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 nine months ended September 30, 2012 and 2011 and should be read in conjunction with the unaudited interim financial statements of the Company for the three and nine month periods ended September 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"), specially international accounting standard 34 -"Interim Financial Reporting" . 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 financial statements are reported in Canadian dollars.This commentary is based on the information available as at, and is dated November 23, 2012.

Non-GAAP 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 cash flow 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 September 30,		Nine Months Ended September 30,	
	2012	2011	**2012**	2011
	($)	($)	**($)**	($)
Net cash flow from operating activities	**366,599**	949,421	**976,326**	3,050,838
Changes in non-cash working capital	**477,625**	859,164	**356,628**	1,314,889
Funds from (used in) operations	**844,224**	1,808,585	**1,332,954**	4,365,727

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 meet its cash requirements; 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 third quarter of 2012, oil and gas revenue totalled $1,118,218 on average daily sales volumes of 199 boe/d compared to $2,609,322 and 358 boe/d a year ago. The 57% decrease in revenue resulted from a 46% decrease in sales volumes and lower oil and gas prices. The lower production was primarily caused by normal declining production at Buck Lake. During the third quarter of 2012, the Company's realized sales price for light crude oil was $83.06/bbl compared to $86.53/bbl in 2011 and Anterra's product volume mix was 67% light crude oil compared to 73% in 2011. For the nine months ended September 30, 2012, revenue decreased 36% due to a 26% decrease in sales volumes and a 12% decrease in oil and gas prices, Company's realized sales price for light crude oil was $83.83/bbl compared to $95.32/bbl in 2011 and Anterra's product volume mix was 70% light crude oil compared to 75% in 2011.

For the third quarter of 2012, the Company's oil and gas operating expenses totalled $588,044 or $32.84/boe compared to $737,235 or $22.36/boe in the same period last year, a 47% increase on a per barrel basis. The increase was due to high operating expenses (equipment rental) and lower production caused by normal declining in Buck Lake Area. For the nine months ended September 30, 2012, operating expense increased 8% from $1,869,532 in 2011 to $1,977,189 in 2012, a 41% increase on a per barrel basis.

For the third quarter of 2012, the Company recorded total royalties of $154,780 or 14% of oil and gas revenue versus $736,922 or 28% of oil and gas revenue for the same period in 2011. The 79% decrease in overall royalty expense was mainly due to 89% lower freehold royalities caused by the normal declining production in Buck Lake area compared to the third quarter of 2011. For the nine months ended September 30, 2012, royalty expense was $752,263 or 18% of oil and gas revenue versus $1,304,520 or 20% of oil and gas revenue for the same period of 2011. The decrease in overall royalty expense was mainly due to 56% lower freehold royalities caused by the normal declining production in Buck Lake area compared the same period of 2011.

For the third quarter of 2012, the midstream processing revenue totaled $719,561 compared to $668,854 a year ago. For the nine months ended September 30, 2012, revenue totaled $2,006,399 compared to $2,040,491 for the same period in 2011. For the third quarter of 2012, the Company’s midstream operating expenses totalled $242,704 compared to $230,317 in the same period last year. The 5% operating expenses increase was mainly caused by higher salaries and higher maintenance expense during the third quarter of year 2012. For the nine months ended September 30, 2012, operating expenses increased 23% from $577,502 in 2011 to $732,698 in 2012.

At September 30, 2012, the Company had drawn down $5,400,321 on its credit facility of $12,000,000, and had a net working capital deficit of $5,827,840.

Financial and Operating Results

Production, Revenue and Price

	Three Months Ended September 30, **2012**	2011	Nine Months Ended September 30, **2012**	2011
Production				
Light crude oil (bbls/d)	**133**	265	**162**	238
Natural gas (mcf/d)	**338**	459	**362**	361
NGLs (bbls/d)	**10**	16	**11**	17
Total production (boe/d)	**199**	358	**233**	315
Total production (boe)	**17,907**	32,967	**63,276**	86,072
Revenue				
Light crude oil ($)	**994,222**	2,342,013	**3,680,272**	5,806,246
Natural gas ($)	**78,466**	182,342	**238,161**	412,920
NGLs ($)	**45,530**	84,967	**179,754**	278,439
Gross revenue ($)	**1,118,218**	2,609,322	**4,098,187**	6,497,605
Royalties ($)	**154,780**	736,922	**752,263**	1,304,520
Operating expenses ($)	**588,044**	737,235	**1,977,189**	1,869,532
Net operating revenue ($)	**375,394**	1,135,165	**1,368,735**	3,315,908
Average Prices				
Light crude oil ($/bbl)	**83.06**	86.53	**83.83**	95.32
Natural gas ($/mcf)	**2.58**	4.32	**2.43**	4.06
NGLs ($/bbl)	**50.59**	56.00	**60.30**	61.14
Total sales price ($/boe)	**62.45**	79.15	**64.77**	75.49
Royalty costs ($/boe)	**8.64**	22.35	**11.89**	15.16
Operating costs ($/boe)	**32.84**	22.36	**31.25**	21.72
Operating netback ($/boe)	**20.96**	34.43	**21.63**	38.61
Midstream Processing				
Revenue ($)	**719,561**	668,854	2,006,399	2,040,491
Operating costs ($)	**242,704**	230,317	732,698	621,718
Operating netback ($)	**476,857**	438,537	1,276,668	1,418,973

