Anterra Energy Inc.
Condensed Interim
Financial Statements
FOR THE THREE AND SIX MONTHS ENDED June 30, 2014

NOTICE OF NO AUDITOR REVIEW OF
INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements of Anterra Energy Inc. (the "Company") have been prepared by and are the responsibility of the management of the Company. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

ANTERRA ENERGY INC

Statements of Financial Position

(Unaudited)

	Note	June 30 2014	December 31 2013
Assets			
Trade and other receivables		**$ 3,230,724**	$ 2,968,038
Deposits and prepaid expenses		**1,046,665**	888,909
Fair value of financial derivative	9	**1,804**	-
		4,279,193	3,856,947
Property, plant and equipment	6	**71,695,944**	72,625,940
Evaluation and exploration assets	7	**386,667**	386,667
		$ 76,361,804	$ 76,869,554
Liabilities			
Bank debt	8	**$ 11,968,565**	$ 14,014,704
Trade and other payables		**5,507,257**	3,528,084
		17,475,822	17,542,788
Decommissioning liabilities	10	**21,614,216**	22,152,634
Convertible debenture	11	**3,550,163**	3,489,507
		42,640,201	43,184,929
Equity			
Share capital	12	**46,706,177**	46,706,177
Equity component of convertible debenture	11	**454,895**	454,895
Contributed surplus		**2,882,545**	2,880,793
Deficit		**(16,322,014)**	(16,357,240)
		33,721,603	33,684,625
		$ 76,361,804	$ 76,869,554

See accompanying notes to financial statements.

ANTERRA ENERGY INC

Statements of Operations and Comprehensive Income
(Unaudited)

		Three months ended June 30,		Six months ended June 30,	
	Note	**2014**	2013	**2014**	2013
Revenue		**6,598,726**	$ 3,139,512	**13,195,250**	$ 5,667,411
Royalties		**(1,457,414)**	(371,543)	**(2,725,824)**	(614,667)
		5,141,312	2,767,969	**10,469,426**	5,052,744
Unrealized gain on financial derivative	9	**1,804**	-	**1,804**	-
		5,143,116	2,767,969	**10,471,230**	5,052,744
Expenses					
Production and operating		**2,918,893**	1,884,041	**5,690,370**	2,851,426
Transportation		**301,301**	185,020	**554,025**	318,775
Depletion, depreciation and amortization	6	**1,061,830**	673,934	**2,109,220**	1,283,251
General and administrative		**637,082**	743,312	**1,378,441**	1,338,608
Transaction fees		**-**	232,691	**-**	437,821
Share-based payments		**-**	6,769	**1,752**	18,070
Gain on business combination	4	**-**	-	**-**	(1,192,666)
Finance expense	13	**356,443**	204,645	**702,196**	308,302
		5,275,549	3,930,412	**10,436,004**	5,363,587
Income (loss) before income tax		**(132,433)**	(1,162,443)	**35,226**	(310,843)
Deferred tax (recovery)		**-**	-	**-**	(76,389)
Income (loss) and comprehensive income (loss)		**(132,433)**	(1,162,443)	**35,226**	(234,454)
Income (loss) per share					
Basic and diluted	14	**$ (0.0003)**	$ (0.003)	**$ 0.0001**	$ (0.001)

See accompanying notes to financial statements

ANTERRA ENERGY INC

Statements of Changes in Equity
(Unaudited)

	Note	Share Capital	Convertible Debenture Equity Component	Contributed Surplus	Accumulated Deficit	Total Equity
Balance, January 1, 2013		$ 31,110,546	$ -‘	$ 2,830,727	$ (9,254,459)	$24,686,814
Share based payments		-	-	18,070	-	18,070
Private placement share issue	4	6,619,750	-	-	-	6,619,750
Shares issued on acquisition	10	2,356,213	-	-	-	2,356,213
Issuance of convertible debenture		-	454,895	-	-	454,895
(Loss) for the period		-	-	-	(234,454)	(234,454)
Balance, June 30 , 2013		$ 40,086,509	$ 454,895	$ 2,848,797	$(9,488,913)	$33,901,288
Balance, January 1, 2014		$46,706,177	$ 454,895	$2,880,793	$ (16,357,240)	$33,684,625
Share based payments		-	-	1,752	-	1,752
Income for the period					35,226	35,226
Balance, June 30 , 2014		**$46,706,177**	**$ 454,895**	**$2,882,545**	**$ (16,322,014)**	**$33,721,603**

