MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") as provided by the management of Anterra Energy Inc. ("Anterra" or the "Company") reports on the financial condition and the results of operations of Anterra for the three and six months ended June 30, 2012 and 2011 and should be read in conjunction with the unaudited interim financial statements of the Company for the three and six month periods ended June 30, 2012 and 2011 and the audited financial statements and Management Discussion and Analysis for the year ended December 31,2011. The interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). There have been no significant changes to the critical estimates disclosed in the Company's audited financial statements for the year ended December 31, 2011. All figures provided herein and in the interim consolidated financial statements are reported in Canadian dollars.This commentary is based on the information available as at, and is dated August 21, 2012.

Non-IFRS Measures

This MD&A contains the terms "funds flow from (used in) operations", "funds used in operations" and "netback". Funds flow from (used in) operations, funds flow from (used in) operations per share amounts and netback are not measures that have any standardized meaning prescribed by IFRS and are considered non-GAAP measures and, as a result, should not be considered an alternative to or more meaningful than net funds from/used in operating activities or net income (loss) as determined in accordance with IFRS as an indicator of the Company's performance.Therefore, these measures may not be comparable to similar measures presented by other issuers.These measures have been described and presented in this discussion and analysis in order to provide shareholders and potential investors with additional information regarding the Company's liquidity and its ability to generate funds to finance its operations. Management utilizes funds flow as a key measure to assess the ability of the Company to finance operating activities and capital expenditures. The terms "funds flow from (used in) operations" and "funds used in operations" are calculated by adding non-cash items (deferred taxes, share-based compensation expense, and depletion and depreciation) to net profit or losses for the period. The Company also presents funds flow from or used in operations per share whereby per share amounts are calculated using weighted average shares outstanding consistent with the calculation of earnings per share. Netback is calculated on a per barrel basis as revenue from oil sales, less royalties and operating expenses and is used by management as a measure of financial and operational performance. The following table reconciles funds used in operations to funds flow from operating activities, which is the most directly comparable measure calculated in accordance with IFRS:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	**2012**	2011
	($)	($)	**($)**	($)
Net cash flow from operating activities	**149,269**	915,898	**609,729**	2,101,417
Changes in non-cash working capital	**(359,577)**	(901,808)	**(120,997)**	455,725
Funds from (used in) operations	**(210,310)**	14,090	**488,730**	2,557,142

BOE Conversion

Certain natural gas volumes have been converted to barrels of oil equivalent ("boe") using six thousand cubic feet ("mcf") of gas equal to one barrel ("bbl") of oil unless otherwise stated. This conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Such disclosure of boes may be misleading, particularly if used in isolation.

Forward-Looking Information

Certain information in this MD&A constitutes forward-looking statements or information (collectively referred to herein as "forward-looking statements") within the meaning of applicable securities legislation. Forward-looking statements are usually identified by the words "believe", "anticipate", "expect", "plan", "estimate", "target", "continue", "could", "intend", "may", "potential", "predict", "should", "will", "objective", "project", "forecast", "goal", "guidance", "outlook", "effort", "seeks", "schedule" or expressions of a similar nature suggesting future outcome or statements regarding an outlook. In particular, forward-looking statements include:

- *Statements under "Liquidity and Capital Resources" as to collectability of accounts receivable and as to Anterra's belief that with its unutilized credit facilities and expected funds flow from operations, that it will have sufficient capital resources to fund its capital expenditure program for 2012; and*
- *All of the statements under the heading "Outlook".*

