

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis ("MD&A") dated August 25, 2014, of the financial condition and the results of operations of Anterra Energy Inc. ("Anterra" or the "Company") for the three and six month periods ended June 30, 2014 and 2013 should be read in conjunction with the Company's unaudited interim financial statements for the three and six month periods ended June 30, 2014 and 2013 and the audited consolidated financial statements and MD&A for the year ended December 31, 2013.

Non-IFRS Measures

This MD&A makes reference to terms commonly used in the petroleum and natural gas industry including funds flow from operations, funds flow from operations per share, net debt and netback. Such terms do not have a standard meaning as prescribed by International Financial Reporting Standards ("IFRS") and therefore may not be comparable with the determination of similar measures for other entities. These measures are identified as non-GAAP measures and are used by management to analyze operating performance and leverage. These measures 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.

BOE Presentation

Production volumes and reserves are commonly expressed on a barrel of oil equivalent ("boe") basis whereby natural gas volumes are converted at the ratio of six thousand cubic feet of gas being equal to one barrel of oil, based on an energy equivalency at the burner tip and does not represent a value equivalency at the wellhead. Used in isolation, barrels of oil equivalent may be misleading.

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. 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 2014; and*

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

Description of Business

Anterra is engaged in the acquisition, development, optimization and production of crude oil and natural gas in western Canada. The Company is focused on growth through a combination of accretive oil-based acquisitions and the development and optimization of existing and acquired assets.

Operational Summary

2013 Acquisitions

In 2013 Anterra completed two strategic acquisitions; the corporate acquisition of Terrex Energy Inc. in March of 2013 and the Nipisi property acquisition in December of 2013. The full impact of these acquisitions are reflected in the first half 2014 and as a result, operational results for the first half of 2014 have improved significantly over the comparable period in 2013.

The acquisitions were funded primarily through a combination of the proceeds of \$13.2 million from two private placement equity issues and an \$8.3 million increase in bank debt. As a result of the acquisitions, the Company added approximately 2.4 million boe of proved plus probable reserves and the net present value of reserves, discounted at 10% increased \$48.5 million from \$36.1 million at December 31, 2012 to \$84.6 million at December 31, 2013.

Operations

Production and related revenue for the second quarter of 2014 increased significantly over the second quarter of 2013 primarily as a result of the Nipisi property acquisition which closed on December 19, 2013. Production for the second quarter averaged 679 boe per day, a 59% increase over second quarter 2013 average production of 427 boe per day. Production for the second quarter decreased 5% from average production of 715 boe per day in the first quarter of 2014 due mainly to a major plant turnaround at Nipisi and a pipeline break at Breton during the second quarter of 2014.

Second quarter 2014 oil and gas revenue increased to \$5,665,261 from \$2,508,348 for the second quarter of 2013. In addition to additional revenue resulting from the 2013 acquisitions, an overall increase in commodity prices contributed to the increase. Realized average crude oil prices of \$100.13 during the second quarter of 2014 were approximately 22% higher than average crude prices realized in the second quarter of 2013. Quarter over quarter, Q2 2014 oil and gas revenue decreased 1% from Q1 2014 due to the decrease in production discussed above, which were partially offset by higher realized oil and gas prices.

Oil and gas operating expenses during the second quarter of 2014 also increased over 2013 as a result of the acquisitions. Q2 2014 operating costs totaled \$2,748,466 or \$44.59/boe compared to \$1,800,401 or \$46.34/boe in the same period last year. Royalties for the second quarter of 2014 totaled \$1,457,414 (26% of revenue) versus \$336,404 (15% of revenue) for the same period in 2013. The increase in overall royalty expense was due to higher production and the higher royalty rate associated with Nipisi production.

Second quarter 2014 midstream processing revenue increased to \$957,861 from \$658,763 a year ago primarily as a result of the Breton midstream plant expansion and water disposal revenue at Nipisi. Midstream operating expenses for three months ended June 30, 2014 increased over the comparable period in 2013 due to higher personnel costs and increased maintenance expenditures. Midstream operating expenses totaled \$486,054 for the second quarter of 2014 as compared to \$296,259 for the comparable period in 2013.

