Anterra Energy Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis ("MD&A") dated November 23, 2016, 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, 2016 and 2015 should be read in conjunction with the Company's unaudited condensed interim financial statements for the three and nine month periods ended September 30, 2016 and 2015 and the audited financial statements and MD&A for the year ended December 31, 2015.

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 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 presentations 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 natural gas 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 and 2016 combined with declining production have negatively impacted earnings and cash flow for the current and prior periods. Additionally, 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.

Further to a review by the Company's lender, Canadian Western Bank ("CWB") effective March 9, 2015, the Company's revolving, operating demand loan credit facility was reduced to a maximum amount of $10 million and a non-revolving demand loan facility with maximum amount of $1.0 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. On April 15, 2016 CWB made demand upon the Company for payment in full of Anterra's outstanding indebtedness.

On May 6, 2016, pursuant to an order granted by the Court of Queen's Bench of Alberta, the Company obtained creditor protection under the Companies' Creditors Arrangement Act (Canada) (The "CCAA"). CCAA protection stays creditors and others from enforcing rights against Anterra and affords the Company the opportunity to restructure its financial affairs. In conjunction with the CCAA application, the Company arranged debtor in possession ("DIP") financing of $2.5 million which is available to the Company to fund the CCAA proceedings, expenditures required to place oilfield operations back online and general operations.

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.

The financial statements for the three and nine months ended September 30, 2016 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

Due to financial constraints experienced in early 2016 and the potential impact on operating safety, the Company shut-in virtually all of its production during the month of April and much of May 2016. With the arrangement of DIP financing, the Company placed the shut-in wells back on production and also commenced a well reactivation and workover program during the latter part of the second quarter of 2016. Largely as a result of the shut-in, production for the nine months ended September 30, 2016 averaged 299 Boe/d as compared to 530 Boe/d for the comparable period in 2015. With the workover and reactivation program that commenced during the second quarter of 2016, production during the third quarter of 2016 recovered to average 402 Boe/d, marginally less than the 429 Boe/d produced during the third quarter of 2015.

2016 oil and gas revenues were consistent with production levels and decreased from $7.2 million for the nine months ended September 30, 2015 to $3.8 million for the same period in 2016. Revenue for the third quarter of 2016 is reflective of the recovery in production and totaled $1.9 million as compared to $2.0 million for the third quarter of 2015.

Oil and gas revenues for the nine months ended 2016, as compared to 2015 were also impacted by a reduction in realized commodity prices. Average realized prices for the period were approximately 7% less than prices realized in 2015.

Oil and gas operating and transportation expenses for the nine months ended September 30, 2016 decreased approximately $2 million from $5.8 million in 2015 to $3.8 million in 2016 as a result of the lower production levels. However, due to the fixed component of operating costs, on a Boe of production basis,

operating and transportation costs increased to average $46.33 per Boe for the nine months ending September 30, 2016 as compared to $39.92 per Boe for the comparable period in 2015. Third quarter 2016 operating and transportation costs averaged $36.29 per Boe and reflect a concentrated and ongoing effort to control and reduce costs wherever possible.

Midstream processing revenues for the nine months ended September 30, 2016 decreased 44% to $1.5 million from $2.7 million during 2015, primarily as a result of an overall decrease in third party volumes at the Breton facility. Third quarter 2016 revenues were $305,577 as compared to $$833,449 during the third quarter of 2015. The decrease in revenue is largely attributable to customer uncertainty as to continued operations of the Breton facility resulting from the CCAA process. Midstream revenues have slowly begun to increase during the fourth quarter of 2016.

