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, 2013 and 2012 and should be read in conjunction with the unaudited interim financial statements of the Company for the three and nine months periods ended September 30, 2013 and 2012 and the audited financial statements and Management Discussion and Analysis for the year ended December 31, 2012. The interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), specifically, IAS 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, 2012. All figures provided herein and in the interim condensed consolidated financial statements are reported in Canadian dollars. This commentary is based on the information available as at, and is dated November 26, 2013.

Non-IFRS Measures

This MD&A contains the terms "funds from operations", "funds from operations per share" and "netback". Funds flow from (used in) operations, funds from 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 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. Funds from operations is 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 from 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 from operations to cash 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,	
	2013	2012	**2013**	2012
	($)	($)	**($)**	($)
Cash flow from (used in) operating activities	**(1,315,967)**	844,223	**(1,957,287)**	1,332,954
Changes in non-cash working capital	**(1,542,656)**	477,625	**(2,099,878)**	356,628
Funds flow from operations	**226,689**	366,598	**142,591**	976,326

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, cash from anticipated equity issues 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

Performance Summary

Results for the three and nine months ended September 30, 2013 include the operations of Terrex Energy Inc. ("Terrex"), which was acquired on March 14, 2013. The inclusion of Terrex operating results is the major contributor to a 108% increase in sales volumes and a 148% increase in revenue over the third quarter of 2012. Third quarter 2013 oil and gas revenue totaled $2,761,782 on average daily sales volumes of 406 boe/d as compared to oil and gas revenue of $1,118,218 on average sales volumes of 199 boe/d a year ago. On a quarter over quarter basis, Q3 2013 production was relatively consistent with Q2 2013 production of 427 boe/d. Revenue for Q3 2013 increased approximately 10% over that of Q2 2013 as a result of higher realized oil prices.

Oil and gas operating expenses during the third quarter of 2013 also increased significantly over 2012 as a result of the Terrex acquisition. Q3 2013 operating costs totaled $1,566,638 or $41.97/boe compared to $588,044 or $32.84/boe in the same period last year. The per barrel increase is primarily due to higher overall operating costs associated with the Terrex properties. As compared to Q2 2013, Q3 2013 operating costs, on a boe basis, decreased by 9.4% as a result of reduced remediation work at Strathmore and Two Creek in Q3 as compared to Q2. For the nine months ended September 30, 2013, operating expense totaled $4,235,949 or $40.18/boe compared to $1,977,189 or $31.25/boe in 2012.

Royalties for the third quarter of 2013 totaled $539,162 or 20% of revenue versus $154,780 or 14% of revenue for the same period in 2012. For the nine months ended September 30, 2013, royalty expense was $1,153,829 or 16% of revenue versus $752,263 or 20% of revenue for the same period in 2012. The increase in overall royalty expense was due to higher production compared to the same period in last year.

For the third quarter 2013 midstream processing revenue increased to $766,095 as compared to $719,561 a year ago. For the nine months ended September 30, 2013, revenue increased by 9% from $2,006,399 to $2,189,194 primarily as the result of increased processing revenue from Suffield. Midstream operating expenses for three and nine months ended September 30, 2013 increased over the comparable periods in 2012 mainly as a result of higher salaries and increased maintenance costs. Midstream operating expenses totaled $359,490 for the third quarter of 2013 and $921,366 for the nine months ended September 30, 2013 as compared to $242,704 and $732,698 respectively for the comparable periods in 2012.

The Company reported losses of $584,159 and $818,613 respectively for the three and nine months ended September 30, 2013 as compared to losses of $46,189 and $386,667 for the comparable periods in 2012. Increased revenues in 2013, and a business combination gain of $1,192,666, recognized on the Terrex acquisition, were more than offset by increased expenses. Higher than normal general and administrative and operating expenses, particularly during the second quarter, were largely the result of one time costs associated with the Terrex acquisition, general and administrative and operating costs for the third quarter of 2013 decreased $421,967 from those in the second quarter of 2013.

