



COMPANY PRESS RELEASE

Arête Industries, Inc. (OTC:BB ARET) Announces Tri-State Transfer Industries, LLC Signs Investment Banking Agreement to issue debt for its transfer station, waste processing and recycling facility

For Immediate Release

Monday March 6, 2003

Niwot, Colorado – March 6, 2003 – Arête Industries, Inc. (OTCBB: ARET), a publicly traded business development company, announced today that Tri-State Transfer Industries, LLC ("Tri-State") has signed an investment banking agreement with George K. Baum & Company, to assist it in issuing up to \$20 Million in taxable or non-taxable debt securities to finance the build out of its first Municipal Solid Waste and Construction & Demolition Waste transfer station and its processing and recycling facility.

In an announcement made earlier this week Arête Industries, Inc. announced signing a letter of intent to purchase a 5% non-management membership interest in Tri-State, a Limited Liability Company, subject to completion of documentation and due diligence. Tri-State is a development stage company in the business of owning and operating municipal solid waste ("MSW") transfer facilities and bulky waste construction and demolition ("C&D") recycling facilities, in the eastern United States. It is presently involved in developing its first such facility in Grosvenor-Dale, Connecticut, to serve communities in Connecticut, Massachusetts and Rhode Island.

Thomas Raabe, CEO of Arête, stated that the agreement confirms that Tri-State has a competent financing program in place to execute its business plan. "Tri-State has also demonstrated that it can take advantage of its status as a recycling facility to qualify for tax credits and possibly be eligible to raise funds through tax-free or taxable municipal bond financing," Raabe stated. "This agreement demonstrates that Tri-State's business plan is credible to the financial community as well, which makes us more comfortable with completing the transaction, on an expedited basis." Raabe concluded.

About Arête Industries

Arête Industries was founded in 1987 and today has over 8,000 public shareholders. It recently restructured its capitalization, stabilized its overhead including moving its headquarters to a business suite in Niwot, Colorado and is currently in the process of transitioning to a registered Business Development Company. The Company has moved forward in developing qualified acquisition candidates and private funding sources through its affiliate, Eagle Capital Funding Corp. Additional information on the Company and its Spin-Off Dividend Distribution Program can be found on its web site at: www.areteindustries.com

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.

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