



## Overview

Arête Industries, Inc.'s (OTCQB:ARET) is headquartered in Westminster, Colorado. The Company's primary focus is on the Powder River Basin, one of the richest petroleum provinces in the Rocky Mountains. More than 2.7 billion barrels of recoverable oil and over 2.3 TCF gas have been discovered in approximately 700 fields since the discovery of the giant Salt Creek field in 1908, of which about 225 are greater than 1 MMBOE in size. One of Arête's other targeted geographic regions is the Denver-Julesburg (DJ) Basin, a rich deposit of oil and natural gas located in northeast Colorado and extending into Wyoming and Nebraska. For more than 30 years, this area has been one of the country's most important oil and natural gas producing basins.

The Company's wells are strategically positioned to take advantage of the significant in-place oil and gas reserves. The Company benefits greatly from the guidance and leadership of Mr. Charles B. Davis, a Director and industry veteran with over 25 years of experience in the oil and gas industry. Since 1988, Mr. Davis was President of DNR Oil & Gas, Inc., running the day to day operations for 150 to 200 wells and was closely involved in exploration activities. His oil and gas experience is complemented by Mr. Donald Prosser's successful track record in business development and finance.

### ARET - Historical Revenues

Fiscal Year-end December (in thousands U.S. Dollars)

	Q1	Q2	Q3	Q4	YEAR
2012	\$1,087				
2011	\$30	\$16	\$2,917	\$568	\$3,531

### ARET - Historical Net Income

Fiscal Year-end December (in thousands U.S. Dollars)

	Q1	Q2	Q3	Q4	YEAR
2012	\$275				
2011	-\$454	-\$840	\$2,151	-\$362	\$495

### ARET - Weighted Shares - Basic & Diluted

Fiscal Year-end December (in thousands U.S. Dollars)

	Q1	Q2	Q3	Q4	YEAR
2012	7,764				
2011	4,970	6,985	7,715	7,286	7,286

### ARET - Oil Production (Bbl)

Fiscal Year-end December (in thousands U.S. Dollars)

	Q1	Q2	Q3	Q4	YEAR
2012	5,044				



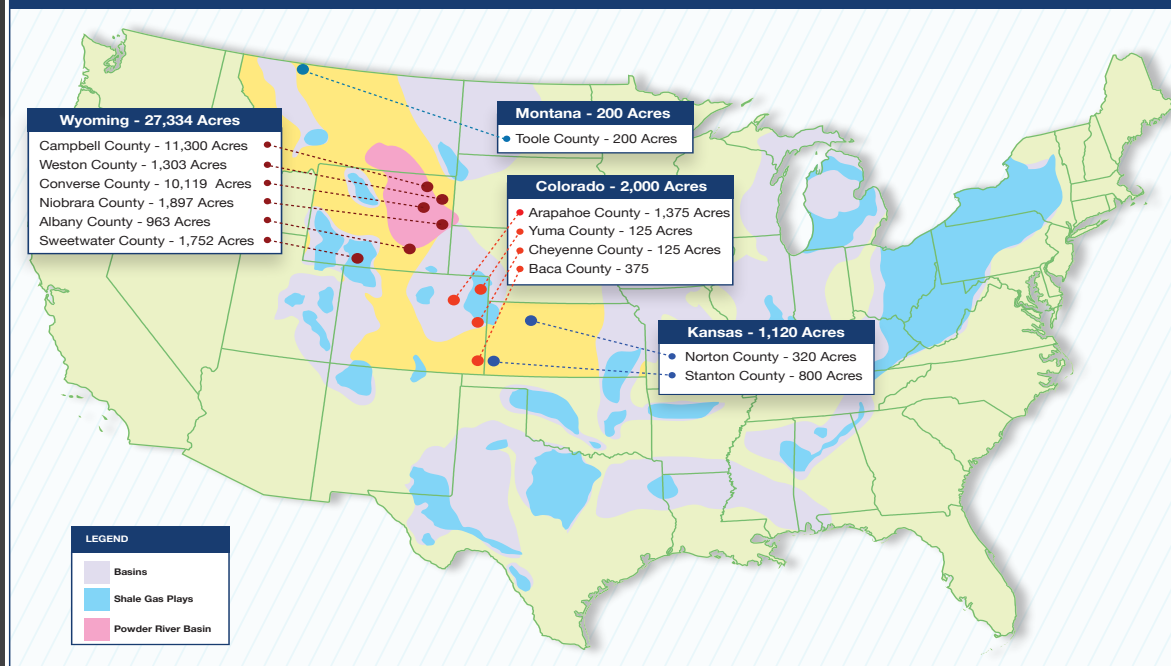
## Investment Highlights

- During the first quarter ended March 31, 2012, total revenue was \$1.087 million. During the quarter, oil and gas sales totaled \$554,035 and oil and gas property sales totaled \$533,048. The Company reported 5,044 barrels of oil and 22,380 Mcf of natural gas was sold during the first quarter 2012.
- Net income for the first fiscal quarter ended March 31, 2012 was \$274,898, or \$0.04 per share, compared to a net loss of (\$453,678), or (\$0.09 per share) for the first quarter ended March 31, 2011.
- Positive cash flow from operations of \$78,455 during the first quarter. At quarter end, Arête had cash and cash equivalents of \$632,000.
- As of December 31, 2011, Arête reported a pre-tax PV-10 value of \$10.865 million, or \$1.40 per share.
- The Company had stockholder's equity at March 31, 2012 of \$6,861,064.
- Arête Industries has a tight capital structure with only 7.76 million shares outstanding as of March 31, 2012



12-Month Trading Price High	\$6.15
12-Month Trading Price Low	\$0.64
Closing Price 3-31-2012	\$1.08
Shares Outstanding 3-31-2012	7,764,000
Market Capitalization 3-31-2012	\$8.39 M
Enterprise Value 3-31-2012	\$8.52 M
Last Quarter Revenue (Most Recent 10Q or 10K)	\$1,087,000
TTM Revenue (Most Recent 10Q or 10K)	\$4,588,000
Current Assets (Most Recent 10Q or 10K)	\$607,784
Current Liabilities (Most Recent 10Q or 10K)	\$2,275,224
Current Ratio (Most Recent 10Q or 10K)	.267x
Total Assets (Most Recent 10Q or 10K)	\$9,891,107
Total Liabilities (Most Recent 10Q or 10K)	\$2,913,066
Shareholder Equity (Most Recent 10Q or 10K)	\$6,978,041

## Arête Industries Acreage Map - 30,654 Acres



## Additional Information

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**Important Note:** This profile may contain forward-looking statements, particularly as related to pro forma financial statements, earnings estimates and business expectations, within the meaning of Section 27A of the Securities Act of 1933 and Sections 21E of the Securities Exchange Act of 1934, and are subject to the safe harbor created by these sections. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, goals, assumptions or future events or performance are not statements of historical fact and may be "forward looking statements." Forward looking statements are based on expectations, estimates and projections at the time the statements are made that involve a number of risks and uncertainties which could cause actual results or events to differ materially from those presently anticipated. These forward-looking statements are only made as of the date of their release and Arête Industries does not undertake any obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.