Forward-looking statements are not guarantees of future performance and the reader should not place undue reliance on these forward-looking statements as there can be no assurances that the assumptions, plans, initiatives or expectations upon which they are based will occur. In addition, forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by forward-looking statements. Such factors include, among others: general economic and business conditions; the price of and demand for oil and natural gas and their effect on the economics of oil and gas exploration; fluctuations in currency and interest rates and their effect on projected profitability of the Company's operations; the ability of the Company to implement its business strategy, including exploration and development plans; the impact of competition and in particular the ability of the Company to maintain its land position in a competitive leasing environment; the availability and cost of seismic, drilling, completions and other equipment; the Company's ability to secure adequate transportation and markets for any oil or gas discovered; drilling and operating hazards and other difficulties inherent in the exploration for and production and sale of oil and natural gas; the availability and cost of financing; the success of any exploration and development undertaken; actions by governmental authorities; and, changes in government regulations and the expenditures required to comply with them (including, but not limited to, the changes in taxes or the royalty or other share of production taken by governmental authorities). Should one or more of these risks or uncertainties materialize, or should any of the Company's assumptions prove incorrect, actual results may vary in material respects from those projected in the forward-looking statements. Readers are cautioned that the foregoing list of risks, uncertainties and other factors is not exhaustive. Unpredictable or unknown factors not discussed could also have material adverse effects on forward-looking statements. The impact of any one factor on a particular forward-looking statement is not determinable with certainty as such factors are dependent on other factors, and the Company's course of action would depend on its assessment of the future considering all information then available. All forward-looking statements in this MD&A are expressly qualified in their entirety by these cautionary statements. Except as required by law, the Company assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change.

Overall Performance Summary

For the second quarter of 2012, oil and gas revenue totalled $1,381,623 on average daily sales volumes of 250boe/d compared to $1,966,649 and 321boe/d a year ago. The 30% year-over-year revenue decrease resulted from the combination of a 22% decrease in sales volumes and a 25% decrease in oil and gas prices; the lower production was primarily caused by normal declining production at Buck Lake and higher turnover in Breton wells. During the second quarter of 2012, the Company's realized sales price for light crude oil was $78.62/bbl compared to $101.65/bbl in 2011 and Anterra's product volume mix was 91% light crude oil. For the six months ended June 30, 2012, the 21% year over year revenue decrease resulted from a 15% decrease in sales volumes and an 8% decrease in oil and gas prices. Company's realized sales price for light crude oil was $84.32/bbl compared to $82.77/bbl in 2011 and Anterra's product volume mix was 90% light crude oil.

For the second quarter of 2012, the Company's oil and gas operating expenses totalled $741,404 or $32.56/boe compared to $653,501 or $24.47/boe in the same period last year, a 33% increase on a per barrel basis. The increase was due to high operating expenses (equipment rental) in Buck Lake and high workover expenses paid for Breton wells for the second quarter of 2012. For the six months ende June 30, 2012, the year over year operating expense increased 25% from $1,132,297 in 2011 to $1,416,016.

For the second quarter of 2012, the Company recorded total royalties of $256,509 or 19% of revenue versus $369,982 or 19% of revenue for the same period in 2011. The decrease in overall royalty expense in 2012 was mainly due to the lower production in second quarter of 2012 since the percentage of revenue remains the same. For the six months ended June 30, 2012, royalty expense was $597,483 or 20% of revenue versus $567,599 or the 15% of revenue for the same period of 2011.

During the second quarter of 2012, the revenue from midstream operations decreased to $595,980 compared to revenue of $716,434 reported in second quarter of last year. Midstream operating costs were increased by 24% from $197,399 to $243,987 due to higher salaries and and maintenance expense in the second quarter of 2012. For the six months ended June 30, 2012, revenue decreased by 10% from $1,431,307 to $1,286,838. Midstream operating costs were increased by 18% from $391,401 in 2011 to 463,122 in 2012.

At June 30, 2012, the Company had drawn down $5,188,217 on its credit facility of $12,000,000, and had a net working capital deficit including the negative bank balance of $4,278,550.

