

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 months ended March 31, 2013 and 2012 and should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company for the three month periods ended March 31, 2013 and 2012 and the audited condensed statements and Management's Discussion and Analysis for the year ended December 31, 2012. The interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), specially, IAS34, 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, 2012. 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 May 29, 2013.

Non-IFRS Measures

This MD&A contains the terms "funds flow from (used in) operations", "funds flow from (used in) operations per share" 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 loss 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 March 31,	
	2013	2012
	(\$)	(\$)
Net cash from operating activities	1,416,935	699,040
Changes in non-cash working capital	(1,103,177)	(238,580)
Funds from (used in) operations	313,758	460,460

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 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 2013; 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 first quarter of 2013, oil and gas revenue totalled \$1,796,950 on average daily sales volumes of 314 boe/d compared to \$1,598,346 and 248 boe/d a year ago. The 12% year-over-year revenue increase resulted from a 27% increase in sales volumes and was offset by a 11% decrease in sales prices. The higher production was primarily caused by a new well in Buck Lake and the Terrex's acquisition (10% increase from Terrex for the period of last two weeks in March). During the first quarter of 2013, the Company's realized sales price for light crude oil was \$84.31/bbl compared to \$89.58/bbl in 2012 and Anterra's product volume mix was 64% light crude oil.

Net income and comprehensive income for the three months ended March 31, 2013 was \$927,989 as compared to a net (loss) and comprehensive (loss) of (\$31,815) reported for the comparable period in 2012. The increase in income is attributable to a gain \$1,192,666 resulting from the business combination with Terrex Energy Inc. on March 14, 2013. The gain is the result of the estimated fair value of the assets acquired being in excess of the consideration given.

Revenue after royalties, production and operating cost for the first quarter of 2013 increased from that for the same period in 2012, however this increase was more than offset by an increase in general and administrative costs associated with the Terrex acquisition, and was the primary reason that funds from operations decreased to \$313,758 for the quarter from \$460,460 in 2012.

For the first quarter of 2013, the Company's oil and gas operating expenses totalled \$868,910 or \$30.37/boe compared to \$674,612 or \$29.85/boe in the same period last year, a 2% increase on a per barrel basis. The increase was due to higher minor workover expenses at Breton and Terrex's higher operating expenses (\$50.52/boe).

For the first quarter of 2013, midstream processing revenue totaled \$764,336 compared to \$690,858 a year ago. The 11% increase was primarily the result of an increase in processing revenue from the Suffield area. Midstream operating expenses during the quarter totaled \$265,617 compared to \$219,135 in the same period last year. The 21% increase was mainly caused by higher equipment maintenance costs at Breton and increased costs relating to the to Suffield area.

At March 31, 2013, the Company had drawn \$9,740,188 on its \$12 million credit facility and had a working capital deficit, including the credit facility, of \$11,639,857.

Financial and Operating Results

Production Revenue and Price

	Three Months Ended March 31,	
	2013	2012
Production		
Light crude oil (<i>bbls/d</i>)	200	178
Natural gas (<i>mcf/d</i>)	574	370
NGLs (<i>bbls/d</i>)	22	12
Total production (<i>boe/d</i>)	314	248
Total production (<i>boe</i>)	28,617	22,602
Revenue		
Light crude oil (\$)	1,516,193	1,434,005
Natural gas (\$)	178,352	80,910
NGLs (\$)	102,405	74,950
Gross revenue (\$)	1,796,950	1,598,346
Royalties (\$)	243,124	340,974
Operating expenses (\$)	868,910	674,612
Net operating revenue (\$)	684,916	582,760
Average Prices		
Light crude oil (\$/bbl)	84.31	89.58
Natural gas (\$/mcf)	3.45	2.69
NGLs (\$/bbl)	50.65	72
Total sales price (\$/boe)	62.79	70.72
Royalty costs (\$/boe)	8.50	15.09
Operating costs (\$/boe)	30.37	29.85
Operating netback (\$/boe)	23.92	25.78
Midstream Processing		
Revenue (\$)	764,336	690,858
Operating costs (\$)	265,617	219,135
Operating netback (\$)	498,719	471,724

For the first quarter of 2013, oil and gas revenue totalled \$1,796,950 on average daily sales volumes of 314 boe/d compared to \$1,598,346 and 248 boe/d a year ago. The 12% year-over-year revenue increase resulted from a 27% increase in sales volumes and offset by a 11% decrease in sales prices; the higher production was primarily caused by a new well in Buck Lake and the Terrex acquisition (10% increase from Terrex for the period of last two weeks in March). During the first quarter of 2013, the Company's realized sales price for light crude oil was \$84.31/bbl compared to \$89.58/bbl in 2012 and Anterra's product volume mix was 64% light crude oil.