Table 1: Reconciliation of Cash Flow from Operating Activities to Funds Flow from Operations

	Three Months Ended September 30,		Nine months Ended September 30,	
	2016	2015	**2016**	2015
	($)	($)	**($)**	($)
Net cash from (used in) operating activities	**(483,284)**	2,492,949	**(616,223)**	2,331,730
Decommissioning expenditure	**-**	-	**-**	19,270
Spill clean-up and remediation costs	**.**	16,611	**-**	(1,521,201)
Changes in non-cash working capital	**(318,356)**	(2,617,750)	**(1,904,148)**	(59,998)
Funds flow from (used in) operations	**(801,640)**	(108,190)	**(2,520,371)**	769,801

Financial and Operating Results

Table 2: Production, Revenue and Prices

	Three Months Ended September 30,		Nine months Ended September 30,	
Oil and gas operations	**2016**	2015	**2016**	2015
Production				
Crude oil *(bbls/d)*	**355**	368	**267**	437
Natural gas *(mcf/d)*	**99**	204	**81**	274
NGLs *(bbls/d)*	**30**	27	**18**	47
Total production *(boe/d)*	**402**	429	**299**	530
Total production (*boe)*	**36,923**	39,470	**81,946**	144,588
Revenue				
Crude oil (*$)*	**1,828,895**	1,864,178	**3,687,537**	6,661,244
Natural gas *($)*	**23,088**	56,270	**49,125**	223,836
NGLs (*$)*	**36,402**	29,390	**62,830**	313,879
Total oil and gas revenue(*$*)	**1,888,385**	1,949,838	**3,799,492**	7,198,959
Royalties *($)*	**341,224**	262,418	**543,281**	949,495
Operating expenses (Include transportation cost) (*$*)	**1,339,895**	1,682,763	**3,796,690**	5,773,228
Spill clean-up and remediation cost($)	**-**	16,611	**-**	(1,521,201)
Net production revenue *($)*	**207,266**	(11,954)	**(540,479)**	1,997,437
Realized gain on risk management contracts *($)*	**-**	81,432	**-**	825,261
Unrealized gain on risk management contracts (*$)*	**-**		**429,482**	
Net operating revenue *($)*	**207,266**	**69,478**	**(110,997)**	**2,822,698**
Average Realized Prices				
Crude Oil *($/bbl)*	**56.02**	54.09	**50.33**	55.78
Natural gas *($/mcf*)	**2.54**	3.00	**2.21**	2.99
NGLs *($/bbl*)	**13.18**	12.01	**12.64**	24.71
Average Prices	**51.14**	49.40	**46.37**	49.79
(Un)Realized gain on risk management contracts *($/boe*)	**-**	2.06	**5.24**	5.71
Total Revenue *($/boe*)	**51.14**	51.46	**51.61**	55.50

Royalties *($/boe)*	**9.24**	6.65	**6.63**	6.57
Operating expenses *($/boe)*	**36.83**	42.63	**46.58**	39.93
Operating netback *($/boe)*	**5.61**	2.18	**(1.36)**	9.00

Midstream Processing				
Revenue (*$*)	**305,577**	816,456	**1,501,710**	2,667,156
Operating costs (*$*)	**235,759**	465,038	**782,378**	1,352,650
Net operating income (*$*)	**69,818**	351,418	**719,332**	1,314,506

Production revenues, excluding the impact of risk management commodity contracts, for the three months ended September 30, 2016 decreased 3.2% to $1.88 million, from $1.95 million for same period in 2015. The decrease was primarily due to 3.5% increase in realized average commodity prices combined with a 6.5% production decrease. For the third quarter of 2016, realized commodity prices averaged $51.14/boe compared to $49.40/boe during the third quarter of 2015.

For the nine months ended September 30, 2016, production revenue decreased 47.2% due to a 43.3% decrease in sales volumes and a 6.9% decrease in realized in oil and gas prices. The average realized oil and gas sales price for the nine months ended September 30, 2016 was $46.37/boe as compared to $49.79/boe for the comparable period in 2015.

