



COMPANY PRESS RELEASE

Arête Industries Launches Gas Drilling Joint Venture Expecting to Capitalize on High Energy Prices:

Initial Projections of Production Could Provide over \$20,000,000 in Profit Over First Six Years

For Immediate Release

Monday, April 12, 2004

NIWOT, Colorado, April 12, 2004 (Business Wire) Arête Industries, Inc. (OTC- Bulletin Board: ARET) formally launched funding efforts for its 24-Well Gas Re-Entry Program, to be funded via a combination of private equity partners and limited partners participating in any of four Limited Liability Limited Partnerships. Months of research, development, and negotiations preceded the formal signing, after highly optimistic, yet conservative projections indicated high revenue and profit for Arête and its Joint Venture Partners along with participating investors.

Thomas P. Raabe, Arête CEO, stated: "Optimism runs high that we have a drilling program that should bring in most of our wells, providing multi-million dollar profit for the Company and its shareholders and our investment partners as well. With initial successes, we would have the capability of turning this into a major gas play and expanding to a 60-Well Drilling Program."

Raabe continued, "We expect to be able to provide part of our projections to the public on our website in upcoming weeks. We are highly motivated to make 2004 and 2005 banner years for our Company."

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 oil and gas exploration and drilling projects contain a significant degree of risk, and that projected recoverable reserves, even on re-entry projects with specific historical geological and production data, projected in our case before having access to well data from actual drilling operations, are highly speculative and any number of contingencies could cause actual results to significantly differ from projected results. Projected results stated in this release are from projections developed by independent geologists from data on the first two wells targeted for the program and from analogous properties within the same region as these first two Wells, and extrapolated on a very conservative basis over the entire 24 Well Program based on criteria the Joint Venture has developed for selecting and approving the balance of the Wells for the Program. Furthermore, no binding commitments for financing have been obtained for the 24-Well Program, and the Company can provide no assurances that it will be successful in its funding efforts.

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