For the first quarter of 2013, midstream processing revenue totaled \$764,336 compared to \$690,858 a year ago. The 11% increase was primarily the result of increased processing revenue from the by Suffield area. The Suffield area was shut in for the same period of last year.

Royalties

	Three Months Ended March 31,	
	2013	2012
	(\$)	(\$)
Crown royalties	65,787	111,296
Freehold royalties	177,337	229,678
Overriding royalties	-	-
Total royalties	243,124	340,974
Total royalties <i>(\$/boe)</i>	8.50	15.07
Percent of revenue (%)	14%	22%

Royalties for the first quarter of 2013 were \$243,124 or 14% of revenue versus \$340,974 or 22% of revenue for the same period in 2012.

Operating Expenses

	Three Months Ended March 31,	
	2013	2012
	(\$)	(\$)
Oil and gas operation	868,910	674,612
Midstream operation	265,617	219,135
Inter-company eliminations	(33,387)	(21,068)
Total operating expenses	1,101,140	872,679
Total operating expenses for oil and gas operation <i>(\$/boe)</i>	30.37	29.85

For the first quarter of 2013, the Company's oil and gas operating expenses totalled \$868,910 or \$30.37/boe compared to \$674,612 or \$29.85/boe in the same period last year, a 2% increase on a per barrel basis. The increase was due to additional minor workover expenses at Breton during the first quarter of 2013 and Terrex's higher operating expenses (\$50.52/boe).

Midstream operating expenses during the quarter totaled \$265,617 compared to \$219,135 in the same period last year. The 21% increase was mainly caused by higher equipment maintenance costs at the Breton and increased costs relating to the Suffield area.

Operating Netback

	Three Months Ended March 31,	
	2013	2012
	(\$/boe)	(\$/boe)
Gross revenue	62.79	70.72
Royalty expenses	8.50	15.09
Operating expenses	30.37	29.85
Operating netback	23.92	25.78

For the three months ended March 31, 2013, Anterra recorded an operating netback of \$23.92/boe versus \$25.78/boe a year ago. The year-over-year decrease was primarily driven by a decrease in revenue per barrel basis offset by lower royalties.

General and Administrative G A Expenses

	Three Months Ended March 31,	
	2013	2012
	(\$)	(\$)
Salaries and management consulting	203,632	260,118
Legal	184,507	25,787
Computer services and subscriptions	5,322	41,321
Accounting and audit fees	86,941	37,000
Travel and business entertainment	39,783	19,087
Terrex transaction fee	134,411	-
General office expenses	145,830	153,195
	800,426	536,508

For the quarter ended March 31, 2013, G&A expenses totaled \$800,246 compared to \$536,508 recorded during the same period of 2012. The 49% increase was primarily due to costs related to the Terrex acquisition which closed on March 14, 2013. Certain costs related to the acquisition are also included in legal and accounting fees. Total acquisition costs incurred in the first quarter 2013 were \$377,464.

Net Finance Expenses

	Three Months Ended March 31,	
	2013	2012
	(\$)	(\$)
Interest income on cash on deposit	(213)	(3,300)
Interest and line of credit fees	59,664	54,215
Accretion of decommissioning obligations	34,206	22,017
Total net finance expenses	103,657	79,532
Total net finance expenses <i>(\$/boe)</i>	3.63	3.52

During the three months ended March 31, 2013, interest income decreased due to lower cash balances on deposit as compared to 2012.

Interest on bank debt increased \$5,449 for the three-month ended March 31, 2013 due to increased borrowing under the Company's credit facilities.

