

# Arete Industries, Inc. Announces The Spin-off of Colorado Oil & Gas Inc. Shares to Its Shareholders

Friday August 26, 4:36 pm ET

NIWOT, Colo.--(BUSINESS WIRE)--Aug. 26, 2005-- Arete Industries, Inc. (OTCBB:[ARET](#) - [News](#); Arete) announced today the finalization of the plans for the spin-off shares of Colorado Oil & Gas, Inc. subsidiary (COG) to its shareholders.

Arete Industries, Inc. will spin-off its shares of COG to its shareholders of record as of September 9, 2005. The record date was changed to comply with securities regulations from Sept 2, 2005, to Sept 9, 2005. The spin-off will be a dividend of 1 share of COG for every 250 shares Arete owned on the record date. In addition there will be no fractional shares or odd lots of COG issued as a part of this dividend. This means that the minimum number of shares of COG issued to any shareholder of Arete will be 100 (i.e., 25,000 shares of Arete equal 100 shares of COG). An information statement is expected to be mailed to the shareholders of record along with certificates around the 24th day of September 2005. If shareholders of record want a stock certificate mailed to them, they should contact COG and make arrangements for the certificate to be mailed. The stock will be 144 unregistered stock, and when COG completes its registration process with the SEC, the company's transfer agent will send out the registered stock certificates. The registration process is expected to take six months or more, and COG plans to start this process in the fourth quarter of 2005. Charles Gamber, CEO of Arete, stated: "This dividend completes the first part of our plan to reorganize Arete. We will continue to update the shareholders on this process in early September."

## 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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### Contact:

Arete Industries, Inc.  
Karen Hemmerle, 303-652-3113  
[ir@areteindustries.com](mailto:ir@areteindustries.com)  
Fax: 303-652-1488  
or

Colorado Oil and Gas, Inc.  
Bill Stewart, 303-427-8688  
[wws@coloradoolandgas.com](mailto:wws@coloradoolandgas.com)