

Arete Industries, Inc. Announces The Expiration of its Thirteen Well Contract

Friday August 19, 4:58 pm ET

NIWOT, Colo.--(BUSINESS WIRE)--Aug. 19, 2005--Arete Industries, Inc. (OTCBB: [ARET](#) - [News](#)) announced today that the sellers of the 13-well project has notified Colorado Oil and Gas (COG) that the contract has expired.

Bill Stewart, CEO, President and a Director of COG, stated: "We are disappointed that we were unable to complete our financing by the deadline. We are continuing our efforts to finalize the financing and will continue to attempt to purchase the 13-well property as we still think it would be a great investment for COG. In addition we will still continue with the business plan that we outlined in July 2005." Arete Industries, Inc. will still spin-off its shares of COG to its shareholders by September 5, 2005. An information statement is expected to be available to the shareholders as soon as possible after Arete Industries, Inc. files its second quarter 10-QSB.

About the Company

Arete Industries, Inc., a development stage company, is a publicly traded holding company with several subsidiaries. Its subsidiary, Colorado Oil and Gas, Inc. ("COG") has been acquiring small producing oil and gas properties and mineral interests, and as part of its strategy to developing in the oil and gas business. The Company has one other subsidiary, Aggression Sports, Inc. dba Arete 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 Arete'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.

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