For the third quarter of 2012, oil and gas revenue totalled $1,118,218 on average daily sales volumes of 199 boe/d compared to $2,609,322 and 358 boe/d a year ago. The 57% revenue decrease resulted from a 46% decrease in sales volumes and lower oil and gas prices; the lower production was primarily caused by normal declining production at Buck Lake. During the Third quarter of 2012, the Company's realized sales price for light crude oil was $83.06/bbl compared to $86.53/bbl in 2011 and Anterra's product volume mix was 67% light crude oil compared to 73% in 2011. For the nine months ended September 30, 2012, revenue decreased 36% due to a 26% decrease in sales volumes and a 12% decrease in oil and gas prices, Company's realized sales price for light crude oil was $83.83/bbl compared to $95.32/bbl in 2011 and Anterra's product volume mix was 70% light crude oil compared to 75% in 2011.

For the third quarter of 2012, the midstream processing revenue totaled $719,561 compared to $668,854 a year ago. For the nine months ended September 30, 2012, revenue totaled $2,006,399 compared to $2,040,491 for the same period in 2011.

Royalties

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	**2012**	2011
	($)	($)	**($)**	($)
Crown royalties	**74,272**	76,003	**278,705**	263,564
Freehold royalties	**74,318**	660,472	**456,355**	1,037,097
Overriding royalties	**6,190**	447	**172,03**	3,859
Total royalties	**154,780**	736,922	**752,263**	1,304,520
Total royalties *($/boe)*	**8.64**	22.35	**11.89**	15.16
Percent of oil and gas revenue *(%)*	**14%**	28%	**18%**	20%

For the third quarter of 2012, the Company recorded total royalties of $154,780 or 14% of oil and gas revenue versus $736,921 or 28% of oil and gas revenue for the same period in 2011. The decrease in overall royalty expense was mainly due to lower freehold royalities in the Buck Lake area caused by the normal declining production compared to the third quarter of 2011.

For the nine months ended September 30, 2012, royalty expense was $752,263 or 18% of revenue versus $1,304,520 or 20% of revenue for the same period of 2011.

Operating Expenses

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	**2012**	2011
	($)	**($)**	**($)**	**($)**
Oil and gas operations	**588,044**	737,235	**1,977,189**	1,869,532
Midstream operations	**242,704**	230,317	**732,698**	621,708
Inter-company eliminations	**(19,692)**	(14,947)	**(57,999)**	(80,787)
Total operating expenses	**830,748**	952,605	**2,651,888**	2,410,463
Operating expenses for oil and gas operation *($/boe)*	**32.84**	22.36	**30.66**	21.72

For the third quarter of 2012, the Company's oil and gas operating expenses totalled $588,044 or $32.84/boe compared to $737,235 or $22.36/boe in the same period last year, a 47% increase on a per barrel basis. The increase was due to high operating expenses (equipment rental) and lower production caused by normal declining in the Buck Lake Area. For the nine months ended September 30, 2012, operating expense increased 8% from $1,869,532 in 2011 to $1,977,189 in 2012, a 41% increase on a per barrel basis. The increase was discussed as the third quarter of 2012.

For the third quarter of 2012, the Company's midstream operating expenses totaled $242,704 compared to $230,317 in the same period last year. The 5% increase was mainly caused by higher salaries and higher maintenance expense during the third quarter of 2012. For the nine months ended September 30, 2012, operating expense increased 23% from $577,502 in 2011 to $732,698 in 2012. The 27% increase was mainly caused by higher maintenance expense in the past nine months.