See accompanying notes to financial statements

ANTERRA ENERGY INC

Statements of Cash Flows
(Unaudited)

	Notes	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
Operating activities:					
Income (loss) for the period		**$ (132,433)**	$ (1,162,443)	**$ 35,226**	$ (234,454)
Adjustments for:					
Depletion, depreciation and amortization	6	**1,061,830**	673,934	**2,109,220**	1,283,251
Accretion	13	**178,341**	83,883	**354,103**	118,089
Share based payments		**-**	6,769	**1,752**	18,070
Unrealized gain on financial derivative	9	**(1,804)**	-	**(1,804)**	-
Deferred income tax (recovery)		**-**	-	**-**	(76,389)
Gain on business combination	4	**-**	-	**-**	(1,192,666)
Decommissioning expenditures	10	**(218,587)**		**(369,491)**	-
Change in non-cash working capital	16	**520,653**	(1,660,398)	**1,133,020**	(557,221)
Cash provided by(used in) operating activities		**1,408,000**	(2,058,255)	**3,262,026**	(641,320)
Investing activities:					
Property, plant and equipment expenditures		**(896,057)**	(981,373)	**(1,641,598)**	(1,078,361)
Additions to evaluation and exploration assets		**-**	(7,666)	**-**	25,947
Business combinations	4	**-**	-	**-**	54,539
Cash used to settle Sandstorm obligation				**-**	(3,467,502)
Change in non-cash working capital	16	**127,989**	(126,381)	**425,711**	(2,058,997)
Cash used in investing activities		**(768,068)**	(1,115,420)	**(1,215,887)**	(6,524,374)
Financing activities:					
Net proceeds from issue of shares		**-**	6,619,750	**-**	6,619,750
Proceeds from (repayment of) bank debt		**(639,932)**	(3,446,075)	**(2,046,139)**	545,944
Cash provided by (used in) financing activities		**(639,932)**	3,173,675	**(2,046,139)**	7,165,694
Change in cash and cash equivalents		**$ -**	$ -	**$ -**	$ -
Cash and cash equivalents, beginning of period		**$ -**	$ -	**$ -**	$ -
Cash and cash equivalents, end of period		**$ -**	$ -	**$ -**	$ -

See accompanying notes to financial statements

1. Reporting entity:

Anterra Energy Inc. ("Anterra" or the "Company") is engaged in the acquisition, exploration, development and production of oil and natural gas from properties in western Canada. The Company's common shares are listed and trade on the TSX Venture Exchange under the symbol AE.A. The Company's head office is located at 1420, 1122 4th Street SW, Calgary, Alberta T2R 1M1 and its registered office is located at 3700, 400 – 3rd Avenue SW Calgary, Alberta T2P 4H2.

Effective January 1, 2014, the Company and its wholly owned subsidiary, Terrex Energy Inc. amalgamated pursuant to the laws of the Province of Alberta. The Amalgamated entity continued as Anterra energy Inc.

The Company has two reportable operating segments and a corporate segment. The oil and gas production segment explores for, develops and produces oil and gas. The midstream processing segment provides processing and disposal services to the oil and gas industry.

2. Basis of presentation:

These condensed interim financial statements ("financial statements") have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting. These financial statements do not include all the necessary annual disclosures as prescribed by International Financial Reporting Standards ("IFRS") and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2013. The Company's accounting policies are unchanged from December 31, 2013 except as noted below. The use of estimates and judgments is also consistent with the December 31, 2013 financial statements. The financial statements were authorized for issuance by the Company's Board of Directors on August 25, 2014.

The financial statements have been prepared on the historical cost basis and are presented in Canadian dollars which is the Company's functional currency.

3. New Accounting Standards

The following new and amended standards have been adopted with an effective date of January 1, 2014.