Second quarter operations generated funds flow of \$1,105,934 as calculated below, an increase of \$1,271,700 over funds flow from operations for the second quarter of 2013. For six months ended June 30, 2014, funds flow from operations increased \$2,144,775 over the same period in 2013.

Funds Flow from Operations

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
	(\$)	(\$)	(\$)	(\$)
Net cash from (used in) operating activities	1,408,000	(2,058,255)	3,262,026	(641,320)
Transaction costs	--	232,691	--	437,821
Decommissioning expenditure	218,587	--	369,491	--
Changes in non-cash working capital	(520,653)	1,660,398	(1,133,020)	557,221
Funds flow from (used in) operations	1,105,934	(165,166)	2,498,497	353,722

The Company reported net income for the six months ended June 30, 2016 of \$31,618, an increase of \$266,072 compared to the net loss of \$234,454 reported for the comparable period in 2013. Net income of \$167,659 the first quarter of 2014 was largely offset by a loss of \$136,041 incurred in the second quarter as a result of a decrease in revenue caused by the decreases in production at Nipisi and Breton as previously outlined and increased operating costs at Strathmore.

Financial and Operating Results

Production, Revenue and Price

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Production				
Light crude oil (bbls/d)	585	290	598	246
Natural gas (mcf/d)	397	726	441	650
NGLs (bbls/d)	27	16	26	19
Total production (boe/d)	679	427	697	372
Total production (boe)	61,775	38,853	126,137	67,470
Revenue				
Crude oil (\$)	5,332,700	2,162,282	10,618,597	3,678,475
Natural gas (\$)	182,996	258,518	459,352	436,870
NGLs (\$)	139,565	87,548	292,972	189,953
Gross revenue (\$)	5,655,261	2,508,348	11,370,921	4,305,298
Royalties (\$)	1,457,414	371,543	2,725,824	614,667
Operating expenses (\$)	2,748,466	1,800,401	5,383,154	2,669,311
Net operating revenue (\$)	1,449,381	336,404	3,261,943	1,021,320
Average Prices				
Light crude oil (\$/bbl)	100.13	81.94	98.18	82.87
Natural gas (\$/mcf)	5.06	3.91	5.75	3.71
NGLs (\$/bbl)	56.01	60.13	62.83	55.28
Total sales price (\$/boe)	91.55	64.56	90.15	63.81
Royalty costs (\$/boe)	23.59	9.56	21.61	9.11
Operating costs (\$/boe)	44.49	46.34	42.68	39.56
Field netback (\$/boe)	23.46	8.66	25.86	15.14
Midstream Processing				
Revenue (\$)	957,861	658,763	1,850,700	1,423,099
Operating costs (\$)	486,054	296,259	887,612	561,876
Operating income	471,807	362,504	963,088	861,223

For the second quarter of 2014, oil and gas revenue totaled \$5,655,261 on average daily sales volumes of 679 boe/d compared to \$2,508,348 on average daily sales volumes of 427 boe/d for the second quarter of 2013. The 125% year-over-year revenue increase resulted from a 59% increase in sales volumes and a 42% increase in realized commodity prices; the increase in sales volumes was driven by the 2013 Nipisi and Terrex acquisitions. During the second quarter of 2014, the Company's realized sales price for light crude oil was \$100.13/bbl compared to \$81.94/bbl in 2013

For the six months ended June 30, 2014, revenue increased 164% due to a 87% increase in sales volumes and a 41% increase realized in oil and gas prices. The realized sales price for crude oil was \$98.18/bbl for the six months ended June 30, 2014 as compared to \$82.87/bbl for the comparable period in 2013.

Anterra's product volume mix during 2014 has remained relatively consistent, at 86% crude oil for the three and six months ended June 30, 2014 as compared to 68% and 66% for the comparable periods in 2013.