Table 3: Royalties

	Three Months Ended September 30,		Nine months Ended September 30,	
	2016	2015	**2016**	2015
	($)	*($)*	***($)***	*($)*
Crown royalties	**232,240**	161,343	**374,960**	577,895
Freehold royalties	**318**	9,603	**4,609**	47,888
Overriding royalties	**108,666**	91,472	**163,712**	323,712
Total royalties	**341,224**	262,418	**543,281**	949,495
Total royalties *($/boe)*	**9.24**	6.65	**6.63**	6.57
Percent of revenue *(%)*	**20%**	13%	**15%**	13%

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.

For the third quarter of 2016, the Company recorded total royalties of $341,224 or 18% of revenue versus $262,418 or 13% revenue for the same period of 2015. For the nine months ended September 30, 2016, royalty expense totaled $543,281 or 14% of revenue as compared to $949,495 or 13% of revenue for the nine months ended September 30, 2015.

Table 4: Operating Expenses

	Three Months Ended September 30,		Nine months Ended September 30,	
	2016	2015	**2016**	2015
	($)	*($)*	*($)*	*($)*
Oil and gas operations	**1,201,326**	1,527,925	**3,511,185**	5,245,019
Transportations	**138,568**	154,838	**285,505**	528,209
Midstream operation	**229,953**	334,132	**782,378**	1,031,652
Inter-company eliminations	**(4,212)**	(12,234)	**(10,018)**	(29,539)
Total operating expenses	**1,565,635**	2,004,661	**4,569,050**	6,775,341
Total operating expenses for oil and gas operation *($/boe)*	**36.29**	42.63	**46.33**	39.93

For the three and nine months ended September 30, 2016, total oil and gas operating and transportation expenses decreased 20% and 34% respectively over the same periods in 2015 primarily as a result of reduced production. However, due to the fixed component of operating costs, on a Boe of production basis, operating costs for the nine months ended September 30, 2016 increased to $46.33 from $39.93 in 2015. Third quarter 2016 operating costs decreased approximately 15% from $42.63 in 2015 to $36.29 in 2016 as a result of a concentrated and ongoing effort to control and reduce costs wherever possible.

Direct midstream operating expenses for three and nine months ended September 30, 2016 decreased 31% and 24% respectively over the comparable period in 2015 primarily as a result of lower third party processing volumes.

Table 5: Operating Netback

	Three Months Ended September 30,		Nine months Ended September 30,	
	2016	2015	**2016**	2015
	($/boe)	($/boe)	**($/boe)**	($/boe)
Gross revenue	**51.14**	49.40	**46.37**	49.79
Realized gain on risk management contracts	**0.00**	2.06	**5.24**	5.71
Royalty expenses	**(9.24)**	(6.65)	**(6.63)**	(6.57)
Operating expenses	**(36.29)**	(42.63)	**(46.33)**	(39.93)
Field netback	**5.61**	2.18	**(1.35)**	9.00

For the third quarter of 2016, Anterra realized a field netback of $5.61/boe as compared to $2.18/boe for the same period in 2015. For the nine months ended September 30, 2016, the realized netback decreased to loss ($1.36)/boe from $9.00/boe in 2015. Netbacks in 2015 benefited from realized risk management gains which were not available in 2016.

Table 6: General and Administrative ("G&A") Expenses

	Three Months Ended September 30,		Nine months Ended September 30,	
	2016	2015	**2016**	2015
	($)	*($)*	***($)***	*($)*
General & admin costs	**430,164**	433,345	**1,259,609**	1,479,728
$/Boe	**11.65**	10.98	**15.37**	10.23
CCAA	**373,064**	0	**621,018**	0
$/Boe	**10.10**	0	**7.58**	0
Total overhead costs	**803,228**	433,345	**1,880,627**	1,479,728
$/Boe	**21.75**	10.98	**22.95**	10.23

Total G&A expenses for the nine months ended September 30, 2016 decreased 15% from $1.48 million in 2015 to $1.26 million in 2016. On a Boe of production basis G&A costs increased to $15.37/Boe for the nine months ended September 30, 2016 from $10.23/Boe for 2015 with reduced production more than offsetting the decrease in actual costs. Third quarter 2016 G&A expenses were relatively consistent with those of 2015 both on a total and a $/Boe basis as a result of recovering production.