For the three months ended March 31, 2013, accretion of decommissioning increased by \$98,914 due to the higher risk-free rate.

Depletion and Depreciation D D

	Three Months Ended March 31,	
	2013	2012
	(\$)	(\$)
D&D for oil and gas properties	576,988	376,606
D&D for midstream facilities and others	32,329	30,492
Total D&D	609,317	407,098
Total D&D for oil and gas properties <i>(\$/boe)</i>	21.29	18.02

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 based on the ratio of production of 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 March 31, 2013, D&D totalled \$576,988 or \$21.29/boe versus \$376,606 or \$18.02/boe for the same period of 2012. The D&D per boe increased due to reserve volume declines for proved plus probable reserves as per year end reserve report.

Share Based Compensation Expenses

A summary of the status of the Company's stock option plan as at December 31, 2012 and March 31, 2013 and changes during the period ending on those dates is presented below.

	Number of options	Weighted average exercise price \$
Outstanding at January 1, 2012	20,200,000	-
Forfeited/expired	(350,000)	0.10
Outstanding at December 31, 2012	19,850,000	0.14
Outstanding at March 31, 2013	19,850,000	0.14

The following table summarizes stock options outstanding and exercisable:

Options Outstanding					
Range of exercise prices	Number exercisable at December 31, 2012	Expiry date	Weighted average exercise price	Number exercisable at March 31, 2013	Weighted average remaining contractual life
\$0.10	9,900,000	July 13, 2015	\$0.10	9,900,000	2.25 years
\$0.255	4,500,000	March 26, 2016	\$0.255	4,500,000	2.95 years
\$0.10 - \$0.255	14,400,000		\$0.14	14,400,000	2.55 years

Stock based compensation with a cost of \$11,301 (2012 - \$55,324) was expensed during the first quarter of 2013.

Funds Flow from Operations and Net Income Loss

	Three Months Ended March 31,	
	2013	2012
	(\$)	(\$)
Net income (loss)	927,989	(31,815)
Non-cash charges:		
Depletion, Depreciation and amortization	609,317	407,098
Share-based payment expense	11,301	55,324
Deferred income taxes	(76,389)	7,836
Gain on business combination	(1,192,666)	-
Interest and financing charges	34,206	22,017
Funds flow from (used in) operations	313,758	460,460

During the first quarter of 2013, funds flow from operations totalled \$313,758 versus \$460,460 in the comparable period of 2012. The year-over-year decrease was due to higher operating and general and administrative costs offset by higher revenue net of royalties.

Capital Expenditures

	Three Months Ended March 31,	
	2013	2012
	(\$)	(\$)
Land dispositions	(50,000)	424
Geological and geophysical	12,610	63,108
Drilling and completions	100,766	272,765
Total capital expenditures	63,376	336,297
Capital expenditures are composed of:		
PP&E	96,989	329,934
Exploration and evaluation assets	(33,613)	6,363
	63,376	336,297

The Company sold to an arm's length party a 100% interest in lands in the Buck Lake area for \$50,000 during the first quarter of 2013.

The Company spent \$63,376 on capital expenditures during the first quarter of 2013, including \$96,989 (2012- \$336,297) on property, plant and equipment and recovered \$33,613 (2012 - \$6,363) of costs relating to exploration and evaluation assets.

Business Combination

On March 14, 2013, the Company purchased 100% of the issued and outstanding shares of Terrex Energy Inc. ("Terrex"), a public junior oil and gas company, for total a consideration of \$2,067,885 in exchange for 31,813,614 Class A common shares of Anterra and 1,581,050 share purchase warrants. The warrants expire as to 967,050 warrants on August 21, 2013 and 614,000 warrants on July 15, 2015 and have an exercise price of \$1.00 and \$0.60 respectively. Each warrant entitles the holder to purchase one common share of the company. No value has been attributed to the warrants.

The purpose of the acquisition was to increase the Company's presence and size in the Western Canadian Sedimentary Basin, provide the Company with additional development opportunities and operating synergies. The value of common shares issued as consideration was determined in reference to the share price of a material private placement of Class A common shares which closed on April 5, 2013. The purchase was accounted for as a business combination using the acquisition method of accounting under IFRS 3.

