



**Arête Industries, Inc.**  
**A Business Development Company**

Shareholder Newsletter No. 3 – June 29, 2004

Beginning in autumn 2003, Arête Industries, Inc has pursued its new corporate focus in traditional and alternative and renewable energy sectors. Since that time, the Company has moved forward to form strategic partnerships in both the energy field and financial sectors.

The Arête Board of Directors approved the creation of two new advisory boards specializing in Traditional Oil and Gas, and Alternative and Renewable Energy. With the help of a team of consultants, Arête is still pursuing qualified high profile candidates for both boards. We are also seeking candidates through an independent search during our pursuit of deals in the Energy field. The Company continues to build a team of financial specialists and experienced Oil and Gas experts.

The Company was misinformed as to its ability to join the Social Investment Forum (SIF). We were made aware that membership in SIF is open only to fund managers. However, through contacts related to the SIF, the Company has begun to increase awareness among socially responsible investors of Arête's goals in the energy field and has gained assistance of operatives in the Social Investment Forum regarding expanding its exposure to Funds, fund managers, companies and various initiatives aligned with the principals and policies advocated by the SIF.

In November 2003, Arête began development of infrastructure and relationships to pursue what we called the Energy Master Fund. As part of that process, the Company began finalizing negotiations on a certain 'First Look' deals to acquire rights to finance and acquire properties involving by-passed and overlooked reserves of oil and gas. At the same time, we were presented with a new opportunity to engage in an oil and gas redevelopment project in Lavaca County, Texas, which became known as the "24 Well Project." This project appeared to be the most promising of all the various initiatives we were pursuing at that time, and we resolved to focus all our efforts on bringing this deal to fruition. Investigations and negotiations for the 24 Well Project progressed through the spring of this year, to the point that we are pursuing certain enhancements including professional financing partners, more lucrative development opportunities and more capable industry participants. The status of this project is in stages such that public disclosure is not appropriate, but we hope to be able to enlighten our shareholders and the public of our progress in this vein in the very near future. When the Company is able to develop sufficient operating assets to qualify for funding through investment grade securities, it will launch the Energy Master Fund as planned.

Through efforts of our CEO, Board Members and consultants, we continue perfecting our business plan and pursuing industry and financial sector introductions. Arête continues to attract the attention of new financial resources, drilling partners, and energy companies. The Company is now moving aggressively to finalize the projects it has in place. The Company's first directive is to utilize our experience and contacts in the Oil and Gas field to develop assets and revenue to sustain our initiative to develop business in Alternative Energy.

We feel very confident that we will be successful in these directions and are very happy to have competent and well connected Directors, employees, advisors and consultants.

For full information about Arête Industries, Inc. please go to the Corporate website, [www.areteindustries.com](http://www.areteindustries.com).

Join our investor/shareholder database and receive Company newsletters in your email. Sign up at [www.areteindustries.com/investorarea.htm](http://www.areteindustries.com/investorarea.htm).

**Corporate Information for Arête Industries, Inc.:**

**Investor Relations Contact:**

Karen Hemmerle  
Phone: 303-652-3113  
Fax: 303-652-1750  
Email: [khemmerle@areteindustries.com](mailto:khemmerle@areteindustries.com)

**Company Contact:**

Email: [ir@areteindustries.com](mailto:ir@areteindustries.com)  
Website: [www.areteindustries.com](http://www.areteindustries.com)  
Arête Industries, Inc.  
7102 LaVista Place, Suite 100  
Niwot, CO 80503  
Phone: 303-652-3113  
Fax: 303-652-1750

**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.