Funds from operations for the three and nine months ended September 30, 2013 were $226,689 and $366,598 respectively compared to funds from operations of $149,269 and $976,326 for the comparable periods in 2012. Funds from operations for Q3 2013 increased $624,546 from negative funds flow of ($397,857) in the second quarter. Funds from operations reflect the impact of changes in expenses as noted above.

At September 30, 2013, the Company had drawn down $1,682,953 on its $15 million revolving credit facility, and had a working capital deficit of $958,148 including a negative bank balance of $1,682,953 as compared to $5,748,169 drawn on the $12 million revolving credit facility and a working capital deficit of $7,929,584 at December 31, 2012.

Financial and Operating Results

Production, Revenue and Price

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	**2013**	2012
Production				
Light crude oil (bbls/d)	**283**	133	**260**	162
Natural gas (mcf/d)	**652**	338	**639**	362
NGLs (bbls/d)	**14**	10	**17**	11
Total production (boe/d)	**406**	199	**384**	233
Total production (boe)	**37,327**	17,907	**104,797**	63,276
Revenue				
Light crude oil ($)	**2,469,024**	994,222	**6,147,499**	3,680,272
Natural gas ($)	**211,956**	78,466	**648,826**	238,161
NGLs ($)	**80,802**	45,530	**270,755**	179,754
Gross revenue ($)	**2,761,782**	1,118,218	**7,067,080**	4,098,187
Royalties ($)	**539,162**	154,780	**1,153,829**	752,263
Operating expenses ($)	**1,566,638**	588,044	**4,235,949**	1,977,189
Net operating revenue ($)	**655,982**	375,394	**1,677,302**	1,368,735
Average Prices				
Light crude oil ($/bbl)	**94.83**	83.06	**86.61**	83.83
Natural gas ($/mcf)	**3.53**	2.58	**3.72**	2.43
NGLs ($/bbl)	**62.73**	50.59	**58.34**	60.30
Total sales price ($/boe)	**73.99**	62.45	**67.44**	64.77
Royalty costs ($/boe)	**14.44**	8.64	**11.01**	11.89
Operating costs ($/boe)	**41.97**	32.84	**40.42**	31.25
Operating netback ($/boe)	**17.57**	20.96	**16.01**	21.63
Midstream Processing				
Revenue ($)	**766,095**	719,561	**2,189,194**	2,006,399
Operating costs ($)	**359,490**	242,704	**921,366**	732,698
Operating netback ($)	**406,605**	476,857	**1,267,828**	1,276,668

Oil and gas revenue for the third quarter of 2013 totaled $2,761,782 on average daily sales volumes of 406 boe/d compared to revenue of $1,118,218 and sales volumes of 199 boe/d a year ago. The increase in sales volumes was primarily the result of production from the Terrex properties.

Revenue for the three months ended September 30, 2013 increased 148% due to a 108% increase in sales volumes and higher realized oil and gas prices. For the nine months ended September 30, 2013, revenue increased 72% due to a 66% increase in sales volumes and a 4% increase in oil and gas prices.

Anterra's product volume mix was 70% and 68% crude oil respectively, for the three and nine months ended September 30, 2013 as compared to 67% and 70% for the comparable periods in 2012.

For the third quarter of 2013, midstream processing revenue totaled $766,095 compared to $719,561 a year ago. For the nine months ended September 30, 2013, revenue increased by 9% from $2,006,399 to $2,189,194. The increase is primarily the result of increased processing revenue from the Suffield area which was shut-in during 2012.

