MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis ("MD&A") dated November 26, 2015, of the financial condition and the results of operations of Anterra Energy Inc. ('Anterra" or the "Company") for the three and nine month periods ended September 30, 2015 and 2014 should be read in conjunction with the Company's unaudited interim financial statements for the three and nine month periods ended September 30, 2015 and 2014 and the audited consolidated financial statements and MD&A for the year ended December 31, 2014.

Non-IFRS Measures

This MD&A makes reference to terms commonly used in the petroleum and natural gas industry including funds from operations, funds from operations per share, netback and net debt. 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. The Company's method of calculating non-GAAP measures utilized is outlined in conjunction with their presentation within the MD&A. 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 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 "Going Concern" and "Liquidity and Capital Resources" as to ongoing operations.*

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.

Going Concern

Continuing weak crude oil prices experienced during 2015 have negatively impacted earnings and cash flow for the period. Additionally, total net costs of $1.2 million, associated with two major pipeline failures at the Company's Nipisi property during 2014, compounded by related production interruptions, have further strained the Company's financial resources.

As a result the Company has a working capital deficiency of $8.6 million, excluding bank debt of $10.3 million, at September 30, 2015. In addition, at September 30, 2015, the Company was in default under its Credit Facility Agreement and the default may continue throughout 2015.

Lower year end commodity prices also had a negative impact on the value of the Company's oil and natural gas reserves and the borrowing base upon which the Company's credit facility is determined. Although proven plus probable reserves at December 31, 2014, as determined by the Company's independent reserve evaluators, increased over year end 2013 reserves, lower commodity prices resulted in a reduction of their Net Present Value as compared to 2013.

Pursuant to a review by the Company's lender, effective March 9, 2015, the Company's $15 million revolving, operating demand loan credit facility was restructured to include a revolving operating demand loan facility in the maximum amount of $10 million and a non-revolving demand loan facility in the maximum amount of $4.8 million. The non-revolving loan facility was repayable as to $200,000 on acceptance of the facilities agreement and thereafter in minimum monthly principal payments of $200,000.

These conditions create a material uncertainty that may cast significant doubt as to the Company's ability to execute on its business plan and continue as a going concern.

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of obligations in the normal course of business. If this assumption is not appropriate, adjustments to the carrying amounts of assets and liabilities, revenues and expenses and the statement of financial position classifications used in the financial statements may be necessary and such adjustments could be material.

Operations Summary

The significant decline in crude oil prices realized in 2015 from those realized in the comparable period in 2014, had a major negative impact on the Company's overall performance for the three and nine months ended September 30, 2015. Production revenue, excluding the impact of risk management commodity contracts, for the three months ended September 30, 2015 decreased 59% to $1.9 million, from $4.7 million for same period in 2014. The decrease was primarily due to a 42% reduction in realized average commodity prices combined with a 28% decrease in production. For the nine months ended September 30, 2015, production revenues decreased 55% to $7.2 million from $16.1 million for the comparable period in 2014, as a result of a 44% reduction in realized commodity prices combined with a 20% decrease in production. For the three and nine months ended September 30, 2015, realized commodity prices averaged $49.40/boe and $49.79/boe respectively compared to $85.42/boe and $88.76/boe respectively during the same periods in 2014.

For the three and nine months ended September 30, 2015 , petroleum and natural gas sales volume averaged 429 boe/day and 530 boe/day respectively as compared to 598 boe/day and 664 boe/day respectively for the comparable periods in 2014. The decline in 2015 sales volumes from those in 2014 resulted primarily from production at the Company's Two Creek property being shut-in. The Two Creek B pool produces a lower grade of crude oil which receives a lower price and, when combined with blending charges and trucking costs, results in oil from the B pool being uneconomical to produce at current prices.

Quarter over quarter, Q3 2015 production decreased 20% from Q2 2015 average production of 540 boe/day.

Overall operating costs for the three and nine months ended September 30, 2015 decreased from the comparable periods in 2014 as a result of lower production and strict cost control measures. Q3 2015 operating costs, excluding spill clean-up and remediation costs, totaled $1,682,763 or $42.63/boe as compared to $3,024,852 or $54.95/boe in the same period last year.

Lower oil and gas revenues resulted in a decrease in royalties and royalty rates. For the nine months ended September 30, 2015, royalty expense totaled $949,495 or 13% of revenue as compared to $3,911,729 or 24% of revenue for the same period in 2014.