Estimated fair value of the net assets of Terrex:	Total
Petroleum and natural gas properties	\$ 15,231,918
Deferred income tax asset	1,079,942
Net working capital	(493,153)
Inter-company payable	(7,755,830)
Decommissioning liability	(4,996,797)
Bargain purchase gain	(998,195)
Total net assets acquired	\$ 2,067,885
Consideration	Total
Class A common shares (31,813,614 shares at \$0.065 per shares)	\$ 2,067,885

The recognized amount of identifiable assets and liabilities assumed are best estimates by Anterra's management. The fair value assigned to petroleum and natural gas properties is based upon evaluations prepared by independent reserve evaluators. The value assigned to the deferred income tax asset is based upon accumulated non-capital losses and is limited to the deferred income tax liability previously recognized by the Company. The fair value of petroleum and natural gas properties and the deferred income tax asset gave rise to the gain on purchase.

Immediately prior to and in connection with the acquisition, Terrex and Anterra entered into a settlement agreement (the "Agreement") with Sandstorm Metals and Energy Ltd. and 0905896 BC Ltd. (collectively, "Sandstorm"). Pursuant to the Agreement, the obligations of Terrex, under a hydro carbon purchase agreement dated March 18, 2011 were terminated in exchange for \$3 million cash, funded by Anterra, the delivery of certain equipment from Terrex having a value of \$3 million, and the issuance by Anterra of a \$4 million principal amount, 6%, 5 year secured convertible debenture (note 11), the issuance of 3 million Anterra Shares, and the issuance of 20,801,303 Terrex Shares which were exchanged for approximately 6.4 million Anterra shares. The inter-company payable amount reflects amounts advanced by Anterra to Terrex to facilitate the Agreement.

Costs related to the acquisition totaled \$ 595,813 and were expensed in the statement of income (loss) and comprehensive income (loss) as incurred. During the period from March 15, 2013 to March 31, 2013, the acquisition attributed revenues of \$149,674 net of royalties, and a net loss of \$46,812 for the period, which is included in the statement of income (loss) and comprehensive income (loss). If the business combination, as described above, had occurred on January 1, 2013, management estimates that the Company's revenue, net of royalties, would have increased by \$872,798 and income and comprehensive income would have decreased by \$420,723. This pro forma information is not necessarily indicative of results had the acquisition occurred on January 1, 2013.

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 \$690,104. 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.

In connection with the acquisition of Terrex, the Company and Terrex entered into a settlement agreement with Sandstorm Metals and Energy Ltd. ("Sandstorm"). On March 14, 2013, as part of this settlement, the Company issued a five year, 6% convertible redeemable debenture in the principal amount of \$4,000,000 to Sandstorm.

The Company does not have any contractual obligations other than its office lease. The Company has entered a new lease arrangement for five years commencing January 1, 2013. The new lease amount of \$1,053,987 will be expended equally over the 57 months.

As at March 31, 2013, the Company had a working capital deficit of \$11,639,857 including \$9,740,188 drawn on the Company's credit facility. compared to a working capital deficit of \$7,929,584, including \$5,748,169 drawn on the credit facility, at December 31, 2012.

Anterra has a credit facility agreement with a Canadian chartered bank that, at March 31, 2013, 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 March 31, 2013 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, 2012. At March 31, 2013, prior to receipt of the proceeds from the private share issuance on April 5, 2013, the Company was not in compliance with this covenant. The bank waived this covenant during the interim period.

Subsequent to March 31, 2013, the Company issued 107,692,308 common shares by way of a private placement for net proceeds of \$6,650,000, net of associated costs. Proceeds from the issue were used to reduce the amount drawn on the credit facility.

Management is of the opinion that expected funds flow from operations together until its utilized credit facilities will provide sufficient optional resources to fund planned activities for 2013.

Sources and Uses of Cash

As at March 31, 2013 and 2012, cash remains to \$Nil.