Royalties

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	**2013**	2012
	($)	($)	**($)**	($)
Crown royalties	296,767	74,272	583,021	278,705
Freehold royalties	242,395	74,318	563,874	456,355
Overriding royalties	-	6,190	6,934	17,203
Total royalties	539,162	154,780	1,153,829	752,263
Total royalties ($/boe)	14.44	8.64	11.01	11.89
Percent of revenue (%)	20%	14%	16%	20%

For the third quarter of 2013, the Company recorded total royalties of $539,162 or 20% of revenue versus $154,780 or 14% of revenue for the same period in 2012. The increase in 2013 royalties resulted from higher production compared to 2012 together with a freehold royalty adjustment of approximately $85,000 relating to prior periods recorded during the third quarter of 2013. Excluding the adjustment, the third quarter royalty rate for 2013 was 16.5% of production revenue.

Operating Expenses

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	**2013**	2012
	($)	**($)**	**($)**	**($)**
Oil and gas operation	1,566,638	588,044	4,235,949	1,977,189
Midstream operation	359,490	242,704	921,366	732,698
Inter-company eliminations	(18,796)	(19,692)	(79,782)	(57,999)
Total operating expenses	1,907,332	830,748	5,077,533	2,651,888
Total operating expenses for oil and gas operations ($/boe)	41.97	32.84	40.42	31.25

The increase in 2013 operating expenses as compared to 2012 expenses is primarily due to the inclusion of Terrex activities. The increase on a barrel of production basis is largely the result of higher overall operating costs associated with Terrex properties. Additionally, $469,816 of onetime costs were incurred during Q2 2013 to reactivate and restore production from existing wells at Two Creek resulting in crude oil production from Two Creek increasing from an average of 82 bbls/d in March of 2013 to an average of 210 bbls/d in September. On a barrel of oil basis, Q3 2013 operating costs, decreased by 9.4% from Q2 2013 as a result of reduced remediation work.

For the third quarter of 2013 midstream operating expenses totaled $359,490 compared to $242,704 in the same period last year. The 48% increase was mainly the result of higher salaries and extensive maintenance expenses during the third quarter of 2013.

Operating Netback

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	**2013**	2012
	($)	($)	**($)**	($)
Gross revenue	73.98	62.45	67.44	64.77
Royalty expenses	14.44	8.64	11.01	11.89
Operating expenses	41.97	32.84	40.42	31.25
Operating netback	17.57	20.96	16.01	21.63

For the three months and nine months ended September 30, 2013, Anterra realized lower netbacks as compared to comparable periods in 2012 due primarily to higher royalty and operating expenses, as previously discussed, which more than offset higher 2013 oil and gas prices.

General and Administrative ("G&A") Expenses

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	**2013**	2012
	($)	($)	**($)**	($)
Salaries and management consulting	219,958	210,304	775,974	705,595
Legal	102,655	21,697	379,513	77,033
Computer services and subscriptions	78,702	27,321	121,001	97,905
Accounting and audit fees	23,836	28,876	197,175	100,109
Travel and business entertainment	101,598	31,519	236,525	140,979
Terrex acquisition costs	-	-	234,116	-
General office expenses	189,016	96,858	547,890	375,555
Total G&A Expenses	715,765	416,575	2,492,194	1,497,176
Total, $/boe	19.18	23.26	23.78	23.66

G&A costs for the three and nine months ended September 30, 2013 increased significantly over the comparable periods in 2012 and reflects the overall increase in the activities of the Company during 2013. Specifically, increased legal, audit and accounting costs accounted for 37% of the overall $995,018 increase in 2013 G&A expenses over 2012. The increase in professional fees reflects the costs associated with acquisitions and equity financings, including associated regulatory reporting requirements, undertaken during 2013.

On a $/boe of production basis G&A costs have remained relatively consistent as a result of the increase in production volumes resulting from the Terrex acquisition. Quarter over quarter, Q3 2013 G&A costs decreased $260,238 from $976,003 in Q2 2013 to $715,765 in Q3 2013.

