

NEWS RELEASE TRANSMITTED BY MARKETWIRE

FOR: ARTEK EXPLORATION LTD.

TSX VENTURE SYMBOL: RTK

August 17, 2010

Artek Announces Second Quarter 2010 Financial Results and Updates Operations

CALGARY, ALBERTA--(Marketwire - Aug. 17, 2010) - Artek Exploration Ltd. ("Artek" or the "Company") (TSX VENTURE:RTK) is pleased to provide this summary of its financial and operating results for the three and six month periods ended June 30, 2010. A complete copy of the Company's comparative financial statements for the three and six month periods ended June 30, 2010, along with management's discussion and analysis in respect thereof will be filed on SEDAR and on the Company's website at [www.artekexploration.com](http://www.artekexploration.com).

HIGHLIGHTS

/T/

	Three Months Ended June 30, 2010			Six Months Ended June 30, 2010		
	2010	2009	Change	2010	2009	Change
(000s, except per share amounts)	(\$)	(\$)	(%)	(\$)	(\$)	(%)
<b>Financial</b>						
Oil and gas revenues	6,684	4,342	54	14,971	9,869	52
Funds flow from operations (1)	2,356	1,189	98	5,402	3,020	79
Per share - basic	0.09	0.07	29	0.21	0.17	24
- diluted	0.09	0.06	50	0.21	0.16	31
Net loss	(1,294)	(1,446)	11	(1,905)	(2,273)	16
Per share - basic	(0.05)	(0.08)	38	(0.07)	(0.13)	46
- diluted	(0.05)	(0.08)	38	(0.07)	(0.13)	46
<b>Exploration and development</b>						
Expenditures	3,070	892	244	14,801	12,885	15
Net debt	(51,034)	(35,750)	43	(51,034)	(35,750)	43
Shareholders' equity	76,663	56,475	36	76,663	56,475	36
(000s)	(#)	(#)	(%)	(#)	(#)	(%)
<b>Share Data</b>						
At period-end						
Basic	25,488	17,782	43	25,488	17,782	43
Options and warrants	2,578	3,789	(32)	2,578	3,789	(32)
Weighted average						
Basic	25,488	17,782	43	25,456	17,782	43
Diluted	25,523	19,300	32	25,625	19,300	33
			(%)			(%)

Operating Production						
Natural gas (mcf/d)	7,233	11,185	(35)	8,016	10,678	(25)
Crude oil (bbls/d)	509	95	436	524	104	404
NGLs (bbls/d)	56	27	107	60	37	62
Total (boe/d) (2)	1,770	1,987	(11)	1,920	1,920	--
Average wellhead prices						
Natural gas (\$/mcf) (3)	4.63	3.61	28	4.99	4.34	15
Crude oil (\$/bbl)	71.39	64.41	11	74.17	56.58	31
NGLs (\$/bbl)	59.95	56.15	7	62.23	58.41	7
Total (\$/boe) (4)	41.50	24.02	73	43.08	28.39	52
Royalties (\$/boe)	4.91	1.13	335	6.33	3.74	69
Operating cost (\$/boe)	13.30	10.95	21	12.76	11.34	13
Transportation cost (\$/boe)	1.70	1.55	10	1.72	1.52	13
Operating netback (\$/boe)	21.59	10.38	108	22.28	11.79	89
Drilling activity - gross (net)						
Development (#)	-- (--)	-- (--)		1 (0.5)	1 (0.5)	
Exploration (#)	-- (--)	-- (--)		2 (2.0)	2 (1.8)	
Abandoned (#)	-- (--)	-- (--)		-- (--)	-- (--)	
-----						
Total (#)	-- (--)	-- (--)		3 (2.5)	3 (2.3)	
Average working interest (%)						
	--	--		83	77	
Success rate (%)						
	--	--		100	100	
-----						

(1) Funds from operations and funds from operations per share are not recognized measures under Canadian generally accepted accounting principles. Refer to the Management's Discussion and Analysis for further discussion.

(2) For a description of the boe conversion ratio, refer to the Advisories contained herein.

(3) Product prices include realized gains/losses from physical fixed price contracts.

(4) Oil equivalent price includes minor sulphur sales revenue.

/T/

#### Second Quarter Highlights

/T/

- Crude oil and NGLs production increased 363% to 565 boe/d compared to the second quarter of 2009. Production for the 2010 three-month period was 1,770 boe/d.
- Operating netbacks totaled \$21.59/boe, a 108% increase from the second quarter of 2009.
- Funds generated by operations grew to \$2.4 million, representing a 98% increase from the three-month period a year ago.
- Capital expenditures totaled \$3.1 million, the majority of which were allocated to completion activities.