Operating Netback

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	**2012**	2011
	($)	($)	**($)**	($)
Oil and gas revenue	**62.45**	79.15	**64.77**	74.98
Royalty expenses	**8.64**	22.35	**11.89**	15.16
Operating expenses	**32.84**	22.36	**30.66**	21.30
Operating netback	**20.96**	34.43	**22.22**	38.52

For the three months ended September 30, 2012, Anterra recorded an operating netback of $20.96/boe versus $34.43/boe a year ago. The 39% decrease was primarily driven by the combination of the increase in operating expenses, lower oil and gas prices and lower production in the third quarter of 2012.

For the nine months ended September 30, 2012, Anterra's net operating netback decreased 42% from $38.52 in 2011 to $22.22 in 2012. The 42% decrease was primarily driven by the combination of the 44% increase in operating expenses, lower oil and gas prices and lower production in the third quarter of 2012

General and Administrative ("G&A") Expenses

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011		**2012**
	($)	($)	**($)**	($)
Salaries and management consulting	**197,704**	210,104	**667,795**	656,092
Legal	**21,697**	6,902	**77,033**	41,929
Computer services and subscriptions	**27,321**	5,893	**97,905**	77,043
Accounting and audit fees	**28,876**	51,721	**100,109**	98,314
Other professional services	**12,600**	12,600	**37,800**	37,800
Travel and business entertainment	**31,519**	34,676	**140,979**	116,239
General office expenses	**96,858**	291,832	**375,556**	564,474
Salaries and management consulting	**416,575**	613,728	**1,497,176**	1,591,891

For the third quarter ended September 30, 2012, total G&A expenses were $416,595 compared to $613,728 recorded during the same period of 2011. The 32% decrease was primarily due to lower salaries and general office expenses including insurance, communication and office suppliers in the third quarter of 2012.

G&A expenses totalled $1,497,196 for the nine months ended September 30, 2012 compared to $1,591,891 a year ago. The lower G&A costs were due to:

- Lower insurance expense due to switching to new insurance company.
- Lower other professional fees due to less management consulting service fees.
- Lower general office expenses including insurance, communication and office suppliers.

These decreases in general and administrative costs were partially offset by:

- Additional computer services and subscriptions for the Company's oil and gas data system.
- Higher travel and business entertainment due to increased travel costs for director's meetings.

Net Finance Expenses

	For the three months ended at September 30,		For the nine months ended at September 30,	
	2012	2011	**2012**	2011
Interest income on cash on deposit	**(2,231)**	(3,193)	**(5,529)**	(7,231)
Interest and line of credit fees	**71,308**	28,693	**174,463**	106,828
Accretion of decommissioning obligations	**19,634**	28,659	**64,640**	87,921
Net finance expenses	**88,711**	54,159	**233,574**	187,518
Total net finance expenses *($/boe)*	**4.95**	1.64	**3.69**	2.18

During the three months ended September 30, 2012, interest income increased $962 due to higher cash balances on deposit compared to 2011. For the nine months ended September 30, 2012, interest income decreased $1,702.

In the third quarter of 2012, interest and line of credit fees increased by $42,615 due to higher bank debt. For the nine months ended September 30, 2012, interest and line of credit fees increased by $67,633 compared to the prior period due to higher bank debt.

For the three and nine months ended September 30, 2012, accretion of decommissioning decreased by $9,025 and $23,281 respectively compared to same period in 2011 due to the lower rate.

Depletion and Depreciation ("D&D")

	For the three months ended at September 30,		For the nine months ended at September 30,	
	2012	2011	**2012**	2011
D&D for oil and gas properties	**338,469**	423,750	**1,196,866**	1,148,479
D&D for midstream facilities and others	**30,242**	35,773	**90,191**	153,257
Total D&D	**368,711**	459,523	**1,287,057**	1,302,006
Total D&D for oil and gas properties *($/boe)*	**20.59**	13.94	**20.34**	15.15

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 plus probable 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 September 30, 2012, D&D totalled $368,711 or $20.59/boe versus $459,523 or $13.94/boe for the same period of 2011. For the nine months ended September 30, 2012, D&D totalled $1,287,057or $20.34/boe versus $1,302,006 or $15.15/boe for the same period of 2011. The 47% increase in three months and 34% increase in nine months of D&D on a per barrel basis are due to the 46% and 36% respective decrease in oil and gas production for the three and nine months ended September 30, 2012.