Net Finance Expenses

	For the three months ended September 30,		For the nine months ended September 30,	
	2013	2012	**2013**	2012
	$	$	**$**	$
Interest income on cash on deposit	**(146)**	(3,193)	**(576)**	(5,529)
Interest and line of credit fees	**60,279**	71,308	**180,922**	174,463
Interest of debenture	**60,000**		**130,000**	-
Accretion of debenture	**30,326**	-	**65,707**	-
Accretion of decommissioning obligations	**64,114**	19,634	**146,822**	64,640
Net finance expenses	**214,573**	88,711	**522,875**	233,574
Total net finance expenses *($/boe)*	**5.75**	4.95	**4.99**	3.69

During the three months ended September 30, 2013, interest income decreased due to lower cash balances on deposit compared to 2012.

Overall finance expenses in 2013 have increased over 2012 primarily as a result of the debenture issued on the acquisition of Terrex.

Depletion, Depreciation and Amortization ("DD&A")

	For the three months ended September 30,		For the nine months ended September 30,	
	2013	2012	**2013**	2012
	$	$	**$**	$
DD&A of property, plant & equipment	661,590	338,469	1,874,075	1,196,866
DD&A of midstream facilities and others	45,783	30,242	116,549	90,191
Total DD&A	707,373	368,711	1,990,624	1,287,057
Total DD&A of property, plant & equipment *($/boe)*	17.72	18.90	17.88	20.34

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

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 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, 2012 and September 30, 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 September 30, 2013	19,850,000	0.14

The following table summarizes stock options outstanding and exercisable:

Options Outstanding

Range of exercise prices	Number outstanding at September 30, 2013	Expiry date	Weighted average exercise price	Number exercisable at September 30, 2013	Weighted average remaining contractual life
$0.10	9,900,000	2015-7-13	$0.10	9,900,000	1.75 years
$0.255	4,500,000	2016-3-26	$0.255	4,500,000	2.45 years
$0.10 - $0.255	14,400,000		$0.14	14,400,000	2.05 years

Stock based compensation cost of $9,035 (2012 - $27,105) was expensed during the third quarter of 2013.

Funds Flow from Operations and Net Income (Loss)

	For the three months ended September 30,		For the nine months ended September 30,	
	2013	2012	**2013**	2012
	($)	($)	**($)**	($)
Net income (loss)	**(584,159)**	(46,189)	**(818,613)**	(386,667)
Non-cash charges:				
Depletion, Depreciation and amortization	**707,373**	368,711	**1,990,624**	1,287,057
Share-based payment expense	**9,035**	37,716	**27,105**	105,139
Deferred income taxes	**-**	(13,273)	**(76,389)**	(93,843)
Gain on business combination	**-**	-	**(1,192,666)**	-
Interest and financing charges	**94,440**	19,635	**212,529**	64,640
Funds flow from (used in) operations	**226,689**	366,598	**142,591**	976,326

For the three and nine months ended September 30, 2013, funds flow from operations totaled $226,689 and $ 142,590 respectively versus $366,000 and $976,326 respectively in the comparable period of 2012. The year-over-year decrease was due to high operating and general and administrative costs offset by higher revenues net of royalties. Funds from operations for Q3 2013 increased $624,546 from negative funds flow of ($397,857) in the second quarter as a result of reduced quarter over quarter operating and G& A costs.

Capital Expenditures

	For the three months ended at September 30,		For the nine months ended at September 30,	
	2013	2012	**2013**	2012
	($)	**($)**	**($)**	**($)**
Land acquisitions (dispositions)	**-**	29,943	**(204,000)**	37,570
Geological and geophysical	**123,664**	107,408	**803,174**	169,708
Midstream Facility	**1,024,247**	-	**1,277,901**	120,630
Equipment, completions and other	**249,593**	1,328,536	**572,843**	2,141,437
Total capital expenditures	**1,397,504**	1,465,887	**2,449,918**	2,469,345
Capital expenditures are comprised of:				
PP&E	**1,397,504**	1,436,368	**2,475,865**	2,432,198
Exploration and evaluation assets	**-**	29,519	**(25,947)**	37,147
	1,397,504	1,465,887	**2,449,918**	2,469,345

