



Arête Industries, Inc. A Business Development Company

Update on the Company

In July 2002 Arête Industries completed a restructuring of the company. Among the changes we made were the following:

- ✓ Affected a 20 to 1 reverse split of our common stock.
- ✓ Consolidated our operations
- ✓ Reduced overhead.

The reasons for these changes were to make the company even stronger. These changes will allow Arête Industries to:

- ✓ Attract viable acquisition candidates
- ✓ Raise needed capital to cover overhead and expansion
- ✓ Eliminate debt
- ✓ Support our process of searching for and closing deals that will add shareholder value.

Arête Industries recently moved its headquarters from Boulder, Colorado to a smaller city, Niwot, Colorado that is on the Front Range of the Rocky Mountains. This area is teeming with venture capital firms, entrepreneurial talent and young, growing technology firms.

Additionally, Arête Industries is reaching out across the nation to find companies to acquire that will benefit from our services and that can utilize the financial capabilities that our affiliate Eagle Capital Funding Corporation can provide.

We are not limiting our search to any one industry or market segment. Instead, Arête Industries is looking for those companies that have these traits:

- ✓ Operating at or above break even
- ✓ Can get to break even status or profitability with a nominal investment
- ✓ Have a high potential for growth
- ✓ That can take advantage of an affiliation with Arête Industries as a publicly traded company.

We're confident that the changes we've made and the direction and focus we have set will allow Arête Industries to grow and prosper.

Corporate Vision

Arête Industries vision is to assemble a portfolio of companies that will fundamentally qualify to become public in their own right. The companies that Arête Industries desire to work with will benefit from our expertise, know-how and capital funding connections.

These companies will share these basic fundamentals:

- ✓ Have, or in the near future, be able to establish sustainable revenues and a high level of growth.
- ✓ Have a need for capital
- ✓ Have a need for director level management support.

Arête Industries will assist these portfolio companies in such a way that they can potentially go public. Our relationships with these companies will be structured to allow Arête Industries to retain a minority equity position. With our knowledge and expertise as well as our access to

capital to help secure debt and/or equity financing, we envision our portfolio growing substantially. As the companies are spun off through a registered rights offering, our portfolio will grow and Arête Industries will achieve market capitalization that reflects the portfolio company's status as a publicly traded company.

Ownership of Arête Industries common stock affords the privilege to each one of our shareholders to receive registered stock dividends and participation rights in all rights offerings offered by Arête Industries in each of these ventures. That way our shareholders become the initial public stockholder base for each portfolio company that Arête Industries spins off in a registered rights offering or dividend distribution.

Recent News

Listed here are some recent highlights of Arête Industries. Complete information on these stories can be found on our web site: www.areteindustries.com as well as at our news distribution service, Primezone, at www.primezone.com.

November 2002 – Celexx Corporation of Coral Springs, Florida signs financial and investment banking agreement with Arête Industries.

Celexx Corporation retained Arête Industries, on a fee-based compensation and equity participation basis, to design, finance and execute a roll-up and spin-out strategy for Celexx's wholly owned subsidiary, Pinneast.com, Inc.

November 2002 – Arête Industries initiates variable rate bond financing for acquisitions and operations.

Arête Industries signed a financial consulting agreement with its affiliate, Eagle Capital Funding Corp., to pursue a Variable Rate Bond Finance program to raise approximately \$10 to \$20 million. The money will be used to fund initial projects under the acquisition and dividend spin-off program.

Background on Arête Industries

Arête Industries is a 16 year-old public company and is traded on the OTC:BB under the symbol ARET, which has gone through a number of changes in its history.

Arête Industries was originally begun as a cooperative coupon direct mail franchising business. The company, under its former ownership group completed a Chapter 11 reorganization in 1995 by spinning out certain assets and operations that had been acquired in 1991.

In May of 1998 the current CEO, Thomas Raabe took over the leadership of the company to lead the turn around effort. Two years later, in 2000 the company was re-launched as a business incubator. The first projects included two in-house start-ups in the artificial intelligence/robotics software and outdoor sports products markets.

During 2000 and 2001, Arête Industries engaged in funding and director level management assistance to the software development company. That company was developing an interactive computer based program using a proprietary artificial intelligence engine to teach developmentally disabled children and adults how to speak and read. The Company helped finance and manage building a demonstration of the learning program and assisted in pursuing the application of the technology to a digital brain for robotics control.

In May of 2000, Arête Industries launched an outdoor sports product company based on innovative and unique designs of recreational products and outdoor adventure opportunities. These products were marketed through a web based adventure travel referral service as well as an outdoor enthusiast community web site.

As history has shown, these opportunities were begun at the very peak of the market, and while viable, were unable to raise the additional capital needed to execute their business plans in 2001.

Since that time, Arête Industries has recapitalized itself and rolled back to enable it to once again start anew in a Business Development Company format. Our current vision is to bring to the table companies that have established products, markets and revenues that are at the beginning of their first major growth phase. As a Business Development Company, Arête Industries will assist young companies financially as well as with management and board level support.

Corporate Information for Arête Industries

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Arête Industries was founded in 1987 and today has over 8,000 shareholders.

Join our investor/shareholder membership base and receive company information in real-time by email. Go to <http://www.areteindustries.com/signup.html>.

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 relationships.