	Three Months Ended March 31,	
	2013	2012
	(\$)	(\$)
Cash – beginning of period	--	--
Funds flow from operations	313,758	460,460
Change in non-cash working capital	(829,439)	(91,516)
Proceeds from Terrex acquisition	54,539	--
Advances on bank loan	3,992,019	(32,647)
Cash used to settle Sandstorm	(3,467,502)	--
Capital expenditures		
PP&E	(96,988)	(329,934)
Exploration and evaluation	33,613	(6,363)
Cash – end of period	--	--

Share Capital

As at March 31, 2013, Anterra had 283,118,206 common shares, 19,850,000 stock options and 1,581,050 warrants outstanding as well as a secured convertible debenture in the principal amount of \$4,000,000. On March 14, 2013, the Company purchased 100% of the issued and outstanding shares of Terrex Energy Inc. ("Terrex"), a public junior oil and gas company, for total consideration of \$2,067,885 in exchange for 31,813,614 Class A common shares of Anterra and 1,581,050 share purchase warrants. The warrants expire as to 967,050 warrants on August 21, 2013 and 614,000 warrants on July 15, 2015 and have an exercise price of \$1.00 and \$0.60 respectively. Each warrant entitles the holder to purchase one common share of the company.

A total of 19,850,000 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 45 months.

As at May 29, 2013, Anterra has outstanding 390,810,514 Class A common shares, 19,850,000 stock options, warrants to acquire 1,581,050 Class A common shares with exercise prices between \$0.603 and \$1.001 per share.

Related Party Transactions

During the quarter ended March 31, 2013, the Company entered into transactions with related parties set out below:

- (a) During the three months ended March 31, 2013, an accounting firm, of which an officer is a shareholder, charged the Company \$11,340 (2012 - \$1,700) for accounting services of which \$4,410 is payable as at March 31, 2013.
- (b) During the three months ended March 31, 2013, a consulting company, of which an officer is related to, charged the Company \$19,290 (2012 - \$19,290) for consulting services of which \$6,430 is payable as at March 31, 2013.

All related party transactions are in the normal course of operations and have been measured at the value 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.

Subsequent Events

- On April 5, 2013, the Company issued 107,692,308 Class A common shares to LandOcean Energy Services Co., Ltd. ("LandOcean"), for gross proceeds of \$7 million. The share price was \$0.065 per share.
- On May 6, 2013, the Company's lender increased the credit facilities for Anterra. The revolving operating demand loan has been increased from \$12 million to \$15 million and the non-revolving acquisition/demand loan has been increased from \$3 million to \$ 5 million.

Risk Factors

The Company is exposed to market risks and operational risks. For a detailed discussion of these risks, readers should refer to the Risk Factors of the Company's Management Discussion and Analysis for the year ended December 31, 2012, available at www.sedar.com.

Off-balance Sheet Arrangements

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 March 31, 2013.

Changes in Accounting Policy

As of January 1, 2013, the Company adopted the following IFRS standards and amendments:

IFRS 10 Consolidated Financial Statements. IFRS 10 revises the definition of control and introduces a single consolidation model for all entities based on control. Under IFRS, control is determined where an investor has power over an investee; exposure or rights to variable returns from its involvement with the investee; and the ability to exercise its power to affect the amount of returns. The adoption of this standard does not have any impact on the Company's consolidated financial statements.

IFRS 11, Joint Arrangements. IFRS 11 defines joint operations and joint ventures and requires the joint operations be proportionately consolidated and joint ventures be equity accounted. The adoption of this standard does not have any impact on the Company's consolidated financial statements.

IFRS 12, Disclosure of Interests in Other Entities. IFRS 12 sets out extensive disclosure requirements relating to interests in subsidiaries, joint arrangements, associates, and unconsolidated structured entities. The adoption of this standard does not have any impact on the Company's consolidated financial statements.

IFRS 13, Fair Value Measurement. IFRS 13 provides a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The adoption of this standard does not have any impact on the Company's consolidated financial statements. The Company's financial statements as at and for the periods ended March 31, 2013 and 2012 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.