For the three months ended September 30, 2013, net capital expenditures totaled $1,397,504 the principal component of which were related to the Breton midstream terminal expansion. These costs will increase Breton midstream processing capacity by approximately 50%. For the nine months ended September 30, 2013, geological and geophysical expenditures related primarily to the integrated reservoir studies and exploitation evaluations of existing properties being undertaken by LandOcean Energy Services Co., Ltd.

Dispositions relate to the sale of lands in the Buck Lake area for $50,000 and at Brenton for $154,000 to arms length parties.

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 a 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 expired 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	1,274,413
Net working capital	(493,153)
Inter-company payable	(7,755,830)
Decommissioning liability	(4,996,797)
Bargain purchase gain	(1,192,666)
Total net assets acquired	$ 2,067,885

Consideration	Total
Class A common shares (31,813,614 shares at $0.065 per share)	$ 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 hydrocarbon 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, the issuance by Anterra of a $4 million principal amount, 6%, 5 year secured convertible debenture, the issuance of 3 million Anterra Class A 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.

Liquidity and Capital Resources

The Company's liquid assets are comprised of cash and accounts receivable from midstream processing, the sale of petroleum products and joint venture billings to industry partners. Anterra has made an assessment of accounts receivable and has provided a reasonable allowance for amounts that it believes may not be collected. The balances of receivable amounts are due from industry partners and the Company believes there is minimal exposure to loss.

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 through future acquisitions, exploration and development 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.

As at September 30, 2013, the Company had a working capital deficit of $958,148 including $1,682,953 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.

At September 30, 2013 the Company had approved credit facilities with a Canadian chartered bank totaling $22 million comprised of a $15 million revolving operating demand loan facility and a $7 million non-revolving acquisition/development demand loan facility. The facilities are payable on demand. The operating facility bears interest at the bank's prime rate plus 0.75% with an effective rate at September 30, 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. At September 30, 2013, $1,682,953 had been drawn on the revolving loan facility and no amount was drawn on the non-revolving facility.

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 and September 30, 2013. The facilities are currently under review and the Company expects the facilities will be renewed under similar existing terms.

During the nine months ended September 30, 2013 the Company has issued, by way of private placements, 213,752,914 Class A common shares for proceeds of $13.2 million net of associated issue costs. Proceeds from the issues were used to reduce the amount drawn on the Company's credit facility. Additionally, on August 13, 2013 the Company executed a letter of intent for the issuance of an additional 104,477,612 Class A shares for gross proceeds of $7 million pursuant to a private placement. The definitive agreement for the subscription has been executed and completion of the private placement is conditional on receipt of regulatory approvals.

Management is of the opinion that expected funds flow from operations funds available under the Company's credit facilities, together with equity issues as disclosed above, will provide sufficient resources to fund planned activities for 2013.

Sources and Uses of Cash

As at September 30, 2013 and 2012, cash remains at $Nil.

	For the three months ended at September 30,		For the nine months ended at September 30,	
	2013	2012	**2013**	2012
	($)	**($)**	**($)**	**($)**
Cash – beginning of period	**--**	**--**	**--**	**--**
Funds flow from operations	226,689	366,598	142,591	976,326
Change in non-cash working capital	(837,693)	887,186	(3,453,912)	696,011
Proceeds from Terrex	--	--	54,539	--
Issue of common shares, net of issue costs	6,619,668	--	13,239,418	--
Advances on bank loan	(4,611,160)	212,103	(4,065,216)	797,008
Cash used to settle Sandstorm	--	--	(3,467,502)	--
Capital expenditures				
PP&E	(1,397,504)	(1,436,368)	(2,475,865)	(2,432,198)
Exploration and evaluation	--	(29,519)	25,947	(37,147)
Cash – end of period	**--**	**--**	**--**	**--**

Share Capital

As at September 30, 2013, 496,871,120 Class A common shares were issued and outstanding, 19,850,000 options were outstanding under the Company's stock option plan, and 4,000,000 share purchase warrants for the acquisition of 2,614,000 Class A shares were outstanding.

