

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant To Section 13 or 15(d) of the Securities Exchange Act of 1934

May 2, 2011

Date of report (Date of earliest event reported)

Arête Industries, Inc.

(Exact Name of Registrant as Specified in its Charter)

Colorado  
(State of Other Jurisdiction of  
Incorporation or Organization)

33-16820-D  
(Commission  
File Number)

84-1508638  
(IRS Employer  
Identification)

P. O. Box 141, Westminster, CO 80036  
(Address of principal executive offices, including zip code)

(303) 427-8688  
(Registrant's telephone number, including area code)

N/A  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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### **Item 3.02 Unregistered Sales of Equity Securities.**

On May 2, 2011 the Company repaid \$500,000 of outstanding promissory notes held by Donald W. Prosser, Chief Executive Officer; Charles B. Davis, Chief Operating Officer; and William Stewart, Corporate Secretary to convert \$500,000 of debt, owed to them, in exchange for 62,500 shares of common shares or \$8.00 per share. These shares will be restricted stock and subject to a one year lock-up period. The \$8.00 conversion price is 1.127% premium to the Friday April 29, 2011 close price.

The Company issued the shares of common stock to Donald W. Prosser, Charles B. Davis, and William Stewart with reliance on the exemption from registration contained in Section 4(2) of the Securities Act of 1933, as amended.

### **Section 8.01 Other Events**

On May 2, 2011, Arete Industries, Inc., a Colorado corporation issued a press release announcing the conversion of debt by executive officers. A copy of this press release is attached as Exhibit 99.1 hereto. The reader is advised to read this press release in its entirety.

### **Section 9.01 Financial Statements and Exhibits**

Exhibits.

Exhibit 99.1

Press Release dated May 2, 2011.

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## Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ARETE INDUSTRIES, INC.

Date: May 2, 2011

By: /s/ Donald W Prosser  
Name: Donald W Prosser  
Title: Chairman of the Board





**COMPANY PRESS RELEASE**

**Arête Industries, Inc. Announces Conversion of Officers and Directors Debt**

**For Immediate Release**

Wednesday, May 2, 2011

WESTMINSTER, Colorado, May 2, 2011 (Business Wire) Arête Industries, Inc. (OTC-QB: ARETD) announced that on May 2, 2011, that three of its officers/directors have agreed to convert \$500,000 of the debt owed to them from the Company in exchange for 62,500 shares of common stock at \$8.00 per share.

The Board of Directors voted to allow Donald W. Prosser, Chief Executive Officer; Charles B. Davis, Chief Operating Officer; and William Stewart, Corporate Secretary to convert \$500,000 of debt, owed to them, in exchange for 62,500 shares of common shares or \$8.00 per share. These shares will be 144 stock and subject to a one year lock-up period. The \$8.00 conversion price is 1.127% premium to the Friday April 29, 2011 close price.

“The conversion of this debt is part of our capital plan for 2011. We believe it demonstrates our confidence in our future. As part of our operating plan we are in the process of completing the purchase of the oil and gas properties in the next several weeks and finalizing the commitment for our banking credit line” stated Donald W. Prosser, Chief Executive Officer and Chairman of Arête Industries, Inc.

**About the Company**

Arête Industries, Inc. is a publicly traded company. The Company is the operator of a gas gathering system and is in the process of buying oil and gas properties in the Rocky Mountain Region of the United States.

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### **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 Arête’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, Arête’s inability to meet the conditions to acquiring its current business including providing financing to provide for servicing current and new contracts; unexpected difficulties encountered in the investment market, 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.

### **For Further Information Contact:**

#### **Company Contact: Arête Industries, Inc.**

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