For the nine months ended September 30, 2015, third party midstream processing revenues remained relatively consistent with revenue for the first nine months of 2014. Direct midstream operating expenses for the nine months ended September 30, 2015 decreased over the comparable periods in 2014 mainly due to lower maintenance and fuel and power expenditures. Direct midstream operating expenses totaled $1,031,652 for the nine months ended September 30, 2015 as compared to $1,352,650 for the comparable period in 2014. As a result of lower operating costs, funds generated by midstream operations (determined as revenues less direct operating expenses), during the first nine months of 2015 increased 26% to $1,652,414 as compared to $1,314,506 for the same period in 2014.

During 2015 the Company received insurance proceeds of $2,454,630 relating to claims for spill clean-up and remediation costs incurred during 2014 and 2015 in Nipisi area as a result of two pipeline failures and the Company recognized a net recovery of $1,521,201 for the nine months ended September 30, 2015.

In addition to the contribution from midstream activities and the recovery of spill clean-up and remediation costs, overall operations were positively impacted by risk management commodity contracts which resulted in a realized gain of $825,261 during the nine months ended September 30, 2015. No realized gain was recorded in 2014 for comparable periods.

Reconciliation of Cash Flow from Operating Activities to Funds Flow from Operations

	Three Months Ended September 30,		Nine months Ended September 30,	
	2015	2014	**2015**	2014
	($)	($)	**($)**	($)
Net cash from (used in) operating activities	**2,492,949**	326,955	**2,331,730**	3,588,981
Decommissioning expenditure	**-**	126,001	**19,270**	495,492
Spill clean-up and remediation costs	**16,611**	1,284,064	**(1,521,201)**	1,284,064
Changes in non-cash working capital	**(2,617,750)**	(1,637,008)	**(59,998)**	(2,770,028)
Funds flow from operations	**(108,190)**	100,012	**769,801**	2,598,509

Financial and Operating Results

Production, Revenue and Prices

Oil and gas operations	Three Months Ended September 30, 2015	2014	Nine months Ended September 30, 2015	2014
Production				
Crude oil *(bbls/d)*	**368**	515	**437**	570
Natural gas *(mcf/d)*	**204**	341	**274**	407
NGLs *(bbls/d)*	**27**	25	**47**	26
Total production *(boe/d)*	**429**	598	**530**	664
Total production *(boe)*	**39,470**	55,044	**144,588**	181,181
Revenue				
Crude oil *($)*	**1,864,178**	4,457,857	**6,661,244**	15,076,453
Natural gas *($)*	**56,270**	133,694	**223,836**	593,047
NGLs *($)*	**29,390**	110,391	**313,879**	403,363
	1,949,838	4,701,942	**7,198,959**	16,072,863
Realized gain on risk management contracts *($)*	**81,432**	-	**825,261**	-
Total oil and gas revenue*($)*	**2,031,270**	4,701,942	**8,024,220**	16,072,863
Royalties *($)*	**262,418**	1,185,905	**949,495**	3,911,729
Operating expenses *($)*	**1,682,763**	3,024,852	**5,773,228**	8,408,006
Spill clean-up and remediation cost*($)*	**16,611**	1,284,064	**(1,521,201)**	1,284,064
Net operating revenue *($)*	**69,478**	(792,879)	**2,822,698**	2,469,064
Average Prices				
Light crude oil *($/bbl)*	**54.09**	94.07	**55.78**	96.92
Natural gas *($/mcf)*	**3.00**	4.27	**2.99**	5.33
NGLs *($/bbl)*	**12.01**	47.42	**24.71**	55.70
	49.40	85.42	**49.79**	88.76
Realized gain on risk management contracts *($/boe)*	**2.06**	-	**5.71**	-
Total *($/boe)*	**51.46**	85.42	**55.50**	88.76
Royalties*($/boe)*	**6.65**	21.54	**6.57**	21.60
Operating expenses *($/boe)*	**42.63**	54.95	**39.93**	46.43
Operating netback *($/boe)*	**2.18**	8.93	**9.00**	20.73
Midstream Processing				
Revenue ($)	**833,449**	816,456	**2,684,066**	2,667,156
Operating costs ($)	**334,132**	465,038	**1,031,652**	1,352,650
Net operating income ($)	**499,317**	351,418	**1,652,414**	1,314,506

Production revenues, excluding the impact of risk management commodity contracts, for the three months ended September 30, 2015 decreased 59% to $1.9 million, from $4.7 million for same period in 2014. The decrease was primarily due to 42% reduction in realized average commodity prices combined with a 28% production decrease. For the third quarter of 2015, realized commodity prices averaged $49.40/boe compared to $85.42/boe during the third quarter of 2014.