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 a total consideration of $2,067,885 in exchange for 31,813,614 Class A common shares of Anterra and warrants to acquire 1,581,050 Class A common shares. Warrants to acquire 967,050 Class A shares at a price of $1.00 per share expired on August 21, 2013 and warrants to acquire 614,000 Class A shares at a price of $0.60 per share expire on July 15, 2015.

As at September 30, 2013, 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 2.05 years.

On April 5, 2013, pursuant to a private placement, the Company issued 107,692,308 Class A common shares, at a price of $0.065 per share, to LandOcean Resource Investment Canada Co. Ltd. for gross proceeds of $7 million. The company paid a cash fee of $350,000 and issued 1,000,000 common share purchase warrants relating to the private placement. Each warrant entitles the holder to acquire one Class A common share at a price of $0.10 per share and will expire on April 4, 2015.

On August 26, 2013, pursuant to a private placement, the Company issued 106,060,606 Class A common shares at a price of $0.066 per share, to Huisheng Group Co. Ltd. ("Huisheng") for gross proceeds of $7 million. The Company paid a cash fee of $350,000 and issued 1,000,000 common share purchase warrants relating to the private placement. Each warrant entitles the holder to acquire one Class A common share at a price of $0.10 per share and will expire on August 21, 2015.

As at November 26, 2013, Anterra has outstanding 496,871,120 Class A common shares, 19,850,000 stock options, and 4,000,000 warrants to acquire 2,614,000 Class A common shares.

Related Party Transactions

The Company has entered into the following transactions with related parties:

- LandOcean Energy Services Co ., Ltd. ("LandOcean Services") currently holds approximately 21.7% of the issued and outstanding Class A common shares of Anterra through its subsidiary, LandOcean Resource Investment Canada Co., Ltd. On April 8, 2013 the Company entered into an agreement with LandOcean Services whereby LandOcean Services will provide Anterra with long-term technical consulting services including integrated reservoir studies, exploitation evaluations, and production planning for existing properties and acquisition projects through to the end of 2014.

  Pursuant to the agreement, LandOcean Services will earn total compensation of $1,949,600 for technical services through to the end of 2014 of which $584,880 was paid during the three months ended September 30, 2013. The Company charges technical costs incurred under the agreement to petroleum and natural gas properties. Additionally, under the agreement, $50,000 for travel, communication and management costs, under the terms of the agreement, were paid and expensed during the period. No amounts relating to the agreement are payable at September 30, 2013.

- During the three and nine months ended September 30, 2013 an accounting firm, of which a former officer is a shareholder, charged the Company $11,340 and $40,950 respectively (2012 - $3,375 and $5,075) for accounting services. No amounts remain payable at September 30, 2013 relating to the foregoing.

- During the three and nine months ended September 30, 2013, a consulting company, to which an officer is related, charged the Company $19,500 and $74,690 respectively (2012 - $19,290 and $57,870) for consulting services. An amount $6,430, relating to the above, remains payable at September 30, 2013.

- During the quarter ended September 30, 2013, the Company made a payment in the amount of $84,473 to a corporation, the shareholder of which is a shareholder of Alliance Success Holdings Limited which holds approximately 39% of the issued and outstanding shares of the Company. The payment related to consulting services provided in conjunction with Anterra's OTCQX listing, including reimbursement of expenses.

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.