Financial and Operating Results

Production, Revenue and Price

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	**2012**	2011
Production				
Light crude oil (bbls/d)	**175**	240	**176**	224
Natural gas (mcf/d)	**378**	287	**374**	311
NGLs (bbls/d)	**13**	32	**12**	17
Total production (boe/d)	**250**	321	**251**	295
Total production (boe)	**22,767**	29,171	**45,369**	53,102
Revenue				
Light crude oil ($)	**1,252,045**	1,671,672	**2,686,050**	3,358,412
Natural gas ($)	**70,304**	111,810	**159,695**	230,578
NGLs ($)	**59,274**	183,167	**134,224**	193,472
Gross revenue ($)	**1,381,623**	1,966,649	**2,979,969**	3,782,462
Royalties ($)	**256,509**	369,982	**597,483**	567,599
Operating expenses ($)	**741,404**	653,501	**1,416,016**	1,132,297
Net operating revenue ($)	**383,710**	943,166	**966,470**	2,082,566
Average Prices				
Light crude oil ($/bbl)	**78.62**	101.65	**84.32**	82.77
Natural gas ($/mcf)	**2.04**	4.22	**2.36**	4.10
NGLs ($/bbl)	**50.10**	62.14	**61.80**	62.27
Total sales price ($/boe)	**60.69**	81.08	**65.68**	71.23
Royalty costs ($/boe)	**11.27**	15.02	**13.17**	10.69
Operating costs ($/boe)	**32.56**	24.47	**31.21**	21.32
Operating netback ($/boe)	**16.86**	41.59	**21.30**	39.22
Midstream Processing				
Revenue ($)	**595,980**	716,434	**1,286,838**	1,431,307
Operating costs ($)	**243,987**	197,399	**463,123**	391,401
Operating netback ($)	**351,993**	519,035	**823,715**	1,039,906

For the second quarter of 2012, oil and gas revenue totalled $1,381,623 on average daily sales volumes of 250boe/d compared to $1,966,649 and 321boe/d a year ago. The 30% revenue decrease resulted from a 22% decrease in sales volumes and lower oil and gas prices; the lower production was primarily caused by normal declining production at Buck Lake and high turnover in Brenton wells. During the second quarter of 2012, the Company's realized sales price for light crude oil was $78.62/bbl compared to $101.65/bbl in 2011 and Anterra's product volume mix was 91% light crude oil. For the six months ended June 30, 2012, revenue decreased 21% due to a 15% decrease in sales volumes and an 8% decrease in oil and gas prices, Company's realized sales price for light crude oil was $84.32/bbl compared to $82.77/bbl in 2011 and Anterra's product volume mix was 90% light crude oil.

For the second quarter of 2012, the midstream processing revenue totaled $595,980 compared to $716,434 a year ago. For six months ended June 30, 2012, revenue decreased by 10% from $1,431,307 to $1,286,838.

Royalties

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	**2012**	2011
	($)	($)	**($)**	($)
Crown royalties	**93,137**	106,331	**204,433**	187,561
Freehold royalties	**152,359**	262,860	**382,037**	376,625
Overriding royalties	**11,013**	791	**11,013**	3,413
Total royalties	**256,509**	369,982	**597,483**	567,599
Total royalties *($/boe)*	**11.27**	15.02	**13.17**	10.69
Percent of revenue *(%)*	**19%**	19%	**20%**	15%

For the second quarter of 2012, the Company recorded total royalties of $256,509 or 19% of revenue versus $369,982 or 19% of revenue for the same period in 2011. The decrease in overall royalty expense was mainly due to the lower production since the percentage remains the same as in the second quarter of 2011.

For the six months ended June 30, 2012, royalty expense was $597,483 or 20% of revenue versus $567,599 or 15% of revenue for the same period of 2011.