For the second quarter of 2014, midstream processing revenue totaled \$957,861 compared to \$658,763 a year ago. For the six months ended June 30, 2014, revenue increased 30% from \$1,423,099 to \$1,850,700. The increase was primarily the result of increased processing revenue from the Breton expansion and water disposal revenue from Nipisi.

Royalties

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
	(\$)	(\$)	(\$)	(\$)
Crown royalties	1,182,591	157,853	2,204,755	286,254
Freehold royalties	76,783	204,700	139,637	319,423
Overriding royalties	198,040	8,990	381,432	8,990
Total royalties	1,457,414	371,543	2,725,824	614,667
Total royalties (\$/boe)	23.59	9.56	21.61	9.11
Percent of revenue (%)	26%	15%	24%	14%

For the second quarter of 2014, the Company recorded total royalties of \$1,457,414 or 26% of revenue versus \$371,543 or 15% of revenue for the same period in 2013. For the six months ended June 30, 2014, royalty expense was \$2,725,824 or 24% of revenue versus \$614,667 or 14% of revenue for the same period of 2013. The overall increase is primarily the result of the Nipisi acquisition.

Total royalties are a combination of royalties paid on production from Crown lands, royalties paid on production from freehold lands and gross overriding royalties. Crown royalties under the Alberta Royalty framework are sensitive to both commodity prices and well productivity. As a result royalties and royalty rates will fluctuate with commodity prices and well production.

As a percentage of revenue, royalties for the three and six months ended June 30, 2014 increased from comparable periods in 2013 primarily as a result of crude oil production from higher productivity wells at Nipisi which also realize high oil prices.

Operating Expenses

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
	(\$)	(\$)	(\$)	(\$)
Oil and gas operations	2,469,984	1,615,381	4,851,948	2,350,536
Transportations	278,482	185,020	531,206	318,775
Midstream operation	486,054	296,259	887,612	561,876
Inter-company eliminations	(14,326)	(27,599)	(26,371)	(60,986)
Total operating expenses	3,220,194	2,069,061	6,244,395	3,170,201
Total operating expenses for oil and gas operation (\$/boe)	44.49	46.34	42.71	39.56

Oil and gas operating and transportation expenses for the second quarter of 2014 increased 53% over the same period in 2013 as a result of increased production from acquisitions. For the six months ended June 30, 2014, oil and gas operating expenses, on a per barrel of production basis, increased from \$39.56 per boe of 2013 to \$42.68 per boe during the comparable period in 2014. This increase is mainly attributable to repair and workover expenditures at Strathmore incurred to maintain and restore production.

For the second quarter of 2014, the Company's midstream operating expenses totaled \$486,054 compared to \$296,259 in the same period last year. The increase resulted from increased equipment maintenance and personnel costs at the Breton and Suffield area as well as increased midstream throughput. For the six months ended June 30, 2014, operating expense increased 58% from \$561,876 in 2013 to \$887,612.

Field Netback

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
	(\$/boe)	(\$/boe)	(\$/boe)	(\$/boe)
Gross revenue	91.55	64.56	90.15	63.81
Royalty expenses	23.59	9.56	21.61	9.11
Operating expenses	44.49	46.34	42.68	39.56
Field netback	23.46	8.66	25.86	15.14

For the second quarter of 2014, Anterra realized an field netback of \$23.46/boe as compared to \$8.66/boe for the same period of 2013. For the six months ended June 30, 2014, the realized netback increased to \$25.86 from \$15.14 in 2013. The year-over-year increase is the result of higher realized commodity prices, which were partially offset by increased royalties and operating expenses, as previously discussed.