For the nine months ended September 30, 2015, production revenue decreased 55% due to a 20% decrease in sales volumes and a 44% decrease realized in oil and gas prices. The realized sale price for oil and gas oil was $49.79/boe compared to $88.76/boe for the comparable period in 2014.

Derivative commodity contracts entered into in 2014 and 2015 for risk management purpose partially offset the significant decline in commodity prices. The derivative risk management commodity contracts resulted in a realized gain of $825,261 or $5.71/boe for the nine months ended September 30, 2015. No realized gain or loss was recorded for the comparable period in 2014.

For the three and nine months ended September 30, 2015, midstream processing revenue remained relatively consistent.

Royalties

	Three Months Ended September 30,		Nine months Ended September 30,	
	2015	2014	**2015**	2014
	($)	*($)*	***($)***	*($)*
Crown royalties	**161,343**	1,022,177	**577,895**	3,226,932
Freehold royalties	**9,603**	41,591	**47,888**	181,228
Overriding royalties	**91,472**	122,137	**323,712**	503,569
Total royalties	**262,418**	1,185,905	**949,495**	3,911,729
Total royalties ($/boe)	**6.65**	21.54	**6.57**	21.60
Percent of revenue (%)	**13%**	25%	**13%**	24%

Total royalties are a combination of royalties paid on Crown lands, royalties paid on freehold lands and gross overriding royalties. Crown royalties under the Alberta Royalty Framework ("ARF") are sensitive to both commodity prices and production levels per well. As a result, royalties and royalty rates will fluctuate with commodity prices and production.

As a result of lower oil and gas revenues and a decrease in royalty rates resulting from lower prices and lower production, for the third quarter of 2015, the Company recorded total royalties of $262,418 or 13% of revenue versus $1,185,905 or 25% revenue for the same period of 2014. For the nine months ended September 30, 2015, royalty expense totaled $949,495 or 13% of revenue as compared to $3,911,729 or 24% of revenue for the nine months ended September 30, 2014.

Operating Expenses

	Three Months Ended September 30,		Nine months Ended September 30,	
	2015	2014	**2015**	2014
	($)	*($)*	*($)*	*($)*
Oil and gas operations	**1,527,925**	2,789,040	**5,245,019**	7,618,169
Transportations	**154,838**	235,812	**528,209**	789,837
Midstream operation	**334,132**	465,038	**1,031,652**	1,352,650
Inter-company eliminations	**(12,234)**	(13,420)	**(29,539)**	(39,791)
Total operating expenses	**2,004,661**	3,476,470	**6,775,341**	9,720,865
Total operating expenses for oil and gas operation ($/boe)	**42.63**	50.67	**39.93**	42.07

For the three and nine months ended September 30, 2015, total oil and gas operating and transportation expenses decreased 44% and 31% respectively over the same periods in 2014 as a result of the reduction in production and the implementation of strict cost controls. Additionally, on a per barrel basis the reduction of 2015 operating expenses reflect the shut-in of Two Creek production which normally incurred higher operating cost.

Direct midstream operating expenses for three and nine months ended September 30, 2015 decreased 28% and 24% respectively over the comparable period in 2014 due to lower maintenance and lower fuel and power expenditures.

Operating Netback

	Three Months Ended September 30,		Nine months Ended September 30,	
	2015	2014	**2015**	2014
	($/boe)	($/boe)	**($/boe)**	($/boe)
Gross revenue	**49.40**	85.42	**49.79**	88.76
Realized gain on risk management contracts	**2.06**	-	**5.71**	-
Royalty expenses	**6.65**	21.54	**6.57**	21.60
Operating expenses	**42.63**	54.95	**39.93**	46.43
Field netback	**2.18**	8.93	**9.00**	20.73

For the third quarter of 2015, Anterra realized a field netback of $2.18/boe as compared to $8.93/boe for the same period in 2014. For the nine months ended September 30, 2015, the realized netback decreased to $9.00/boe from $20.73/boe in 2014. The year-over-year decrease is the result of lower realized commodity prices partially offset by the realized gain on risk management commodity contracts and reduced royalties and operating expense.