Operating Expenses

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	**2012**	2011
	($)	**($)**	**($)**	**($)**
Oil and gas operation	**741,404**	653,501	**1,416,016**	1,132,297
Midstream operation	**243,987**	197,399	**463,123**	391,401
Inter-company eliminations	**(17,242)**	(30,911)	**(38,307)**	(65,840)
Total operating expenses	**968,149**	819,989	**1,840,832**	1,457,858
Total operating expenses for oil and gas operation *($/boe)*	**32.56**	24.47	**31.21**	**21.32**

For the second quarter of 2012, the Company's oil and gas operating expenses totalled $741,404 or $32.56/boe compared to $653,501 or $24.47/boe in the same period last year, a 33% increase on a per barrel basis. The increase was due to high operating expenses (equipment rental) in Buck Lake and high workover expenses paid for Breton wells for the second quarter of 2012. For the six months ended June 30, 2012, operating expense increased 25% from $1,132,297 in 2011 to $1,416,016 in 2012.

For the second quarter of 2012, the Company’s midstream operating expenses totaled $243,987 compared to $197,399 in the same period last year. The 24% increase was mainly caused by higher salaries and higher maintance expense during the second quarter of year 2012. For the six months ended June 30, 2012, operating expense increased 18% from $391,401 in 2011 to $463,123 in 2012.

Operating Netback

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	**2012**	2011
	($)	($)	**($)**	($)
Gross revenue	**60.69**	81.08	**65.68**	71.23
Royalty expenses	**11.27**	15.02	**13.17**	10.69
Operating expenses	**32.56**	24.47	**31.21**	21.32
Operating netback	**16.86**	41.59	**21.30**	39.22

For the three months ended June 30, 2012, Anterra recorded an operating netback of $16.86/boe versus $41.59/boe a year ago. The 59% decrease was primarily driven by the combination of the increase in operating expenses and lower oil and gas prices in the second quarter of 2012.

For the six months ended June 30, 2012, Anterra's net operating netback decreased 46% from $39.22 in 2011 to $21.30 in 2012.

General and Administrative ("G&A") Expenses

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	**2012**	2011
	($)	($)	**($)**	($)
Salaries and management consulting	**209,973**	276,180	**470,091**	445,988
Legal	**29,549**	24,177	**55,336**	35,027
Computer services and subscriptions	**29,263**	3,677	**70,584**	71,150
Accounting and audit fees	**34,234**	26,894	**71,234**	46,593
Other professional services	**25,200**	12,600	**25,200**	25,200
Travel and business entertainment	**90,373**	47,853	**109,460**	81,563
General office expenses	**125,501**	104,319	**278,696**	272,642
Salaries and management consulting	**544,093**	495,700	**1,080,601**	978,163

For the second quarter ended June 30, 2012, total G&A expenses were $544,093 compared to $495,700 recorded during the same period of 2011. The 10% increase was primarily due to higher travel and business entertainment expense and computer services and subscriptions in the second quarter of 2012.

G&A expenses totalled $1,080,601 for the six months ended June 30, 2012 compared to $978,163 a year ago. The 10% increase in G&A costs was due to:

- A 5% increase in salaries and consulting costs.
- A 58% increase in legal fees required for bank credit facilities issues compared to 2011.
- A 53% increase in accounting and audit fees due to the implementation of IFRS.
- A 34% increase in travel expenses.

Net Finance Expenses

	For the three months ended at June 30,		For the six months ended at June 30,	
	2012	2011	**2012**	2011
Interest income on cash on deposit	**(6,597)**	(900)	**(3,298)**	(4,037)
Interest and line of credit fees	**48,938**	51,503	**103,153**	78,133
Accretion of decommissioning obligations	**22,991**	29,852	**45,007**	59,263
Net finance expenses	**65,332**	80,455	**144,862**	133,359
Total net finance expenses *($/boe)*	**2.87**	2.76	**3.19**	2.51

During the three months ended June 30, 2012, interest income increased due to higher cash balances on deposit compared to 2011. For the six months ended June 30, 2012, interest income decreased by $739.

In the second quarter of 2012, interest and line of credit fees decreased by $2,565 due to lower bank debt. For the six months ended June 30, 2012, interest and line of credit fees decreased by $25,020 compared to prior period.

