue. This capability, plus the Tri-State management team's sincere interest in going public in the medium term, makes this a perfect first deal for the Arête Industries, Inc. Spin-Off Dividend Distribution Program." Raabe continued.

The Company's "Spin-Off, Dividend Distribution Program" is designed to allow qualified businesses that Arête acquires to go public by either issuing to Arête's shareholders a stock dividend or effecting a rights offering of the subsidiary's stock after an incubation period.

About Arête Industries

Arête Industries was founded in 1987 and today has over 8,000 public shareholders. It recently restructured its capitalization, stabilized its overhead including moving its headquarters to a business suite in Niwot, Colorado and is currently in the process of transitioning to a registered Business Development Company. The Company has moved forward in developing qualified acquisition candidates and private funding sources through its affiliate, Eagle Capital Funding Corp. Additional information on the Company and its Spin-Off Dividend Distribution Program can be found on its web site at: www.areteindustries.com

Forward Looking Information

Certain statements contained herein, which are not historical, are forward-looking statements that are subject to risks and uncertainties not known or disclosed herein that could cause actual results to differ materially from those expressed herein. In particular, there are no assurances that the projects will be successful, and therefore no assurance that the Company will generate revenue or equity with any future value, nor are there assurances that the Company will be successful in generation of new business development and investment banking.

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