General and Administrative ("G&A") Expenses

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
	(\$)	(\$)	(\$)	(\$)
Personnel costs	223,969	281,956	493,163	491,670
Professional fees	68,748	17,109	200,424	179,534
Computer services and subscriptions	47,561	29,850	85,621	42,224
Investor relations	47,857	1,488	74,174	42,571
Travel and business entertainment	46,056	88,039	83,430	116,773
Office rent	67,531	36,983	173,860	92,109
General office expenses	135,360	287,889	267,769	373,728
	637,082	743,312	1,378,441	1,338,608
General and Administrative Expenses per Boe	10.31	19.13	10.93	19.84

G&A costs for the six months ended in 2014 remained relatively consistent with those in 2013. On a per boe of production basis ,G&A costs for the three and six month ended June 30, 2014 decreased approximately 45% from 2013 as a result of increased production.

Net Finance Expenses

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Finance income:	(\$)	(\$)		
Interest income on cash on deposit	(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
Total net finance expenses	356,443	204,645	702,196	308,302
Total net finance expenses <i>(\$/boe)</i>	5.77	5.27	5.57	4.57

For the three and six months ended June 30, 2014, interest on bank debt increased \$57,347 and \$107,889 respectively from the comparative periods in 2013 due to increased borrowings under the Company's credit facilities.

For the three and six months ended June 30, 2014, accretion of decommissioning liabilities increased \$99,510 and \$210,739 respectively compared to the same periods in 2013, due to the increase in total decommissioning liabilities.

Depletion and Depreciation ("D&D")

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
	(\$)	(\$)	(\$)	(\$)
D&D for oil and gas properties	1,003,851	635,497	2,029,729	1,212,485
D&D for midstream facilities and others	57,979	38,437	79,491	70,766
Total D&D	1,061,830	673,934	2,109,220	1,283,251
Total D&D for oil and gas properties <i>(\$/boe)</i>	17.19	17.35	16.72	19.02

The provision for depletion and depreciation ("D&D") 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 and probable reserves and is calculated based on the ratio of production to proved plus probable 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%.

The overall increase in 2014 D&D costs from 2013 costs results from increased production. The decrease in D&D costs on a boe basis results from the addition of reserves through the Terrex and the Nipisi acquisitions at a cost per boe lower than the carrying costs of other reserves.

Income Taxes

To December 31, 2013, the Company has 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 payable on taxable income for the three and six month periods ended June 30, 2014 are recovered through the utilization of available non-capital losses.

Share Based Compensation

The Company has established a Stock Option Plan that meets with the requirements of the TSX Venture Exchange. Share based payments reflect the amortization over the vesting period of the fair value of stock options granted, to employees, consultants and directors of the Company.

A summary of the status of the Company's stock option plan as at June 30, 2014 and December 31, 2013 and changes during the periods ended on those dates is presented below

	Number of options	Weighted average exercise price \$
Outstanding at January 1, 2013	19,850,000	0.14
Forfeited	(1,750,000)	0.10
Forfeited	(1,500,000)	0.255
Outstanding at June 30, 2014 and December 31, 2013	16,600,000	0.14

The following table summarizes stock options outstanding and exercisable:

Options Exercisable					
Range of exercise prices	Number outstanding at June 30 2014	Expiry date	Weighted average exercise price	Number exercisable at June 30, 2014	Weighted average remaining contractual life
\$0.10	13,100,000	July 13, 2015	\$0.10	13,100,000	1.00 year
\$0.255	3,500,000	March 26, 2016	\$0.255	3,500,000	1.70 years
\$0.10 - \$0.255	16,600,000		\$0.13	16,600,000	1.20 years

Stock based compensation with a cost of \$1,752 (2013 - \$11,301) was expensed during the first quarter of 2014.

