



COMPANY PRESS RELEASE

Arête Industries, Inc. Announces First Major Gas Drilling Program for 2004;

High Expectations for Initial 24 Well Re-Entry Program.

For Immediate Release

Friday, April 5, 2004

NIWOT, Colorado, April 5, 2004 (Business Wire) Arête Industries, Inc. (OTC- Bulletin Board: ARET) formally announced its joint venture for the drilling of 24 re-entry gas wells in Texas, slated to begin towards the end of the second quarter of 2004.

Thomas Raabe, Arête CEO proclaimed: "We are thrilled to bring together the team of investment bankers, energy producers, professional drilling operators, and petroleum engineers, which we believe to be second to none, and we feel assured that this will be the first of multiple, successful joint ventures together."

"Although even re-entry drilling remains a 'wild-cat,' based on historical, seismic, and other critical data, our experts expect a high level of success, combined with potentially high revenue from this drilling prospect," continued Raabe.

Statement as to Forward Looking Statements. 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. Such risks include the fact that the prospects being developed by the Company are not yet secured with contracts, nor have binding commitments for financing been obtained, and that the Company will likely compete with other investors for acquisitions or investments in viable projects that are more established and have far greater resources than the Company, and therefore no assurances can be made that the Company will be successful in obtaining financing nor in being the successful bidder for participation in the better opportunities.

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