General and Administrative ("G&A") Expenses

	Three Months Ended September 30,		Nine months Ended September 30,	
	2015	2014	**2015**	2014
	($)	($)	***($)***	($)
Personnel costs	**165,179**	263,518	**603,154**	756,681
Professional fees	**67,464**	44,918	**168,332**	245,342
Computer services and subscriptions	**30,695**	30,513	**121,159**	116,134
Investor relations	**6,455**	34,133	**65,065**	108,307
Travel and business entertainment	**15,157**	16,227	**121,174**	99,657
Office rent	**60,099**	88,691	**180,864**	262,551
General office expenses	**88,296**	82,368	**219,980**	350,137
	433,345	560,368	**1,479,728**	1,938,809
General and Administrative Expenses per Boe	**10.98**	10.18	**10.23**	10.70

G&A costs for the nine months ended in 2015 decreased 24% to $1,479,728 from $1,938,809 for the same period of 2014, mainly as the result of a concerted effort to control costs where possible and the elimination of professional fees resulting from acquisition activities incurred during the same period of 2014.

On boe of production basis, G&A costs for the nine months ended September 30, 2015 remain relatively consistent.

Decommissioning Liability

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 estimates the net present value of its decommissioning obligations using a risk free discount rate in effect at the end of the reporting period. The rate will vary between reporting periods resulting in changes to net present value estimates between periods. As at September 30 2015, the Company used an interest free rate of 1.89% as compared to a rate of 2.5% at December 31, 2014. This decrease in the discount rate resulted in an increase of $1.7 million to the estimated decommissioning liability at September 30, 2015 with a corresponding increase in the carrying value of the Company's property and equipment.

Net Finance Expenses

	Three Months Ended September 30,		Nine months Ended September 30,	
	2015	2014	**2015**	2014
Finance income:	*($)*	*($)*	*($)*	*($)*
Interest income on cash on deposit	**(226)**	(233)	**(643)**	(672)
Financial expenses:				
Interest on bank debt	**130,278**	122,456	**428,786**	350,988
Other interest	**70,203**	-	**210,608**	-
Interest on Debenture	**60,000**	60,000	**180,000**	180,000
Accretion of debenture	**30,322**	30,323	**90,978**	90,979
Accretion of decommissioning liabilities	**109,025**	135,600	**320,810**	429,047
Total net finance expenses	**399,602**	348,146	**1,230,539**	1,050,342
Total net finance expenses *($/boe)*	**10.12**	6.55	**8.51**	5.80

For the three and nine months ended September 30, 2015, interest on bank debt increased $7,822 and $77,798 respectively from the comparative periods in 2014 due to increased interest rates under the Company's credit facilities.

For the three and nine months ended September 30, 2015, accretion of decommissioning decreased by $26,575 and $108,237 respectively due to the lower risk-free rate.

Other interest relates to interest accrued on amounts payable to a related party.

Depletion and Depreciation ("D&D")

	Three Months Ended September 30,		Nine months Ended September 30,	
	2015	2014	**2015**	2014
	($)	*($)*	*($)*	*($)*
D&D for oil and gas properties	**663,122**	915,045	**2,408,853**	2,944,774
D&D of plant turnaround costs	**46,600**	10,351	**139,799**	10,351
D&D for midstream facilities and others	**40,270**	39,808	**120,811**	119,299
Total D&D	**749,992**	965,204	**2,669,463**	3,074,424
Total D&D for oil and gas properties *($/boe)*	**19.00**	17.54	**18.46**	16.97

The provision for depletion of property, plant and equipment ("PP&E") is determined on a component basis using the unit-of-production method based on independent estimates of proved producing reserves and is calculated based on the ratio of production of proved plus probable producing reserves applied to the cost of the asset. Depreciation of midstream facilities is calculated on a straight-line method and the useful life is 20 years. Depreciation of other non-resource assets is calculated on a straight-line basis at various rates between 20% and 45%.