Capital Expenditures

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
	(\$)	(\$)	(\$)	(\$)
Acquisitions (dispositions)	2,000	(154,000)	2,000	(204,000)
Geological and geophysical	55,051	666,901	105,223	679,510
Midstream facility	33,534	218,670	77,204	253,654
Equipment, completions and other	805,472	257,469	1,457,171	323,250
Total capital expenditures	896,057	989,039	1,641,598	1,052,414
Capital expenditures are comprised of:				
PP&E	896,057	981,373	1,641,598	1,078,361
Exploration and evaluation assets	-	7,666	-	(25,947)
	896,057	989,039	1,641,598	1,052,414

The majority of capital expenditures incurred during the three and six month periods ended June 30, 2014 relate to remediation activities on the Company's recently acquired property at Nipisi and expenditures at Strathmore relating to the reactivation and expansion of the water flood.

Liquidity and Capital Resources

The Company evaluates its ability to carry on business on a regular basis with key considerations being given to the non-GAAP measures net debt and funds flow from operations. Funds flow from operations represents cash flow from operating activities adjusted for expenditures on decommissioning activities, transaction costs and changes in non-cash operating working capital. Funds flow from operations is a key indicator of the Company's ability to meet its current obligations and execute on its planned capital programs. Net debt is defined as bank indebtedness plus trade and other payables less accounts receivable and deposits and prepaid expenses. Net debt and changes in net debt are summarized below:

	2014	2013
Net debt, January 1	\$ 13,685,841	\$ 7,929,584
Funds flow from operations	(2,498,497)	(353,722)
Proceeds from share issue	-	(6,619,750)
Capital expenditures	1,641,598	1,052,414
Decommissioning expenditures	369,491	-
Terrex transaction	-	3,960,655
Transaction costs	-	437,821
Net debt, June 30	\$13,198,433	\$6,407,002
Net debt to annualized funds flow	2.6	9.0

The Company considers the ratio of net debt to annualized funds flow to be a key measure of liquidity and the management of capital resources. For the six months ended June 30, 2014 the annualized net debt to funds flow ratio was 2.6 to 1, a significant improvement from the prior year ratio of 9.0 to 1. The decrease is driven by a full six months funds flow from the Nipisi and Terrex acquisitions matched to the increase in net debt associated with the transactions.

The Company reviews planned capital expenditures on an on-going basis to ensure funds flow will provide adequate funding. In cases where funds flow is not adequate, the Company may adjust capital expenditures to manage its debt position and/or pursue alternate sources of funding including equity issues.

Management is of the opinion that expected funds from operations, amounts available under the Company's credit facilities together with potential additional equity issues, will provide sufficient resources to fund planned activities for 2014

Credit Facility

As at June 30, 2014, the Company's credit facility is comprised of a revolving, operating, demand loan credit facility and development facility. The demand facility bears interest at the bank prime plus 1.00% (2013 - prime rate plus 0.75%). 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.

6% convertible debenture

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, 2014, 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.

Shareholders' Equity

As at June 30 and August 25, 2014, Anterra had 496,871,120 Class A common shares issued and outstanding. Additionally, options, issued pursuant to the Company's stock option plan, for the acquisition of 16 million common shares at a weighted average price of \$0.13 per share were outstanding; and 4,000,000 share purchase warrants were outstanding. The warrant were issued in conjunction with various equity financings and are exercisable at prices ranging from \$0.10 to \$0.60 per share and expire at varying times to August 21, 2015.

Risk Factors

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 funds flow from operating activities which enables 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 \$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.

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 terms 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

Off-balance Sheet Arrangements

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

Changes in Accounting Policy

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.