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 2016, the Company used an interest free rate of 1.60% as compared to a rate of 1.89 at December 31, 2015. This decrease in the discount rate resulted in an increase of $837,640 to the estimated decommissioning liability at September 30, 2016 with a corresponding increase in the carrying value of the Company's property and equipment.

Table 7: Net Finance Expenses

	Three Months Ended September 30,		Nine months Ended September 30,	
	2016	2015	**2016**	2015
Finance income:	*($)*	*($)*	*($)*	*($)*
Interest income on cash on deposit	**(587)**	(226)	**(1,261)**	(643)
Financial expenses:				
Interest on bank debt	**103,338**	130,278	**308,769**	428,786
Other interest	**112,746**	70,203	**331,090**	210,608
Interest on Debenture	**60,000**	60,000	**180,000**	180,000
Accretion of debenture	**30,327**	30,322	**90,979**	90,978
Accretion of decommissioning liabilities	**83,557**	109,025	**294,777**	320,810
Total net finance expenses	**389,968**	399,602	**1,205,615**	1,230,539
Total net finance expenses *($/boe)*	**10.56**	10.12	**14.71**	8.51

For the three and nine months ended September 30, 2016, interest on bank debt decreased $26,940 and $120,017 respectively from the comparative periods in 2015 due to a decrease in bank borrowing.

Other interest relates to interest accrued on amounts payable to a related party. Interest on the payable amount has increased $42,453 and $120,482 respectively from the comparative periods in 2015, due to an increase in the 2016 interest rate over that in 2015.

Table 8: Depletion and Depreciation ("D&D")

	Three Months Ended September 30,		Nine months Ended September 30,	
	2016	2015	**2016**	***2015***
	($)	*($)*	*($)*	*($)*
D&D for oil and gas properties	**661,159**	663,122	**1,318,785**	*2,408,853*
D&D for midstream facilities and others	**26,418**	86,870	**200,779**	*260,610*
Total D&D	**687,577**	749,992	**1,519,564**	2,669,463
Total D&D for oil and gas properties *($/boe)*	**18.62**	19.00	**18.54**	18.46

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%.

Table 9: Capital Expenditures

	Three Months Ended September 30,		Nine months Ended September 30,	
	2016	2015	2016	2015
	($)	*($)*	*($)*	*($)*
Geological and geophysical	**-**	39,479	**18,365**	128,135
Midstream facility	**-**	200	**-**	75,734
Equipment, completions and other	**263,841**	10,584	**944,308**	173,578
	263,841	50,263	**962,673**	377,447
Acquisitions (dispositions)		-	**-**	(250,000)
Net capital expenditures	**263,841**	50,263	**962,673**	127,447

Risk management contract

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.

During 2015, the Company entered into two commodity price contracts, both of which had expired by 2015 year end, 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.

With the exception of one power contract, the risk management contracts expired as of December 31, 2015 and the remaining power contract was cancelled by the provider on April 15, 2016. At December 31, 2015, the remaining power contract was recorded as a liability of $429,482. With the cancellation of the contract the liability was reversed and an unrealized gain of $429,482 was recognized for the period ended September 30, 2016.

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, transaction costs, 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 the convertible debenture, the DIP Financing and trade and other payables less accounts receivable and deposits and prepaid expenses. Net debt and changes in net debt is summarized below:

Table 10: Liquidity and Capital Resources

	2016	2015
Net debt, January 1	**$23,301,123**	$25,141,609
Funds flow (from) used in operations	**2,520,371**	(769,801)
Capital expenditures	**962,673**	127,447
Decommissioning expenditures	**-**	19,270
Spill clean-up and remediation costs (recovery)	**-**	(1,521,201)
Net debt, September 30	**26,784,167**	$22,997,324
Net debt to annualized funds flow	**N/A**	22.4

At current commodity prices and production levels, funds flow from operations is negative. The Company is pursuing the restructuring of its financial structure through a CCAA process. Please see the discussion under "Going Concern" in this MD&A and Note 3 to the financial statements for the period ended September 30, 2016 for additional information.