Share Based Compensation Expenses

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 September 30, 2015 and December 31, 2014 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
December 31, 2014，2013	16,600,000	0.13
Expired	(13,100,000)	0.14
September 30, 2015	3,500,000	0.255

The following table summarizes stock options outstanding and exercisable:

Options Exercisable					
Range of exercise prices	Number outstanding at September 30, 2015	Expiry date	Weighted average exercise price	Number exercisable at September 30, 2015	Weighted average remaining contractual life
$0.255	3,500,000	March 26, 2016	$0.255	3,500,000	0.45 years

Stock based compensation with a cost of Nil (2014 - $1,752) was expensed during the nine month ended September 30 of 2015.

Capital Expenditures

	Three Months Ended September 30,		Nine months Ended September 30,	
	2015	2014	**2015**	2014
	($)	*($)*	*($)*	*($)*
Geological and geophysical	**39,479**	41,993	**128,135**	147,216
Midstream facility	**200**	4,187	**75,734**	81,391
Equipment, completions and other	**10,584**	2,037,194	**173,578**	3,494,365
	50,263	2,083,374	**377,447**	3,722,972
Acquisitions (dispositions)	**-**	200,000	**(250,000)**	202,000
Net capital expenditures	**50,263**	2,283,374	**127,447**	3,924,972
Capital expenditures are comprised of:				
PP&E	**50,263**	2,283,374	**127,447**	3,924,972
	50,263	2,283,374	**127,447**	3,924,972

On May 1, 2015, the Company disposed of its certain petroleum and gas properties in Saskatchewan for cash proceeds of $250,000 before closing adjustments. The petroleum and natural gas properties had a carrying value of $263,706 at the time of disposition, and an associated decommissioning liability of $128,075, resulting in a gain on disposal of $114,369.

Financial Instruments

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 December 31, 2014 financial statements.

The Company has entered into commodity price contracts, to mitigate a degree of its exposure 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. Additionally the Company has entered into fixed price power contacts to eliminate the significant fluctuations in power costs.

Such contracts are not used for trading or speculative purposes. The Company has not designated the financial derivative contracts as effective accounting hedges although the Company considers them to be an effective economic hedge. As a result, the contracts are 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 risk management contracts are valued using level 2 inputs which are based on quoted forward prices that can be substantially observed or corroborated in the market place.

Commodity price contracts

Remaining term	Contract Type	Quantity Contracted	Floor Price	Ceiling Price
Oct 1 to Dec 31, 2015	Crude Oil collar	200 bbls per day	$65.00 / bbl	$ 76.00 / bbl

Power price contracts

Remaining term	Contract Type	Volume contracted	Price
Oct. 2015 – December 2015	Fixed price	0.2 MW	$52.99/MWh
Oct. 2015 – June 2017	Fixed price	1.5 MW	$55.25/MWh

At September 30, 2015, the foregoing derivative contracts were recorded at fair value on the statement of financial positon as a liability of $240,478 and the Company recognized an unrealized loss of $ (462,589) and realized gain of $825,261.

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 generated from operating activities adjusted for expenditures of a non-operational or non-recurring nature including decommissioning activities, spill clean-up and remediation 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. The determination of funds flow from operations is presented on page 3 of the MD&A. 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 is summarized below:

	2015	2014
Net debt, January 1	**$25,141,609**	$ 17,685,841
Funds flow from operations	**(769,801)**	(2,598,509)
Capital expenditures	**127,447**	3,924,972
Decommissioning expenditures	**19,270**	495,492
Spill clean-up and remediation costs (recovery)	**(1,521,201)**	1,284,064
Net debt, September 30	**$22,997,324**	$20,791,680
Net debt to annualized funds flow	**22.4**	6.0

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 nine month ended September 30, 2015 the annualized net debt to funds flow ratio was 22.4 to 1 as compared to 6.0 to 1 at September 30, 2014. The deterioration in the net debt to funds flow ratio from that at September 30, 2014, reflects the impact of reduced commodity prices on funds flow from operations.

At current commodity prices, funds flow from operations will not be sufficient for the Company to execute on its business plan. In addition, the Company is in default under its credit facilities and is required to reduce the amounts outstanding by minimum $200,000 per month. The Company is looking to raise additional capital through the disposition of assets and is exploring the availability of additional equity capital. The Company has curtailed planned capital expenditures until its financial position stabilizes. Please see the discussion under “Going Concern” in this MD&A and Note 3 to the financial statements for the period ended September 30, 2015 for additional information.