Subsequent Events

On November 26, 2013, the Company entered into a Purchase and Sale Agreement with an arm's length party for the acquisition of producing oil and natural gas properties in the Nipisi area of north central Alberta for a cash consideration of $12.1 million prior to closing adjustments. The acquisition is comprised of an approximate 88% working interest in 5,920 gross developed acres of land, including infrastructure and 17 oil wells producing approximately 400 boe/d net to the Company. The acquisition is effective as of August 1, 2013 and is expected to close on or before mid-December.

Off-balance Sheet Arrangements

The Company has not entered into any material off-balance sheet arrangements.

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, 2012 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, 2012 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, 2012.

Supplemental Quarterly Information

Three months ended	**Sep. 30, 2013**	Jun. 30, 2013	Mar. 31, 2013	Dec. 31, 2012
	($)	*($)*	*($)*	*($)*
Gross revenue	**3,509,081**	3,139,512	2,527,899	1,710,464
Net income (loss)	**(584,159)**	(1,162,443)	927,989	(431,846)
Per share – basic	**(0.001)**	(0.003)	0.004	(0.002)
Per share – diluted	**(0.001)**	(0.003)	0.004	(0.002)
Funds flow from operations (1)	**330,505**	(397,856)	313,758	(248,913)
Per share – basic	**0.001**	(0.001)	0.001	(0.001)
Per share – diluted	**0.001**	(0.001)	0.001	(0.001)
Capital expenditures	**1,397,504**	1,052,414	63,376	1,852,792
Total assets	**58,716,438**	58,298,059	57,568,625	43,396,609
Working capital (deficiency)	**(958,148)**	(6,407,002)	(11,639,857)	(7,929,584)
Shareholders' equity	**39,945,832**	34,222,795	28,349,392	24,648,814
Production				
Light crude oil *(bbls/d)*	**283**	290	200	132
NGLs *(bbls/d)*	**652**	726	22	8
Natural gas *(mcf/d)*	**14**	16	574	317
Total *(boe/d)*	**406**	427	314	197
Total *(boe)*	**37,327**	38,853	28,617	18,168

Three months ended	Sep. 30, 2012	Jun 30, 2012	Mar. 31, 2012	Dec. 31, 2011
Gross revenue	1,837,779	1,977,603	2,289,204	3,021,111
Net income (loss)	(46,189)	(308,663)	(31,815)	185,412
Per share – basic	(0.000)	(0.002)	0.000	(0.001)
Per share – diluted	(0.000)	(0.002)	0.000	(0.001)
Cash flow from operations	366,599	149,269	460,460	979,828
Per share – basic	(0.002)	(0.001)	0.002	0.004
Per share – diluted	(0.002)	(0.001)	0.002	0.004
Capital expenditures	1,465,889	667,160	336,297	32,871
Total assets	38,627,897	38,296,699	37,799,544	38,140,026
Working capital (deficiency)	(5,827,840)	(4,728,550)	(4,210,658)	(4,334,821)
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)*	338	13	12	20
Natural gas *(mcf/d)*	10	378	370	383
Total *(boe/d)*	199	250	248	312
Total *(boe)*	17,907	22,767	22,602	28,749

(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, 2012 and 2010.

(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 the 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 Q3 is mainly the result of the inclusion of Terrex's properties..
- 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 Breton. Each of these four properties presents the Company with differing and unique opportunities and potential. The Company will add an additional development area with the closing of the Nipisi acquisition as discussed in the Company's News Release of November ____, 2013.

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. The Company is working closely with, and has entered into a longer term technical support arrangement with LandOcean Energy Services Co., Ltd. ("LandOcean"), in conducting property evaluations and in preparing a comprehensive development plan which it expects will be completed by year-end.

LandOcean is a Beijing headquartered, international service corporation that provides geological, geophysical, reservoir and other technical services to the oil and gas industry worldwide.

With expected improving cash flow, available credit lines, access to equity and technical support from LandOcean, the Company believes it is well positioned to pursue an aggressive and also prudent growth strategy in 2014.

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.