Depletion and Depreciation ("D&D")

	For the three months ended at June 30,		For the six months ended at June 30,	
	2012	2011	**2012**	2011
D&D for oil and gas properties	**451,298**	341,750	**858,397**	718,556
D&D for midstream facilities and others	**59,950**	91,547	**59,950**	124,127
Total D&D	**511,248**	433,297	**918,347**	842,683
Total D&D for oil and gas properties *($/boe)*	**19.83**	11.72	**18.92**	15.87

The provision for depletion of property, plant and equipment ("PP&E") is determined on a component basis using the unit-of-production method based on independent estimates of proved producing reserves and is calculated as a factor of production divided by proved plus probable producing reserves applied to the cost of the asset. Depreciation of midstream facilities is calculated on a straight-line method and the useful life is 20 years. Depreciation of other non-resource assets is calculated on a straight-line basis at various rates between 20% and 45%.

During the three-month period ended June 30, 2012, D&D totalled $511,248 or $19.83/boe versus $433,297 or $11.72/boe for the same period of 2011. For the six months ended June 30, 2012, D&D totalled $918,347 or $18.92/boe versus $842,683 or $15.87/boe for the same period of 2011.

Share Based Compensation Expenses

On March 26, 2011, the Company granted 5,350,000 stock options to directors, officers and employees to purchase Class A Shares at an exercise price of $0.255. Of the total options granted, 3,500,000 options vested immediately and of the remaining 1,850,000 options, one third vested immediately, with the balance vesting equally on the first and second anniversary of the grant date. Included in these options were 750,000 options granted to consultants providing investor relations services to the Company.

A summary of the status of the Company's stock option plan as at December 31, 2011 and June 30, 2012 and changes during the period ending on those dates is presented below.

	Number of options	**Weighted average exercise price $**
Outstanding at January 1, 2011	15,000,000	-
Granted	5,350,000	0.255
Forfeited/expired	(150,000)	0.10
Outstanding at December 31, 2011	20,200,000	0.14
Outstanding at June 30, 2012	20,200,000	0.14

The following table summarizes stock options outstanding and exercisable:

Options Outstanding

Range of exercise prices	**Number outstanding at June 30, 2012**	**Expiry date**	**Weighted average exercise price**	**Number exercisable at June 30, 2012**	**Weighted average remaining contractual life**
$0.10	14,850,000	July 13, 2015	$0.10	5,000,000	3.00 years
$0.255	5,350,000	March 26, 2016	$0.255	4,116,667	3.75years
$0.10 - $0.255	20,200,000		$0.14	9,116,667	4.00 years

Stock based compensation cost of $ 12,099 (2011 - $36,265) was expensed during the second quarter of 2012.

Funds Flow from Operations and Net Income (Loss)

	For the three months ended at June 30,		For the six months ended at June 30,	
	2012	2011	**2012**	2011
	($)	**($)**	**($)**	**($)**
Net income (loss)	**(308,663)**	480,315	**(340,478)**	680,382
Non-cash charges:				
Depletion, Depreciation and amortization	**511,248**	433,297	**918,347**	842,682
Share-based payment expense	**12,099**	36,265	**67,423**	762,016
Deferred income taxes	**(88,406)**	(68,831)	**(80,570)**	(242,926)
Interest and financing charges	**22,991**	29,852	**45,007**	59,263
Funds flow from (used in) operations	**149,269**	915,898	**609,729**	2,101,417

For the three and six month ended June 30, 2012, funds flow from operations totalled $149,267 and $609,729 respectively versus $915,898 and $2,101,417 respectively in the comparable period of 2011. The year-over-year decrease was due to a decrease in net operating revenues resulted from lower production and lower oil and gas prices.