Credit Facility

As at March 9, 2015 the Company’s authorized $15 million revolving, operating demand loan credit facility was restructured to include a revolving operating demand loan facility in the maximum amount of $10 million and a non-revolving demand loan facility in the maximum amount of $4.4 million. The revolving facility bears interest at the bank prime plus 1.25% (December 31, 2014 - prime rate plus 1.00%), with an effective rate at September 30, 2015 of 4.10% (September 30, 2014 – 3.75%). The non-revolving facility bears interest at the bank prime rate plus 3% with an effective rate as at September 30, 2015 of 5.85% and is repayable in minimum monthly principal payments of $200,000. The facilities are 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 September 30, 2015 the adjusted working capital ratio was 1 to 0.5 and the Company is in default under the Agreement and the default may continue throughout 2015.

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, 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.

Outstanding Securities

	November 26, 2015	September 30, 2015
Class A common shares outstanding	496,871,120	496,871,120
Stock options outstanding	3,500,000	3,500,000
Class A common shares issuable on convertible Debenture outstanding	40,000,000	40,000,000
Class A common shares issuable on warrants outstanding	-	-

Stock options issued pursuant to the Company’s stock option plan have a weighted average exercise price of $0.255 per share and expire at March 26, 2016. The debenture is convertible to Class A common shares at a conversion price of $0.10 per share until March 14, 2018.

Sources and (uses) of cash

Sources and (uses) of cash for the three and nine months periods ended September 30 2015 and 2014 are summarized below:

	Three Months Ended September 30,		Nine months Ended September 30,	
	2015	**2014**	**2015**	2014
	($)	($)	**($)**	($)
Cash – beginning of year	**--**	--	**--**	--
Funds flow from operations	**(108,190)**	100,012	**769,801**	2,598,509
Decommissioning expenditure	**-**	(126,001)	**(19,270)**	(495,492)
Spill clean-up and remediation costs	**(16,611)**	(1,284,064)	**1,521,201**	(1,284,064)
Change in non-cash working capital	**2,293,149**	2,645,060	**(36,800)**	4,203,791
Advances (repayment of) on bank loan	**(2,118,085)**	948,367	**(2,107,485)**	(1,097,772)
Capital expenditures				
PP&E	**(50,263)**	(2,283,374)	**(127,447)**	(3,924,972)
Exploration and evaluation	**-**	-	**-**	-
Cash – end of year	**--**	--	**--**	--

Income taxes

The Company has non-capital losses for income tax purposes totaling approximately $37.9 million. The losses expire between 2023 and 2034. The related tax benefits have only been recognized to the extent they offset taxable temporary differences.

Related Party Transactions

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

a) LandOcean Energy Services Co., Ltd. ("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. On April 8, 2013, the Company entered into an agreement ("the Agreement") with LandOcean whereby LandOcean was to 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 was to earn total compensation of $1,949,600 for technical services of which $976,880 was earned to December 31, 2014. The Company charged 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 September 30, 2015, $392,000 was payable to LandOcean in relation to the Agreement.
   During 2014, the Company engaged Western Union Petro (Canada) Technology Co., Ltd. ("Western Union"), to complete various field projects including the initial stage of a water-flood project at Strathmore, Alberta. During the year total costs of $3,834,642 related to the various projects were incurred of which $3,019,047 remains payable at September 30, 2015.

No work, further to that completed to the end of 2014, is ongoing or anticipated with the above related entities.

b) During the nine months ended September 30, 2015, a consulting company, to which an officer of Anterra is related, charged the Company $75,600 (2014 - $75,987) for consulting services. As at September 30, 2015, $8,438 was payable in relation to services provided.

c) During nine months ended September 30, 2015, a consulting company, to which a director of Anterra is related, charged the Company $4,200 (2014 - $23,500) for management and advisory services.

Risk Factors

The Company is exposed to market risks and operational risks. For a detailed discussion of these risks, readers should refer to the Risk Factors of the Company's Management Discussion and Analysis for the year ended December 31, 2014, available at www.sedar.com.

