



## COMPANY PRESS RELEASE

### **Arête Industries, Inc. Subsidiary Colorado Oil & Gas Issues Update.**

#### **For Immediate Release**

Friday August 5, 2005

NIWOT, Colorado, August 5, 2005 (Business Wire) Arête Industries, Inc. (OTC - Bulletin Board: ARET) announced today that its subsidiary, Colorado Oil and Gas, Inc. (COG), has an update on its current position.

The board of directors of Arête Industries, Inc. were given an update of the activities of its subsidiary Colorado Oil & Gas, Inc. The report contained the following information:

- Purchased minerals in Oklahoma
- Purchased working interests in five operating wells in Oklahoma
- Have a contract on thirteen working interests in Colorado
- Negotiating a purchase of gas production in northwest Texas
- Have a current prospectus for the sale of preferred stock on the street
- Negotiating for a line of credit or bridge loan with a financial services firm.

The board of directors discussed the spin-off of COG set for September 2, 2005 and that an informational document required for disclosure to shareholders of details on the spin-off will be sent out after Arete files its second quarter report to the Securities and Exchange Commission on Form 10Q, sometime before August 15, 2005.

Bill Stewart, President and CEO of Colorado Oil and Gas, Inc. stated: "We are continuing with our business plan of acquiring oil & gas properties. Although the process has taken longer than we anticipated we are moving forward on the financing of the 13 well project and have been negotiating with a group in Texas for gas production in the northwest part of the state. Although it has not gone as fast as we hoped in the beginning, we are moving forward with our plan to acquire oil and gas properties. We plan to continue to build for the future for both the Company and its shareholders."

**About the Company.** Arête Industries, Inc., a development stage company, is a publicly traded holding company with several subsidiaries. Its subsidiary, Colorado Oil and Gas, Inc. ("COG") was formed to pursue the acquisition of small producing oil and gas properties and mineral interests, as an entry strategy to developing into a full size oil and gas company. The Company has one other subsidiary, Aggression Sports, Inc. dba Arête Outdoors, an outdoor sports equipment manufacturing company that has been inactive since 2001. The Company continues to seek other business acquisitions.

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. These statements may include projections and other "forward-looking statements" within the meaning of the federal securities laws. Any such projections or statements reflect Arête's or COG's current views about future events and financial performance. No assurances can be given that such events or performance will occur as projected and actual results may differ materially from those projected. Important factors that could cause the actual results to differ materially from those projected include, without limitation, COG's inability to meet the conditions to acquiring its current project including providing financing to pay the purchase price; unexpected

difficulties encountered in the investment market; the volatility in commodity prices for oil and gas, the presence or recoverability of estimated reserves, the ability to replace reserves, environmental risks, drilling and operating risks, exploration and development risks, competition, government regulation or other action, the ability of management to execute its plans to meet its goals and other risks inherent in their businesses that are detailed in their Securities and Exchange Commission ("SEC") filings.

**For Further Information Contact:**

**Company Contact: Arete Industries, Inc.**  
Karen Hemmerle, Corporate Communications  
Email: [ir@areteindustries.com](mailto:ir@areteindustries.com)  
Arête Industries, Inc.  
7102 La Vista Place, Suite 100  
Niwot, Colorado 80503  
Voice: 303-652-3113  
Fax: 303-652-1488

**Colorado Oil and Gas, Inc.**  
Bill Stewart, President  
Email: [wws@coloradooilandgas.com](mailto:wws@coloradooilandgas.com)  
Colorado Oil and Gas, Inc.  
7260 Osceola Street  
Westminster, Colorado 80030  
Voice: 303-427-8688

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