- Raised gross funds of approximately \$8.7 million in a post quarter financing to expand the Company's capital program in the second half of 2010.

/T/

Second quarter operating costs were up slightly to \$13.30/boe compared to \$12.29/boe in the first quarter of 2010 due to a prior period adjustment to operating costs (\$0.62/boe) relating to a property that was acquired through the Rising Sky Energy Ltd. corporate acquisition completed in late 2009. Period-over-period natural gas prices were also 12% lower. These factors were partially offset by a lower corporate royalty rate of approximately 12% as the Company focused on royalty incentivized operations, which resulted in a slightly lower operating netback of \$21.59/boe versus \$22.87/boe recorded in the first quarter of 2010.

#### Operations Review

The \$3.1 million of capital invested during the period was largely allocated towards completion and equipping operations initiated in the first quarter that carried over to the second quarter. Production for the period averaged 1,770 boe/d (approximately 32% oil and NGLs), which was impacted by an extended spring breakup, low natural gas prices and the delay in bringing on-stream production from our deep Nikanassin well at Noel, British Columbia until late in the second quarter in order to allow the well to clean up while shut-in. The Noel well was brought on-stream at an initial rate of approximately 2.0 mscf/d. Volumes were also impacted by a further 180 boe/d due to third party pipeline restrictions at Noel and Sinclair, Alberta as well as due to a plant compressor failure at Gordondale, Alberta, which has since been remedied. Compression additions at Noel and Sinclair are scheduled for the third quarter to mitigate the pipeline restrictions from recurring. The completion of Artek's Sinclair/Glacier horizontal Montney gas well (50% W.I.) drilled in the first quarter was rescheduled by the third party operator for August 2010. The upper Montney was recently completed with multi-stage fracs in the horizontal section. After eight days of clean-up the well is flowing up casing at a restricted rate of approximately 8.0 mscf/d at 1,600 PSI still recovering approximately 100 m<sup>3</sup> of load fluid per day. The well is scheduled to be on production in September. The excellent test results validate our commitment to the project, despite third party timing delays, and as a result, Artek is surveying and applying for licences on an additional two horizontal wells (1.6 net) on adjacent lands. Artek has a total of 7.5 sections (6.3 net) of land in the Sinclair area, and assuming three to four horizontals per section, has the potential for more than 21 additional horizontal locations (19.0 net) in the upper Montney alone. The Sinclair area is also being developed in the lower Montney with offsetting lower Montney horizontal gas tests in two wells immediately adjacent to Artek lands. The Company has a further 28 sections (19.6 net) in the Pouce Coupe Alberta and Fireweed, Noel/Jackpine areas of British Columbia that are being developed by industry for Montney gas.

#### Outlook

To help preserve cash flow levels while natural gas prices are low, Artek has hedged up to 3,500 GJ/d until year-end at an average floor price of \$5.02/GJ, which represents approximately 35% to 40% of the Company's total natural gas production. Due to sustained low natural gas prices and resulting lower cash flows than anticipated through the summer, on August 11, 2010, Artek closed a

private placement financing, issuing approximately 7.6 million common shares for total gross proceeds of approximately \$8.7 million that will be used to expand our capital program for the next six to eight months. Over 65% of the financing (approximately \$5.8 million) was taken up by insiders of the Company. We plan to expand our program by up to \$6 million for total second half expenditures of approximately \$14 million, which would include the drilling of six to seven wells focused primarily on oil and liquids-rich natural gas projects. The Company forecasts to add production deliverables of approximately 1,200 to 1,400 boe/d over the next six to eight months from this second half capital program, and although not all of the operations are planned to be on production by year-end, exit volumes are forecast to be higher at 2,300 to 2,400 boe/d (30% to 35% oil and NGLs) and we anticipate further gains in the first quarter of 2011.