Capital Expenditures

	For the three months ended at June 30,		For the six months ended at June 30,	
	2012	2011	**2012**	2011
	($)	**($)**	**($)**	**($)**
Land acquisitions	**7,628**	276,759	**8,052**	281,631
Geological and geophysical	**62,300**	89,446	**125,408**	624,997
Drilling and completions	**597,232**	1,052,312	**869,997**	4,300,439
Total capital expenditures	**667,160**	1,418,517	**1,003,457**	5,207,067
Capital expenditures are composed of PP&E	**665,895**	1,149,274	**995,830**	4,459,050
Exploration and evaluation assets	**1,265**	269,243	**7,628**	748,017
	667,160	1,418,517	**1,003,458**	5,207,067

During the first quarter of 2011, the Company accumulated seven gross sections of Cardium lands, on which it anticipates drilling up to four Cardium wells.

For the three month and six month periods ended June 30, 2012, the Company spent $667,160 and $1,003,458 respectively on capital expenditures, including $665,895 and $995,830 respectively (2011- $1,149,274 and $4,459,050) on property, plant and equipment and $1,265 and $7,628 respectively (2011 - $269,243 and $748,017) on exploration and evaluation assets. The decrease is due to the Company not conducting an active drilling program during the second quarter of 2012.

Liquidity and Capital Resources

The Company's liquid assets are comprised of cash and accounts receivable from the sale of petroleum products, and joint venture billings from industry partners. Cash is maintained on demand with the Company's banker and represent minimal liquidity risk to the Company. In view of the current economic climate, Anterra has made an assessment of accounts receivable and had made a reasonable allowance in the total amount of $753,820. The majority of the remaining accounts receivable relate to joint venture billings with industry partners. The Company believes that minimal exposure exists with these particular accounts and sufficient security exists to recover amounts due to the Company in the event of default.

Management of the Company's liquidity involves the careful use of its liquid assets along with anticipated cash flows and access to debt and equity markets to fund growth in future exploration and development drilling activities.

The Company does not have any contractual lease obligations other than its office lease. The Company entered into a lease arrangement for office space and related services for five years commencing January 1, 2008. As at June 30, 2012, the remaining minimum lease payments totalling $93,120 will be expensed equally over the remaining 6 months ending December 31, 2012.

As at June 30, 2012, the Company had a working capital deficit of $4,728,550 compared to $4,334,822 at December 31, 2011.

Anterra has a credit facility agreement with a Canadian chartered bank that, at June 30, 2012, provided the Company with a $12,000,000 revolving demand loan facility. The facility is payable on demand. The operating line bears interest at the bank's prime rate plus 0.75% with an effective rate at June 30, 2012 of 3.75%. The credit facility is secured by a single first floating charge debenture in the amount of $35 million over all assets of the Company.

Under its Credit Facility Agreement, the Company is required to maintain a working capital ratio, after adding the unused portion of the revolving demand loan and after excluding outstanding bank debt under the facility, of not less than 1:1. The Company was in compliance with this covenant at December 31, 2011 and June 30, 2012.

Sources and Uses of Cash

As at June 30, 2012 and 2011, cash remains at $Nil.

	For the three months ended at June 30,		For the six months ended at June 30,	
	2012	2011	**2012**	2011
	($)	**($)**	**($)**	**($)**
Cash – beginning of period	**--**	**--**	**--**	43,293
Funds flow from operations	**149,269**	915,898	**609,729**	2,101,417
Change in non-cash working capital	**(99,660)**	(378,970)	**(191,174)**	1,583,363
Issue of common shares, net of issue costs	**--**	40,550		140,000
Advances on bank loan	**617,551**	1,315,985	**584,902**	1,826,449
Redemption of convertible Debentures	**--**	(474,946)		(487,455)
Capital expenditures				
PP&E	**(665,895)**	(1,149,274)	**(995,829)**	(4,459,050)
Exploration and evaluation	**(1,265)**	(269,243)	**(7,628)**	(748,017)
Cash – end of period	**--**	**--**	**--**	**--**

Share Capital

As at June 30, 2012, Anterra had 246,438,032 common shares, 20,200,000 stock options and no warrants issued and outstanding. A total of 20,200,000 stock options are outstanding to management, directors, employees and key consultants under the Company's stock option plan with exercise prices between $0.10 and $0.255 per share and with a weighted average remaining contractual life of 39 months. During 2011, 150,000 shares were issued upon the exercise of stock options for net proceeds of $15,000.