IFRIC 21, "Levies" which clarifies that an entity should recognize a liability for a levy when the activity that triggers payment occurs. The adoption of this interpretation had no impact on the Company's financial statements Amendments to IAS 32, "Financial Instruments: Presentation", which clarifies the requirements for offsetting financial assets and liabilities. The amendments clarify when an entity has a legally enforceable right to offset and certain other requirements that are necessary to present a net financial asset or liability. The adoption of this interpretation had no impact on the Company's financial statements.

IAS 32, "Financial Instruments: Presentation", which clarifies the requirements for offsetting financial assets and liabilities. The amendments clarify when an entity has a legally enforceable right to offset and certain other requirements that are necessary to present a net financial asset or liability. There was no impact to us on adoption of this standard.

4. Business Combinations:

Terrex Energy Inc., corporate acquisition

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 comprised 31,813,614 Class A common shares of Anterra and 5,150,000 warrants to purchase 1,581,050 Class A common shares (the "Acquisition"). The warrants to purchase 967,050 Class A shares expired on August 21, 2013 and warrants to purchase 614,000 Class A shares will expire on July 15, 2015 and have an exercise price of $1.00 and $0.60 respectively. No value has been attributed to the warrants.

Concurrently with the Acquisition, 1,866,560 Anterra shares were issued to individuals pursuant to the settlement of personnel obligations. The purpose of the Acquisition was to increase the Company's presence and size in the Western Canadian Sedimentary Basin, and 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 third party 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	$ 16,830,283
Deferred income tax asset	1,274,413
Net working capital(1)	(493,153)
Inter-company payable	(7,755,830)
Decommissioning liability	(6,595,162)
Gain on business combination	(1,192,666)
Total net assets acquired	$ 2,067,885

Consideration	
Class A common shares (31,813,614 shares at $0.065 per share)	$ 2,067,885

(1) Includes $54,539 of cash and cash equivalents

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 and other market considerations.

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 14), 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 under the Acquisition. The inter-company payable amount reflects amounts advanced by Anterra to Terrex to facilitate the Agreement.

5. Segmented Financial Information:

For the six months ended June 30, 2014	Oil and Gas Production	Midstream Processing	Corporate Segment	Eliminations	Total
Revenue	$ 11,370,921	$ 1,850,700	$ -	$ (26,371)	$ 13,195,250
Royalties	(2,725,824)	-	-	-	(2,725,824)
	8,645,097	1,850,700	-	(26,371)	10,469,426
Production and operating expenses	4,851,948	864,793	-	(23,671)	5,690,370
Transportation	531,206	22,819	-	-	554,025
Depletion, depreciation and amortization	2,029,729	79,491	-	-	2,109,220
General and administrative expenses	961,464	192,977	224,000	-	1,378,441
Share-based payments	-	-	1,752	-	1,752
Finance expense	280,890	12,557	408,749	-	702,196
Unrealized gain on financial derivative	(1,804)	-	-	-	(1,804)
Net income (loss)	**$ (8,336)**	**$ 678,063**	**$ (634,501)**	**-**	**$ 35,226**
Capital expenditures:					
Exploration and evaluation assets	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Property, plant and equipment	**1,564,394**	**77,204**	**-**	**-**	**1,641,598**
	$ 1,564,394	**$ 77,204**	**$ -**	**$ -**	**$ 1,641,598**
Total Assets	**$ 69,007,491**	**$ 3,075,120**	**$4,279,193**	**$ -**	**$76,361,804**

5. Segmented Financial Information, continued;

For the six months ended June 30, 2013	Oil and Gas Production $	Midstream Processing $	Corporate Segment $	Eliminations $	Total $
Revenue	4,305,298	1,423,099	-	(60,986)	5,667,411
Royalties	(614,667)		-		(614,667)
	3,690,631	1,423,099	-	(60,986)	5,052,744
Production and operating expenses	2,669,311	561,876	-	(60,986)	3,170,201
Depletion, depreciation and amortization	1,212,485	70,460	306	-	1,283,251
General and administrative expenses	1,260,515	404,914	111,000		1,776,429
Share-based payments	-	-	18,070	-	18,070
Gain on business combination	(1,192,666)	-	-	-	(1,192,666)
Finance expense	-	-	308,302	-	308,302
Deferred income tax recovery	(49,326)	(24,263)	(2,800)	-	(76,389)
Net income (loss)	(209,688)	410,112	(434,878)	-	(234,454)
Capital expenditures:					
Exploration and evaluation assets disposals	(25,947)	-	-	-	(25,947)
Property, plant and equipment	824,706	253,655	-	-	1,078,361
	798,759	253,655	-	-	1,052,414
Total assets	53,239,572	1,303,041	3,755,446	-	58,298,059