Bank Debt

As at March 9, 2015, the Company's authorized revolving, operating demand loan was reduced to a maximum amount of $10 million and a non-revolving demand loan with maximum amount of $1.0 million. The revolving facility bears interest at the bank prime plus 1.25% (December 31, 2015 - prime rate plus 1.00%), with an effective rate at December 31, 2015 of 3.95% (December 31, 2015 – 3.75%). The non-revolving facility bears interest at the bank prime rate plus 3.00% with an effective rate as at December 31, 2015 of 5.70%, and is fully repaid in April 30, 2016.

The loan amounts are secured by a first floating charge debenture in the amount of $35 million over all assets of the Company. Under the loan 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 December 31, 2015 the Company was in default under the agreement and currently remains in default on April 15, 2016 CWB made demand upon the Company for payment in full of Anterra's outstanding indebtedness. Please see the discussion under "Going Concern" in this MD&A and Note 3 to the financial statements for the period ended September 30, 2016 for additional information.

Debtor-in-possession "DIP" Financing

In May 2016, the Company and Western Union Petro International Co. Ltd. ("Western Union International")) executed a DIP Commitment Letter whereby Western Union International agreed to provide an interest free loan of in the maximum of $2.5 million (the "DIP Facility") to the Company to provide for the short-term liquidity needs, including funding of the CCAA process, while the Company is under CCAA protection. The DIP Facility is repayable on demand, and is secured by a priority charge over all of the Company's assets in priority to existing secured creditors. Western Union is a related party as outlined in Transactions with Related Parties. As at September 30, 2016, the Company has drawn $2,007,307 on the facility. The balance of the facility is held trust by the Company's legal counsel and is available to the Company upon approval of a transfer request by Western Union International.

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.

Share Data

As at December 31, 2015 and September 30, 2016, Anterra had 496,871,120 Class A common shares issued and outstanding.

Income Taxes

As at December 31, 2015, the Company had accumulated non-capital losses for income tax purposes totaling approximately $67.2 million. The losses expire between 2023 and 2034. The related tax benefits have only been recognized to the extent of offsetting taxable temporary differences.

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.

   i. 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.

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 of which $976,880 has been earned to December 31, 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 September 30, 2016, $392,000 was payable to LandOcean in relation to the Agreement.

ii. During 2014, the Company engaged 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 $3,584,962 related to the various projects were incurred of which $2,808,105 remains payable at June30, 2016.

No work additional to that completed during 2014 is ongoing or anticipated with the above related entities.

iii. In May of 2016, Western Union Petro International Co. Ltd., a wholly owned subsidiary of Western Union agreed to make available to the Company a loan in the maximum of $2.5 million as outlined in Note 7.

b) During nine month period ended September 30, 2016, a consulting company, to which an officer of Anterra is related, charged the Company $33,812 (2015 - $75,600) for consulting 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, 2015, available at www.sedar.com.

Off-Balance Sheet Arrangements

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

Subsequent Events

On April 29, 2016, the Company announced that the filing of its annual audited financial statements and management's discussion and analysis for the year ended December 31, 2015 would be delayed beyond the filing deadline of April 29, 2016. On May 6, 2016, the Alberta Securities Commission issued a cease trade order against the Company for failure to file the required annual disclosure documents, subsequent to which, the securities regulators in each of the jurisdictions in which the Company is a reporting issuer issued similar orders ("the "Cease Trade Orders").and the Company's securities have been halted from trading on the TSX Venture Exchange. On September 9, 2016 the Company announced that it had met all the Exchange requirements in relation to the reinstatement of trading and, on or before, September 8, 2016, the various Securities Commissions revoked their cease trade orders and the Company now intends to seek the resumption of trading of its common shares on the TSX Venture Exchange.