Supplemental Quarterly Information

Three Months Ended	March. 31, 2013	Dec. 31, 2012 ⁽³⁾	Sep. 30, 2012 ⁽³⁾	Jun 30, 2012 ⁽³⁾
	(\$)	(\$)	(\$)	(\$)
Gross revenue	2,527,899	1,710,464	1,837,779	1,977,603
Net income (loss)	927,989	(431,846)	(46,189)	(308,663)
Per share – basic	0.004	(0.002)	(0.000)	(0.002)
Per share – diluted	0.004	(0.002)	(0.000)	(0.002)
Funds flow from operations ⁽¹⁾	313,758	(248,913)	366,599	149,269
Per share – basic	0.001	(0.001)	(0.002)	(0.001)
Per share – diluted	0.001	(0.001)	(0.002)	(0.001)
Capital expenditures	63,376	1,852,792	1,465,889	667,160
Total assets	57,568,625	43,396,609	38,694,424	38,296,699
Working capital (deficiency)	(11,639,857)	(7,929,584)	(5,827,840)	(4,728,550)
Shareholders' equity	28,349,392	24,648,814	24,914,457	25,030,046
Production				
Light crude oil (bbls/d)	200	132	133	175
NGLs (bbls/d)	22	8	10	13
Natural gas (mcf/d)	574	317	338	378
Total (boe/d)	314	197	199	250
Total (boe)	28,617	18,168	17,907	22,767

Three Months Ended	Mar. 31, 2012	Dec. 31, 2011	Sep. 30, 2011	Jun 30, 2011
Gross revenue	2,289,204	3,021,111	3,278,175	2,683,083
Net income (loss)	(31,815)	185,412	323,847	313,297
Per share – basic	0.000	(0.001)	0.001	0.002
Per share – diluted	0.000	(0.001)	0.001	0.002
Cash flow from operations	460,460	979,828	949,421	915,898
Per share – basic	0.002	0.004	0.004	0.004
Per share – diluted	0.002	0.004	0.004	0.004
Capital expenditures	336,297	32,871	2,726,527	1,510,064
Total assets	37,799,544	38,140,026	37,588,396	35,461,172
Working capital (deficiency)	(4,210,658)	(4,334,821)	(5,124,259)	(3,472,723)
Shareholders' equity	25,326,610	25,303,101	25,852,973	25,053,565
Production				
Light crude oil (bbls/d)	178	228	265	240
NGLs (bbls/d)	12	20	16	32
Natural gas (mcf/d)	370	383	459	287
Total (boe/d)	248	312	358	321
Total (boe)	22,602	28,749	32,967	29,171

(1) Funds flow from operations and funds flow from operations per share are not recognized measures under International Financial Reporting Standards. Refer to the Non-IFRS measures 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, 2012 and 2011.

(3) Some amounts were restated for the corrections discussed in the Company's Management Discussion and Analysis for the year ended December 31, 2012, available at sedar.com.

Factors That Have Caused Variations over the Quarters

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

- Based on the quarterly information above, Anterra's 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. The revenue increase in 2013 Q1 is mainly contributed by the new well drilled and on production on December 28, 2012.
- Midstream revenue was negatively impacted by scheduled and unscheduled third party shut downs and road bans due to poor weather experienced in northern Alberta.
- Anterra's petroleum and natural gas sales fluctuate from quarter-to-quarter as a result of changes in commodity prices and production volumes.
- The Company's total assets have increased over the past eight quarters presented above as a result of Anterra's successful exploration and development programs, property and corporate acquisitions.

Outlook

With the acquisition of Terrex during the first quarter of 2013, Anterra added two new development areas, Strathmore and Two Creek. These areas are in addition to the Company's Cardium project at Buck Lake and its Belly River development property at Bretton. Each of these four properties presents the Company with differing and unique opportunities and potential. As a result, Anterra is currently preparing a comprehensive corporate development plan based upon a thorough technical and economic review and evaluation of each of these focus properties and other potential acquisition opportunities.

The Company is working closely with LandOcean Energy Services Co., Ltd. ("LandOcean") in conducting the property evaluations and in preparing a comprehensive development plan. LandOcean is a Beijing headquartered, international service corporation that provides geological, geophysical, reservoir and other technical services to the oil and gas industry worldwide. On April 5, 2013, LandOcean completed an equity investment in Anterra in the amount of \$7 million. Anterra intends to enter into a longer term technical support arrangement with LandOcean. The Company expects to complete its property reviews and development plan during the third quarter of 2013.

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.