6. Property, plant and equipment:

	Petroleum and natural gas properties $	Processing facilities and other $	Total $
Cost			
Balance at January 1, 2013	42,787,582	3,852,230	46,639,812
Additions	2,068,234	1,380,957	3,449,191
Nipisi acquisition	17,088,757	-	17,088,757
Terrex acquisition	16,830,283	-	16,830,283
Decommissioning provisions	(891,943)	102,943	(789,000)
Balance at December 31, 2013	77,882,913	5,336,130	83,219,043
Additions	1,564,394	77,204	1,641,598
Decommissioning provisions	(443,420)	(18,954)	(462,374)
Balance at June 30, 2014	**79,003,887**	**5,394,380**	**84,398,267**
Depletion, depreciation and impairment			
Balance at January 1, 2013	4,630,921	2,066,796	6,697,717
Depletion for the year	2,623,313	172,973	2,796,286
Impairment for the year	1,099,100	-	1,099,100
Balance at December 31, 2013	8,353,334	2,239,769	10,593,103
Depletion for the year	2,029,729	79,491	2,109,220
Balance at June 30, 2014	**10,383,063**	**2,319,260**	**12,702,323**
Net book value			
Balance at December 31, 2013	69,529,579	3,096,361	72,625,940
Balance at June 30, 2014	**68,620,824**	**3,075,120**	**71,695,944**

Future development costs totaling $34,581,998 (2013 - $38,570,000) are included in the depletion calculation. Personnel expenses of $105,223 (2013 - $94,635) directly attributed to capital activities were capitalized in property, plant and equipment for the six months ended June 30, 2014.

7. Evaluation and exploration assets:

Balance, January 1, 2013	$ 4,547,147
Additions	651
Exploration and evaluation expense	(4,161,131)
Balance, June 30, 2014 and December 31, 2013	$ 386,667

Exploration and evaluation (E&E) assets consist of the Company's exploration projects which are pending the determination of proven or probable reserves. Additions represent costs incurred on E&E assets during the year.

8. Bank debt:

	June 30, 2014	December 31, 2013
Authorized	**$15,000,000**	$15,000,000
Outstanding	**$11,968,565**	$14,014,704

Bank indebtedness is comprised of a revolving, operating, demand loan credit facility bearing interest at the bank prime plus 1.00% (2013 - prime rate 0.75%), with an effective rate at June 30, 2014 of 4.00% (June 30, 2013 – 3.75%). Pursuant to a review, completed in May 2014, the authorized amount of the facility was set at $15,000,000. The facility is secured by a 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 an adjusted working capital ratio**,** after adding the unused portion of the revolving demand loan facility and excluding outstanding debt under the facility, of not less than 1:1. As at June 30, 2014 the adjusted working capital ratio was 1:1.3

In addition to the revolving operating loan, the Company has an authorized non-revolving acquisition/development demand loan facility in the amount of $7 million. No amount has been drawn on the non-revolving facility.

9. Financial instruments and risk management

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration, development, operating and financial activities. The Company's financial risks are consistent with those discussed in Note 7 to the Company's audited financial statements for the year ended December 31, 2013.

During the period ended June 30 2014, the Company entered into a financial derivative contract, as outlined below, to mitigate some of its risk to commodity price risk and provide a degree of stability to operating cash flows which enable the Company to fund a portion of its capital program. Such contracts are not used for trading or speculative purposes. The Company has not designated the financial derivative contract as an effective accounting hedge although the Company considers it to be an effective economic hedge. As a result, the contract is recorded at fair value on the statement of financial position, with changes in fair value being recognized as an unrealized gain or loss on the statement of operations.