On May 6, 2016, pursuant to an order granted by the Court of Queen's Bench of Alberta, the company obtained creditor protection under the Companies' Creditors Arrangement Act (Canada) (The "CCAA"). CCAA protection stays creditors and others from enforcing rights against Anterra and affords the Company the opportunity to restructure its financial affairs. The Company's restructuring process commenced with the granting of CCAA protection in May 2016 is ongoing, and the Court has granted a series of extensions of the initial order, the most recent being granted on October 25, 2016 which grants an extension until January 20, 2017.

New Accounting Pronouncements

The following pronouncements from the IASB will become effective for financial reporting periods beginning on or after January 1, 2016 and have not yet been adopted by the Company. All of these new or revised standards permit early adoption with transitional arrangements depending upon the date of initial application:

IFRS 9 “Financial Instruments” replaces IAS 39 “Financial Instruments: Recognition and Measurement” and addressed the classification and measurement of financial instruments with an, effective date of January 1, 2018.

IFRS 15 “Revenue From Contracts with Customers” replaces IAS 11 “Construction Contracts” and IAS 18 “Revenue” and establishes a single revenue recognition framework that applies to contracts with customers, effective date of January 1, 2018.

IFRS 16 “Leases” replaces IAS 17 “Lease” and requires entities to recognize lease assets and lease obligations on the balance sheet, essentially removing the classification of leases as either operating leases or finance leases and treating all leases as finance leases, effective January 1, 2019.

The Company has not completed its evaluation of the effect of adopting these standards on its financial statements.

Table 11: Supplemental Quarterly Information

Three months ended	**30-Sep-16**	30-Jun-16	31-Mar-16	31-Dec-15
	($)	*($)*	*($)*	*($)*
Gross revenue	**2,183,944**	1,275,689	1,071,508	2,717,108
Net income (loss)	**(1,603,101)**	(1,362,741)	(1,030,367)	(28,313,597)
Per share – basic	**-**	-	-	-
Per share – diluted	**-**	-	-	-
Funds flow from operations [1]	**(483,468)**	(240,685)	(349,645)	(256,265)
Per share – basic	**-**	-	-	-
Per share – diluted	**-**	-	-	-
Capital expenditures	**263,841**	680,467	18,365	72,888
Impairment expense	**-**	-	-	25,240,171
Total assets	**39,505,472**	40,001,281	37,988,864	38,594,568
Working capital (deficiency)	**(22,784,166)**	(21,718,684)	(20,456,647)	(19,730,605)
Shareholders' equity	**(15,929,845)**	(14,326,744)	(12,964,003)	(11,933,636)
Production				
Light crude oil *(bbls/d)*	**355**	161	286	375
NGLs *(bbls/d)*	**99**	12	132	194
Natural gas *(mcf/d)*	**30**	9	16	21
Total *(boe/d)*	**402**	172	323	428
Total (boe)	**36,923**	15,597	29,247	39,410

Three months ended	30-Sep-15	30-Jun-15	31-Mar-15	31-Dec-14
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	-	-	-	-
Per share – diluted	-	-	-	-
Funds flow from operations	(108,190)	727,017	398,426	456,517
Per share – basic	-	-	-	-
Per share – diluted	-	-	-	-
Capital expenditures	50,263	(71,633)	148,817	3,022,268
Impairment expense	-	-	-	11,553,164
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

(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, 2015 and 2014.

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 2015 Q1 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

Gang Fang;	Calgary AB Canada	(1) (2)
Hong Lei;	Beijing P.R. China	
Zhen Xiang Huo;	Beijing P.R. China	(3)
Cheng Feng Tang	Beijing P.R. China	(1) (2)
Guang Zhen 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

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

Registrar and Transfer Agent
Equity Financial Trust Company

Securities fillings
www.sedar.com

Stock Exchange
TSXV Venture Exchange
Trading Symbol: AE.A

Auditors
MNP LLP

Bankers
Canadian Western Bank
Bank of China

Legal Counsel
Norton Rose Fulbright Canada LLP

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