As at August 29, 2012, Anterra had 246,438,032 common shares, 20,200,000 stock options and no warrants outstanding.

Related Party Transactions

The Company had the following related party transactions for the periods ended June 30, 2012:

(a) During the three months and six months ended June 30, 2012, an accounting firm, of which an officer is a shareholder, charged the Company $0 and $1,700(2011 - $18,370) for accounting services. There is no accounts payable at June 30, 2012.

(b) During the three months and six months ended June 30, 2012, a consulting company, of which an officer is now charged the Company $19,290 and $38,580 (2011 - $22,860) for consulting services. There is accounts payable of $6,430 at June 30, 2012.

All related party transactions are in the normal course of operations and have been measured at the agreed to exchange amounts, which is the amount of consideration established and agreed to by the related parties and which is similar to those negotiated with third parties.

Key Management Compensation

Key management personnel are comprised of directors and executive management having authority and responsibility for planning, directing and controlling the activities of the Company.

	For the three months ended at June 30,		For the six months ended at June 30,	
	2012	2011	**2012**	2011
	($)	**($)**	**($)**	**($)**
Short-term employee benefits	**6,159**	**83,208**	**12,318**	197,333
Share-based payments	**12,099**	**36,265**	**67,423**	762,016
Total	**18,258**	**119,473**	**79,741**	959,349

Off-balance Sheet Arrangments

The Company has a term lease agreement for office space, which was entered into in the normal course of operations. The lease agreement does not currently provide for early termination. No asset or liability value has been assigned to this lease in the balance sheet as of June 30, 2012.

Changes in Accounting Policy

The Company adopted IFRS effective January 1, 2011. As a result, the Company has prepared its financial statements for the year ended December 31, 2011 under IFRS and has restated its financial statements for the year ended December 31, 2010 to comply with IFRS. The financial information presented in this MD&A is derived directly from the Company's financial statements and as such certain comparative information may differ from what was originally presented by the Company using previous Canadian Generally accepted accounting principles ("previous GAAP).

The Company's financial statements as at and for the periods ended December 31, 2011 and 2010 have been prepared in accordance with IFRS 1 – First-time Adoption of International Financial Reporting Standards under IFRS as issued by the International Accounting Standards Board.

For further details on the Company's transition to IFRS, refer to note 21 of the Company's financial statements for the year ended December 31, 2011.

DISCLOSURE CORRECTIONS

As a result of a continuous disclosure review conducted by the Alberta Securities Commission, the Company has determined that there have been errors in the Company's financial statements for the first and second quarter of 2011. The errors occurred in the measurement of depletion expense and share based payment expense, due to certain costs not being included. The result of the errors is that the net income in the quarters reported was overstated by the following amounts, which was released on March 19, 2012:

	Q1 2011	**Q2 2011**
Depletion expense	$ 221,519	$ 210,034
Decrease in net income	$ 221,519	$ 210,034

In addition, after reviewing the depletion calculation for oil and gas properties for 2011 Q1, we found the reserve volume amount was used incorrectly to calculate depletion amount.