Off-balance Sheet Arrangements

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

Changes in Accounting Policy

Accounting standards issued but not yet applied

IFRS 9, Financial Instruments, replaces IAS 39 "Financial Instruments: Recognition and Measurement" and addressed the classification and measurement of financial instruments. On April 28, 2015, the IASB deferred the effective date by one year to January 1, 2018. The Company is currently evaluating the impact of adopting IFRS 9 on its financial statements.

IFRS 15, Revenue From Contracts With Customers, provides clarification for recognizing revenue from contracts with customer and establishes a single revenue recognition and measurement framework that applies to contracts with customers. The new standard is effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. The Company is currently evaluating the impact of adopting IFRS 15 on its financial statements.

On December 18, 2014 the IASB issued amendment to IAS 1, "Presentation of Financial Statements", effective for annual periods beginning on or after January 1, 2016 with early adoption permitted. These amendments, intended to improve financial statement disclosures, will not require significant changes to the Company's current practices and will be adopted for the annual period beginning on January 1, 2016.

Supplemental Quarterly Information

Three months ended	**September 30, 2015**	June 30, 2015	Mar 31, 2015	Dec. 31, 2014
Gross revenue	**2,770,874**	3,649,139	3,433,473	5,079,352
Net income (loss)	**(1,241,321)**	830,857	(842,374)	(13,734,171)
Per share – basic	**(0.002)**	0.002	(0.002)	(0.03)
Per share – diluted	**(0.002)**	0.002	(0.002)	(0.03)
Funds flow from operations (1)	**(108,190)**	727,017	398,426	716,278
Per share – basic	**(0.0002)**	0.001	0.001	0.001
Per share – diluted	**(0.0002)**	0.001	0.001	0.001
Capital expenditures	**50,263**	(71,633)	148,817	3,022,268
Total assets	**66,900,090**	70,463,187	71,099,108	68,892,877
Working capital (deficiency)	**(18,997,324)**	(18,835,560)	(20,797,436)	(18,111,393)
Shareholders' equity	**16,379,961**	17,621,282	16,790,425	17,632,799
Production				
Light crude oil *(bbls/d)*	**368**	421	524	581
NGLs *(bbls/d)*	**204**	280	340	434
Natural gas *(mcf/d)*	**27**	72	41	38
Total *(boe/d)*	**429**	540	622	691
Total (boe)	**39,470**	49,125	55,993	63,555

Three months ended	September 30, 2014	June 30, 2014	Mar. 31, 2014	Dec. 31, 2013
Gross revenue	5,504,798	6,598,726	6,596,524	3,238,654
Net income (loss)	(2,354,633)	(132,443)	167,659	(6,284,168)
Per share – basic	(0.005)	(0.000)	0.000	(0.01)
Per share – diluted	(0.005)	(0.000)	0.000	(0.01)
Funds flow from operations	62,272	1,105,934	1,392,653	132,966
Per share – basic	0.0002	0.0002	0.0002	0.001
Per share – diluted	0.0002	0.0002	0.0002	0.001
Capital expenditures	2,283,374	896,057	745,541	12,825,654
Total assets	77,656,209	76,361,804	77,067,630	76,869,554
Working capital (deficiency)	(16,829,510)	(13,198,433)	(13,189,723)	(13,685,841)
Shareholders' equity	31,366,970	33,717,995	33,854,036	33,684,625
Production				
Light crude oil *(bbls/d)*	515	585	610	298
NGLs *(bbls/d)*	341	397	24	15
Natural gas *(mcf/d)*	25	27	486	547
Total *(boe/d)*	598	679	715	405
Total *(boe)*	54,943	61,775	64,362	37,221

(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, 2014 and 2013.

Factors That Have Caused Variations over the Quarters

The fluctuation in Anterra's revenue and net earnings from quarter to quarter are primarily caused by changes in production volumes, realized commodity prices and the related impact on royalties, and realized and unrealized gains or losses on derivative instruments. Please refer to the Financial and Operating section and other sections of this MD&A for detailed discussions on variations during the comparative quarters and to Anterra's previously issued interim and annual MD&A for changes in prior quarter.

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)
Juan Wang	Beijing P.R. China	
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

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

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Stock Exchange
TSXV Venture Exchange
Trading Symbol: AE.A

Auditors
KPMG LLP

Registrar and Transfer Agent
Computershare Trust Company of Canada

Bankers
Canadian Western Bank

Legal Counsel
Norton Rose Fulbright Canada LLP

Securities fillings
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.