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 September 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 September 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 September 30, 2012	Expiry date	Weighted average exercise price	Number exercisable at September 30, 2012	Weighted average remaining contractual life
$0.10	14,850,000	July 13, 2015	$0.10	5,000,000	2.75 years
$0.255	5,350,000	March 26, 2016	$0.255	4,116,667	3.50years
$0.10 - $0.255	20,200,000		$0.14	9,116,667	3.75 years

Stock based compensation cost of $ 37,716 (2011 - $12,232) was expensed during the third quarter of 2012. For the nine months ended Sep 30, 2012, Stock based compensation costs were $105,139 (2011- $774,248)

Funds Flow from Operations and Net Income (Loss)

	For the three months ended September 30,		For the nine months ended September 30,	
	2012	2011	**2012**	2011
	($)	($)	**($)**	($)
Net income (loss)	**(46,189)**	455,437	**(386,667)**	1,135,819
Non-cash charges:				
Depletion, Depreciation and amortization	**368,711**	459,323	**1,287,057**	1,302,006
Share-based payment expense	**37,716**	12,232	**105,139**	774,248
Deferred income taxes	**(13,273)**	(6,230)	**(93,843)**	(249,156)
Interest and financing charges	**19,634**	28,659	**64,640**	87,921
Funds flow from (used in) operations	**366,599**	949,421	**976,326**	3,050,838

For the three and nine months ended September 30, 2012, funds flow from operations totalled $366,600 and $976,326 respectively versus $949,421 and $3,050,838 respectively in the comparable periods of 2011. The year-over-year decrease was due to a decrease in net operating revenues resulting from lower production and lower oil and gas prices.

Capital Expenditures

	For the three months ended at September 30,		For the nine months ended at September 30,	
	2012	2011	**2012**	2011
	($)	($)	**($)**	($)
Land acquisitions	**29,943**	73,168	**37,570**	354,799
Geological and geophysical	**107,408**	136,303	**169,708**	761,300
Drilling and completions	**1,328,537**	2,433,154	**2,262,067**	6,713,593
Total capital expenditures	**1,465,888**	2,642,625	**2,469,345**	7,829,692
Capital expenditures are composed of				
PP&E	**1,436,369**	$790,315	**2,432,198**	5,073,916
Exploration and evaluation assets	**29,519**	$1,852,310	**37,147**	2,755,776
	1,465,888	$2,642,625	**2,469,345**	7,829,692

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. In the third quarter of 2012, Anterra purchased from an arm's length party a 55% interest in lands in the Matziwin area for $675,000.

For the three month and nine month periods ended September 30, 2012, the Company spent $1,465,889 and $2,469,345 respectively on capital expenditures, including $1,436,370 and $2,432,198 respectively (2011- $790,315 and $5,073,916) on property, plant and equipment and $29,519 and $37,147 respectively (2011 - $1,852,310 and $2,755,776) on exploration and evaluation assets. The decrease is due to the Company not conducting an active drilling program during the third 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. 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 $756,648. 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 September 30, 2012, the remaining minimum lease payments totalling $46,560 will be expensed equally over the remaining 3 months ending December 31, 2012.

As at September 30, 2012, the Company had a working capital deficit of $5,827,840 compared to $4,334,822 at December 31, 2011.

Anterra has a credit facility agreement with a Canadian chartered bank that, at September 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 September 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 September 30, 2012. The company’s bank line and funds flow from operations are sufficient to meet its cash requirements.

Sources and Uses of Cash

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

	For the three months ended at September 30,		For the nine months ended at September 30,	
	2012	2011	**2012**	2011
	($)	**($)**	**($)**	**($)**
Cash – beginning of period	**--**	--	**--**	43,293
Funds flow from operations	**366,599**	949,421	**976,326**	3,050,838
Change in non-cash working capital	**887,185**	606,236	**696,011**	2,189,599
Issue of common shares, net of issue costs	**--**	41,667		181,667
Advances on bank loan	**212,104**	1,045,301	**797,008**	2,871,750
Redemption of convertible Debentures	**--**	--	**--**	(487,455)
Capital expenditures				
PP&E	**(1,436,369)**	(790,315)	**(2,432,198)**	(5,073,916)
Exploration and evaluation	**(29,519)**	(1,852,310)	**(37,147)**	(2,775,776)
Cash – end of period	**--**	--	**--**	--

Share Capital

As at September 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 36 months. During 2011, 150,000 shares were issued upon the exercise of stock options for net proceeds of $15,000.

As at November 23, 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 three and nine months ended September 30, 2012:

(a) During the three and nine months ended September 30, 2012, an accounting firm, of which an officer is a shareholder, charged the Company $3,375 and $5,075 respectively (2011 - $19,550 and $62,320) for accounting services. There is no accounts payable at September 30, 2012.