Financial assets and liabilities carried at fair value are required to be classified in accordance with a hierarchy that prioritizes the inputs used to measure fair value. The financial derivative contract is valued using level 2 inputs which are based on quoted forward prices that can be substantially observed or corroborated in the market place.

Financial derivative contract

Period	Contract Type	Quantity Contracted	Price Floor	Price Ceiling
June 2014 – June 2015	Crude Oil - collar	150 bbls per day	$97.00 / bbl	$112.00/bbl

The fair value of the contract as at June 30, 2014 is estimated to be of $1,804 and the Company recognized an unrealized gain of $1,804 being the difference between the fair value of the contract on May 23, 2014, date of execution of the contract, and June 30, 2014.

10. Decommissioning liabilities:

Balance at January 1, 2013	$ 10,673,673
Changes to estimate	(789,000)
Obligation acquired	11,858,189
Accretion expense	409,772
Balance, December 31, 2013	$ 22,152,634
Changes to estimate	(462,374)
Obligation settled	(369,491)
Accretion expense	293,447
Balance, June 30, 2014	$ 21,614,216

The Company's decommissioning liability results from its ownership interest in petroleum and natural gas assets including well sites, gathering systems and processing and production facilities, all of which will require future expenditures for decommissioning under existing legislation.

The Company has estimated the net present value of the decommissioning obligations to be $21,614,216 at June 30, 2014 (December 31, 2013- $22,152,634) based on an undiscounted total future liability of $23,975,656 (December 31, 2013 - $23,975,656). These expenditures are expected to be incurred over the next 25 years with the majority of costs to be incurred between 2015 and 2025. A risk free rate of 2.65% (2013 – 2.61%) and an inflation factor of 2% were used to determine the decommissioning liability at June 30, 2014.

11. Convertible debenture:

6% redeemable convertible debenture

June 30	2014	2013
6% redeemable convertible debenture, at face value	$4,000,000	$4,000,000
Equity component, before deferred income taxes	(606,526)	(606,526)
Accretion	156,689	35,381
Balance	$3,550,163	$3,428,855

On March 14, 2013, immediately prior to and in connection with the acquisition of Terrex (note 4, Business Combination), the Company issued a $4 million principal amount convertible debenture as partial settlement of a hydrocarbon purchase agreement between Terrex and Sandstorm. The debenture bears interest at 6% payable semi-annually with the principal repayable on March 14, 2018; the debenture is secured, subordinate to the bank credit facility, by a floating charge on the property and assets of the Company.

At the option of the holder on 20 days' notice, the debenture is convertible, in whole or in part at any time, into common shares of the Company at a price of $0.10 per share. The debenture is redeemable, in whole or in part at any time, by the Company on 30 days' notice.

The debenture was initially recorded at its principal amount net of an equity component valued at $606,526 ($454,895 after deferred income tax) attributable to the holder's option to convert the debt into common shares.

12. Share capital:

Authorized

Unlimited Class A voting shares without par value

Unlimited preferred shares, issuable in series, rights and privileges to be determined on issue

Issued and Outstanding		**Class A Shares**	**Warrants**	**$**
Balance, January 1, 2013		246,438,032	-	31,110,546
Acquisition	(a)(b)	36,680,174	5,150,000	2,356,213
Expired	(b)	-	(3,150,000)	-
Private placement	(c)	107,692,308	1,000,000	6,619,750
Private placement	(d)	106,060,606	1,000,000	6,619,668
Balance, June 30, 2014 and December 31, 2013		**496,871,120**	**4,000,000**	**46,706,177**

(a) On March 14, 2013, a total of 36,680,174 shares were issued on the Terrex Acquisition: 31,813,614 shares were issued to Terrex shareholders in exchange for all Terrex shares; 3,000,000 shares were issued to Sandstorm directly pursuant to the Sandstorm Settlement Agreement; and 1,866,560 shares were issued to individuals directly pursuant to the settlement of personnel obligations.