In addition to the Sinclair Montney horizontal completion being conducted in the third quarter, we recently drilled a dual-leg horizontal well targeting Montney oil (60% W.I.) at a depth of 1,100 metres. Artek drilled two horizontal laterals of approximately 1,000 metres each, thereby qualifying for 5% royalties for up to 30 months under the Alberta government's enhanced royalty initiatives announced earlier this year. Without any stimulation, the well was producing at initial rates of up to 100 boe/d. Artek's mapping supports up to 20 additional dual-leg horizontal locations (12.0 net) on this "bread and butter" development project. Also planned for the third quarter are completion operations in the Cadotte formation of our 2010 deep Noel gas well adjacent to another Artek well that tested 1.4 mmcf/d from this formation and also in a 50-metre thick Nikanassin channel discovered by Artek in the Elmworth, Alberta area. Analogous sands in the area yield 1.0 to 2.0 mmcf/d upon completion with 15 to 25 bbls/mmcf of NGLs.

During the second half of 2010, Artek anticipates drilling up to two additional dual-leg horizontal Montney oil wells at Beaton, Alberta, a horizontal Dunvegan liquids-rich gas well at Sinclair, Alberta, up to two horizontal wells at Inga/Fireweed, British Columbia targeting Doig gas with an estimated 50 to 100 bbls/mmcf of condensate and up to two shallow light oil wells on our Leduc Woodbend property in central Alberta.

We believe our expanded 2010 capital program will firmly establish the quality of the diverse set of investment opportunities accumulated in our reserves base and undeveloped lands through our exploration and acquisition activities conducted over the past several years, and will confirm the Company's balance of shallow versus deep prospects, conventional versus scalable resource opportunities, and oil and liquids versus natural gas projects in our portfolio.

On August 17, 2010 Artek completed a property disposition for gross proceeds of \$905,000. The Company sold approximately 17 boe/d of non-core production. Artek will continue to divest non-core properties and redeploy the proceeds in its core areas.

For several months, Artek has traded at a significant discount to its December 31, 2009 net asset value, but we are encouraged by recent corporate acquisitions of similar junior companies levered towards deep natural gas that have been completed at \$15 to \$20/boe on a proved plus probable basis. We believe that as natural gas prices firm up in 2011, along with the execution of our capital program, the market will begin to recognize the value of our reported year-end 2009 proved plus probable reserves of 15.1 million boe.

## ADVISORIES

Forward Looking Statements: This document contains forward-looking statements. Management's assessment of future plans and operations, production estimates, initial production rates, drilling plans, timing of drilling and tie-in of wells, periods in which certain wells may be shut-in, productive capacity of new wells, capital expenditures and the nature and timing of these expenditures, may constitute forward-looking statements under applicable securities laws and necessarily involve risks including, without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, the inability to fully realize the benefits of the acquisitions, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources. As a consequence, the Company's actual results may differ materially from those expressed in, or implied by, the forward looking statements. Forward looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information but which may prove to be incorrect. Although Artek believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward looking statements because the Company can give no assurance that such expectations will prove to be correct.

In addition to other factors and assumptions which may be identified in this document and other documents filed by the Company, assumptions have been made regarding, among other things: the impact of increasing competition; the general stability of the economic and political environment in which Artek operates; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects which the Company has an interest in to operate the field in a safe, efficient and effective manner; Artek's ability to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development or exploration; the timing and costs of pipeline, storage and facility construction and expansion; the ability of the Company to secure adequate product transportation; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Company operates; and Artek's ability to successfully market its oil and natural gas products. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the Company's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)) or at the Company's website ([www.artekexploration.com](http://www.artekexploration.com)). Furthermore, the forward looking statements contained in this document are made as at the date of this document and the Company does not undertake any obligation to update publicly or to revise any of the included forward looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

BOE Conversions: Barrel of oil equivalent ("BOE") amounts may be misleading, particularly if used in isolation. A BOE conversion ratio has been calculated using a conversion rate of one tonne of sulphur to one barrel and six thousand cubic feet of natural gas to one barrel. This conversion ratio of six thousand cubic feet of natural gas to one barrel is based on an energy equivalent conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Artek is a crude oil and natural gas exploration, development and production company headquartered in Calgary, Alberta, Canada. Artek's shares trade on the TSX Venture Exchange under the symbol "RTK".

-30-

FOR FURTHER INFORMATION PLEASE CONTACT:

Artek Exploration Ltd.  
Darryl Metcalfe  
President and Chief Executive Officer  
(403) 296-4799

OR

Artek Exploration Ltd.  
Darcy Anderson  
Vice President Finance and Chief Financial Officer  
(403) 296-4775  
[www.artekexploration.com](http://www.artekexploration.com)

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

INDUSTRY: Energy and Utilities-Oil and Gas  
SUBJECT: ERN

-0-