Period	Previously reported	Adjustment as per news release	Additional adjustment	As adjusted
2011 Q1	$ 263,212	$ 221,519	$ (114,944)	$ 369,787
2011 Q2	$ 304,332	$ 210,034	$ (81,069)	$ 433,297

Supplemental Quarterly Information

Three Months Ended	June. 30, 2012	March. 31, 2012	Dec. 31, 2011 [(3)]	Sep. 30, 2011 [(3)]
		($)	($)	($)
Gross revenue	**1,977,603**	2,268,136	3,021,111	3,278,175
Net income (loss)	**(308,663)**	(31,815)	(806,893)	455,438
Per share – basic	**0.000**	0.000	(0.003)	0.002
Per share – diluted	**0.000**	0.000	(0.003)	0.002
Funds flow from operations [(1)]	**149,269**	460,460	804,378	1,033,323
Per share – basic	**(0.001)**	0.002	0.003	0.004
Per share – diluted	**(0.001)**	0.002	0.003	0.004
Capital expenditures	**667,160**	336,297	32,871	2,726,527
Total assets	**38,296,699**	37,799,544	38,140,026	37,588,396
Working capital (deficiency)	**(4,728,550)**	(4,210,658)	(4,334,822)	(5,124,259)
Shareholders' equity	**25,030,046**	25,326,610	25,303,101	25,852,973
Production				
Light crude oil *(bbls/d)*	**175**	178	228	265
NGLs *(bbls/d)*	**13**	12	20	16
Natural gas *(mcf/d)*	**378**	370	383	459
Total *(boe/d)*	**250**	248	312	358
Total *(boe)*	**22,767**	22,602	28,749	32,967

Three Months Ended	Jun 30, 2011 [(3)]	Mar. 31, 2011 [(3)]	Dec. 31, 2010 [(3)]	Sep. 30, 2010 [(3)]
Gross revenue	2,683,083	2,496,051	1,750,165	1,383,202
Net income (loss)	480,315	200,067	(1,523,581)	(667,250)
Per share – basic	0.002	(0.001)	(0.006)	(0.003)
Per share – diluted	0.002	(0.001)	(0.006)	(0.003)
Cash flow from operations	1,007,445	1,185,519	(832,142)	(196,999)
Per share – basic	0.004	0.005	(0.003)	(0.001)
Per share – diluted	0.004	0.005	(0.003)	(0.001)
Capital expenditures	1,510,064	3,788,550	383,316	146,603
Total assets	35,461,172	35,558,138	31,034,352	32,391,508
Working capital (deficiency)	(3,472,723)	(2,735,708)	(507,073)	(72,180)
Shareholders' equity	25,053,565	24,496,435	23,383,966	24,760,902
Production				
Light crude oil *(bbls/d)*	240	208	164	141
NGLs *(bbls/d)*	32	2	4	5
Natural gas *(mcf/d)*	287	335	134	151
Total *(boe/d)*	321	266	190	171
Total *(boe)*	29,171	23,931	17,437	15,727

(1) Funds flow from operations and funds flow from operations per share are not recognized measures under International Financial Reporting Standards. Refer to the Management's Discussion and Analysis for further discussion.

(2) The selected quarterly information has been prepared in accordance with the accounting principles as contained in the notes to the consolidated financial statements for the years ended December 31, 2011 and 2010.

(3) Some amounts were restated for the corrections discussed above.

Outlook

For the rest of 2012, Anterra will continue to focus on the exploration, exploitation and development of its Cardium and Bakken resource projects in Alberta and Saskatchewan. Specifically, the Company intends to continue developing its Cardium project at Buck Lake, Alberta where it drilled two successful horizontal Cardium oil wells on 60% working interest lands during 2012. There are potentially 6 to 8 additional locations to drill on these lands and the Company plans to drill at least one of these development wells this year. At Breton, the Company is in the process of licencing the first horizontal development well that it plans to drill in its Belly River property.

At Abbott in Saskatchewan, the Company completed a 3-D seismic shoot and interpretation and drilled an exploratory well on its lands in August, 2011. This project is still being developed and the well is expected to be re-entered and completed in 2012. The Company has 20 Sections of 100% owned lands at Abbott and, following a successful exploratory well, has many additional locations to drill.

Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com and on the Company's website at www.anterraenergy.com.