(b) On March 14, 2013, a total of 5,150,000 warrants for the acquisition of a total of 1,581,050 Anterra Class A shares were issued in relation to the Terrex Acquisition: warrants to purchase 967,050 shares at a price of $1.001 expired on August 21, 2013 and warrants to purchase 614,000 shares at a price of $0.603 per share will expire on July 15, 2015. No value has been attributed to the warrants.

(c) 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 shares purchase warrants relating to the private placement. Each warrant entitles the holder to acquire one common share at a price of $0.10 per share. The warrants will expire on April 4, 2015.

(d) 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 shares purchase warrants relating to the private placement. Each warrant entitles the holder to acquire one common share at a price of $0.10 per share. The warrants will expire on August 21, 2015.

13. Finance income and expenses:

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Finance income:				
Interest income on bank deposits	$ (224)	$ (217)	$ (439)	$ (430)
Financial expenses:				
Interest on bank debt	118,326	60,979	228,532	120,643
Interest on Debenture	60,000	60,000	120,000	70,000
Accretion of debenture	30,329	35,381	60,656	35,381
Accretion of decommissioning liabilities	148,012	48,502	293,447	82,708
	356,667	204,862	702,635	308,732
Net finance expenses	$ 356,443	$ 204,645	$ 702,196	$ 308,302

14. Income taxes

To December 31, 2013, the Company had accumulated non-capital losses of approximately $30 million. The losses expire between 2023 and 2033 and are available to offset future taxable income. Income taxes that would otherwise have been be payable on taxable income for the three month period ended June 30, 2014 have been recovered through the utilization of available non-capital losses.

15. Per share amounts:

Basic incomes (loss) per share were calculated as follows:

The effect of outstanding options, warrants and convertible instruments is non-dilutive.

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	**2014**	2013
Income (loss) for the period	**$ (132,433)**	$ (1,162,443)	**$ 35,226**	$ (310,843)
Weighted average number of common shares (basic)	**496,871,120**	**383,709,922**	496,871,120	**319,885,598**

16. Supplemental cash flow information:

Changes in non-cash working capital is comprised of

	2014	2013
Source as(use) of cash:		
Trade and other receivables	$ (262,686)	$ 499,825
Deposit and prepaid expenses	(157,756)	(344,402)
Trade and other payables	1,897,366	(1,575,624)
	$ 1,558,731	$ (2,616,218)
Related to operating activities	$ 1,133,020	$ (557,221)
Related to investing activities	$ 425,711	$ (2,058,997)
	$ 1,558,731	**$ (2,616,218)**

17. Related party transactions:

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

a) LandOcean Energy Services Co., Ltd. ("LandOcean") and Western Union Petro (Canada) Technology co. Ltd. ("Western Union"), a wholly owned subsidiary of LandOcean.

LandOcean currently holds approximately 21.7% of the issued and outstanding Class A common shares of Anterra through its subsidiary, LandOcean Resources Investment Canada Co., Ltd. LandOcean has been tasked with (1) assessing the potential of the Company's oil and gas properties and preparing development plans for the properties; and (2) providing assistance to the Company's management in executing such plans. Specific projects, as summarized below, undertaken by LandOcean and Western Union are approved by the independent directors of the Company prior to the commencement of the project. The Company's management monitors and manages the work, and tracks all expenses against a budget approved by the directors for the project.

i) On April 8, 2013, the Company entered into an agreement ("the Agreement") with LandOcean whereby LandOcean 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 will earn total compensation of $1,949,600 for technical services through to the end of 2014 of which $976,880 has been earned to June 30, 2014. The Company charges technical costs incurred under the Agreement to petroleum and natural gas properties. Additionally, under the term of the Agreement, $50,000 for travel, communication and management costs, were paid and expensed during 2013. At June 30, 2014, $392,000 was payable to LandOcean in relation to the Agreement.

ii) On April 10, 2014, the Company engaged Western Union, to complete the initial stage of a waterflood project at Strathmore, Alberta. Total cost of the project is estimated to be $1,695,650 including equipment purchases and installation, of which $201,350 has been earned to June 30, 2014.

(b) During the six months ended June 30, 2014, a consulting company, to which an officer of Anterra is related, charged the Company $50,673 (2013 - $55,190) for consulting services. At June 30, 2014, $9,843 was payable in relation to services provided