(b) During the three and nine months ended September 30, 2012, a consulting company, of which an officer is related, charged the Company $19,290 and $57,870 respectively (2011 - $22,860 and $68,580) for consulting services. There is accounts payable of $6,430 at September 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 September 30,		For the nine months ended at September 30,	
	2012	2011	**2012**	2011
	($)	**($)**	**($)**	**($)**
Short-term employee benefits	**6,159**	118,290	**18,477**	315,623
Share-based payments	**37,716**	12,232	**105,139**	774,248
Total	**43,875**	**130,522**	**123,616**	**1,089,871**

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 September 30, 2012.

Changes in Accounting Policy

Certain new and pending accounting standards will be effective for annual periods beginning on or after January 1, 2013. These new standards, as described in the Company's MD&A for the year ended December 31, 2011, has not changed in the current period.

DISCLOSURE CORRECTIONS

On March 19, 2012, the Company announced it had determined that there have been errors in the Company's financial statements for the three and nine months ended September 30, 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.

	Q1 2011	**Q2 2011**	**Q3 2011**	**Total**
Depletion expense	221,519	$210,034	$242,800	$674,353
Share based payment expense	-	-	$12,232	$12,232
Decrease in net income	$221,519	$210,034	$255,032	$686,585

Subsequent to the news release, after reviewing the depletion calculation for oil and gas properties for 2011 Q1, Q2 and Q3, the Company 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
2011 Q3	$ 392,509	$ 242,800	$ (165,985)	$ 469,324

Supplemental Quarterly Information

Three Months Ended	Sep. 30, 2012	Jun. 31, 2012	Mar. 31, 2012 [3]	Dec. 31, 2011 [3]
	($)	*($)*	*($)*	*($)*
Gross revenue	**1,837,779**	1,977,603	2,289,204	3,021,111
Net income (loss)	**(46,189)**	(308,663)	(31,815)	(806,893)
Per share – basic	**(0.000)**	(0.002)	0.000	(0.003)
Per share – diluted	**(0.000)**	(0.002)	0.000	(0.003)
Funds flow from operations [1]	**366,600**	149,269	460,460	804,378
Per share – basic	**(0.002)**	(0.001)	0.002	0.003
Per share – diluted	**(0.002)**	(0.001)	0.002	0.003
Capital expenditures	**1,465,889**	667,160	336,297	32,871
Total assets	**38,694,424**	38,296,699	37,799,544	38,140,026
Working capital (deficiency)	**(5,827,840)**	(4,728,550)	(4,210,658)	(4,334,822)
Shareholders' equity	**24,914,457**	25,030,046	25,326,610	25,303,101
Production				
Light crude oil *(bbls/d)*	**133**	175	178	228
NGLs *(bbls/d)*	**10**	13	12	20
Natural gas *(mcf/d)*	**338**	378	370	383
Total *(boe/d)*	**199**	250	248	312
Total *(boe)*	**17,907**	22,767	22,602	28,749

Three Months Ended	Sep. 30, 2011 [3]	Jun 30, 2011 [3]	Mar. 31, 2011 [3]	Dec. 31, 2010 [3]
Gross revenue	3,278,175	2,683,083	2,496,051	1,750,165
Net income (loss)	455,438	480,315	200,067	(1,523,581)
Per share – basic	0.002	0.002	(0.001)	(0.006)
Per share – diluted	0.002	0.002	(0.001)	(0.006)
Cash flow from operations	1,033,323	1,007,445	1,185,519	(832,142)
Per share – basic	0.004	0.004	0.005	(0.003)
Per share – diluted	0.004	0.004	0.005	(0.003)
Capital expenditures	2,726,527	1,510,064	3,788,550	383,316
Total assets	37,588,396	35,461,172	35,558,138	31,034,352
Working capital (deficiency)	(5,124,259)	(3,472,723)	(2,735,708)	(507,073)
Shareholders' equity	25,852,973	25,053,565	24,496,435	23,383,966
Production				
Light crude oil *(bbls/d)*	265	240	208	164
NGLs *(bbls/d)*	16	32	2	4
Natural gas *(mcf/d)*	459	287	335	134
Total *(boe/d)*	358	321	266	190
Total *(boe)*	32,967	29,171	23,931	17,437

(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.

Factors and trends that have impacted Company's results during the above periods include:

- Oil and Gas revenue is directly impacted by the Company's ability to replace existing declining production and add incremental production through its on-going capital expenditure program. Anterra did not conduct an active drilling program during the nine months ended September 30, 2012.
- Midstream revenue was negatively impacted by scheduled and unscheduled third party shut downs and road bans due to poor weather experiended in northern Alberta during the first and second quarters of 2012.

Outlook

For the rest of 2012, Anterra intends to 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.