Supplemental Quarterly Information

Three months ended	Jun 30, 2014	Mar. 31, 2014	Dec. 31, 2013	Sep. 30, 2013
		(\$)	(\$)	(\$)
Gross revenue	6,598,726	6,596,524	3,238,654	3,509,081
Net income (loss)	(132,443)	167,659	(6,284,168)	(584,159)
Per share – basic	(0.000)	0.000	(0.01)	(0.001)
Per share – diluted	(0.000)	0.000	(0.01)	(0.001)
Funds flow from operations ⁽¹⁾	1,105,934	1,392,653	178,186	330,505
Per share – basic	0.0002	0.0002	0.001	0.001
Per share – diluted	0.0002	0.0002	0.001	0.001
Capital expenditures	896,057	745,541	12,825,654	1,397,504
Total assets	76,361,804	77,067,630	76,869,554	58,716,438
Working capital (deficiency)	(13,198,433)	(13,189,723)	(13,685,841)	(958,148)
Shareholders' equity	33,717,995	33,854,036	33,684,625	39,945,832
Production				
Light crude oil (bbls/d)	585	610	298	283
NGLs (bbls/d)	397	24	15	14
Natural gas (mcf/d)	27	486	547	652
Total (boe/d)	679	715	405	406
Total (boe)	61,775	64,362	37,221	37,327
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Three months ended	Jun. 30, 2013	Mar. 31, 2013	Dec. 31, 2012	Sep. 30, 2012
Gross revenue	3,139,512	2,527,899	1,710,464	1,837,779
Net income (loss)	(1,162,443)	927,989	(431,846)	(46,189)
Per share – basic	(0.003)	0.004	(0.002)	(0.000)
Per share – diluted	(0.003)	0.004	(0.002)	(0.000)
Funds flow from operations	(200,169)	518,888	(30,565)	366,599
Per share – basic	(0.001)	0.001	(0.001)	(0.002)
Per share – diluted	(0.001)	0.001	(0.001)	(0.002)
Capital expenditures	1,052,414	63,376	1,852,792	1,465,889
Total assets	58,298,059	57,568,625	48,035,625	38,627,897
Working capital (deficiency)	(6,407,002)	(11,639,857)	(7,929,584)	(5,827,840)
Shareholders' equity	34,222,795	28,349,392	24,648,814	24,914,457
Production				
Light crude oil (bbls/d)	290	200	132	133
NGLs (bbls/d)	16	22	8	338
Natural gas (mcf/d)	726	574	317	10
Total (boe/d)	427	314	197	199
Total (boe)	38,853	28,617	18,168	17,907

(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, 2013 and 2012.

(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:

- 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 increase in revenue in 2014 Q2 is mainly contributed by Nipisi acquisition.
- 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.

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.

CORPORATE INFORMATION

Directors

Gary Chang;	Vancouver BC Canada	(2)
Ross O. Drysdale;	Calgary AB Canada	(1)
Gang Fang;	Calgary AB Canada	(2)
Hong Lei;	Beijing P.R. China	
Owen C. Pinnell;	Calgary AB Canada	(1) (3)
Zhen Xiang Huo;	Beijing P.R. China	(3)
Gengwen Sun	Beijing P.R. China	(3)
Chengfeng Tang	Beijing P.R. China	(1) (2)
Guangzhen Song	Beijing P.R. China	

- Notes: (1) Member of the Audit and Reserves Committee
 (2) Member of the Environment and Safety Committee
 (3) Member of the Compensation and Governance Committee.

Officers

Owen C. Pinnell	– Chairman
Gang Fang	– President and Chief Executive Officer
Bob D. McCuaig	– Vice President
Norman G. Knecht	– VP Finance and Chief Financial Officer

Head Office
 1420 – 1122 4th Street S.W.
 Calgary, Alberta T2R 1M1
 Telephone: (403) 215-3280
 Fax: (403)-261-6601
 Website: www.anterraenergy.com
 Email: info@anterraenergy.com

Stock Exchange
 TSXV Venture Exchange
 Trading Symbol: AE.A
 OTCQX International
 Trading Symbol: ATERF

Auditors
 KPMG LLP

Registrar and Transfer Agent
 Olympia Trust Company
 2300, 125 Ninth Avenue S.E.
 Calgary, Alberta T2G 0P6

Bankers
 Canadian Western Bank

Legal Counsel
 Norton Rose Fulbright Canada LLP

Securities filings

www.sedar.com
 Information request and other investor relations inquiries can be directed to investor info@anterraenergy.com or by telephone at (403) 215 0860. Additional corporation information can be obtained through Anterra's website at www.anterraenergy.com.