ANTRIM ENERGY INC.

Antrim Energy Inc.

Management's Discussion and Analysis

December 31, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis ("MD&A") provides a detailed explanation of Antrim Energy Inc.'s (the "Company" or "Antrim") operating results for the fourth quarter and year ended December 31, 2011 compared to the fourth quarter and year ended December 31, 2010 and should be read in conjunction with the audited consolidated financial statements of Antrim. This MD&A has been prepared using information available up to March 26, 2012. The audited consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and all comparative figures for 2010 have been restated using IFRS. Unless otherwise noted all amounts are reported in United States dollars.

Transition to International Financial Reporting Standards

On January 1, 2011, Antrim adopted IFRS for Canadian publicly accountable enterprises as required by the Accounting Standards Board of Canada. Prior to the adoption of IFRS, Antrim followed Canadian Generally Accepted Accounting Principles ("Canadian GAAP"). Antrim has reported its results in accordance with IFRS starting in the first quarter 2011, with comparative IFRS information for the 2010 fiscal year. An explanation of how the transition to IFRS has affected the reported financial position and financial performance of the Company for the year ended December 31, 2010 is provided in Note 25 of the audited consolidated financial statements. The Company's accounting policies and future accounting standards under IFRS are disclosed in the Note 3 of the audited consolidated financial statements.

Non-IFRS Measures

Cash flow from operations, cash flow from operations per share and netback do not have standard meanings under IFRS and may not be comparable to those reported by other companies. Antrim utilizes cash flow from operations and netback to assess operational and financial performance to allocate capital among alternative projects and to assess the Company's capacity to fund future capital programs.

Cash flow from operations is defined as cash flow from operating activities before changes in working capital. Cash flow from operations per share is calculated as cash flow from operations divided by the weighted-average number of outstanding shares. Reconciliation of cash flow from operations to its nearest measure prescribed by IFRS is provided below.

Calculation of Cash Flow from Operations

	Three Months Ended December 31		Year Ended December 31	
	2011	**2010**	**2011**	**2010**
($000's)				
Cash flow provided by (used in) operating activities	6,786	(5,963)	8,941	(5,609)
Less: increases in non-cash working capital	11,676	1,312	12,688	133
Cash deficiency from operations	(4,890)	(7,275)	(3,747)	(5,742)

Overview

Antrim's focus for 2011 has been on developing its UK North Sea assets in order to reach production. Development of the Causeway Field is progressing toward anticipated first production in the third quarter of 2012, followed by first production from the Fionn Field in the middle of 2013. Planning continues for the Fyne Field to achieve first production in 2014. The Company also intends to participate in two exploration wells during 2012 in the UK North Sea.

Antrim entered into an arrangement agreement (the "Arrangement Agreement") on March 23, 2012 to sell all of its interest in its wholly owned subsidiary Antrim Argentina S.A. to Crown Point Ventures Ltd. ("Crown Point"), an Argentine-focused oil and gas company, for Cdn$53.75 million in consideration pursuant to a plan of arrangement to be effected under the Business Corporations Act (Alberta) (the "Arrangement"). The consideration consists of approximately Cdn$10.26 million in cash (subject to certain adjustments) and 35,761,307 common shares of Crown Point ("Crown Point Shares"). In additional, pursuant to the terms of the Arrangement, Antrim intends to distribute the Crown Point Shares to its shareholders as a return of capital. The Arrangement remains subject to certain regulatory approvals, including the approval of holders of at least two-thirds of the Antrim common shares, the approval of the Alberta Court of Queen's Bench, and the approval of the TSX Venture Exchange to the listing of the additional Crown Point Shares.

Antrim's interest in its Tierra del Fuego Concessions is subject to certain rights of first refusal by third parties ("ROFR"). In the event that the ROFR is exercised, the consideration under the ROFR will be paid to Antrim, no distribution will be made to Antrim Shareholders and the Cerro de Los Leones property will be transferred to Crown Point for a fixed cash consideration which will be paid to Antrim on closing.

Antrim decided to divest of its oil and natural gas interests in Argentina to focus on higher return opportunities in the UK North Sea.

As a result of the decision to divest, the Company's Argentina segment assets and liabilities have been reclassified as held for sale and the operations have been accounted for as discontinued operations. Comparative figures have been reclassified to conform with this presentation (see Note 4 of the consolidated audited financial statements).

Overview of Continuing Operations

United Kingdom

In the United Kingdom, total proved plus probable reserves are 12.6 million barrels of oil equivalent ("boe") (net to Antrim) as at December 31, 2011, which decreased by 54.5% from 27.7 million barrels in 2010. This reduction was due to the farm out of a 39.9% working interest in Licence P077 Block 21/28a (the "Fyne Licence") to Premier Oil UK Ltd ("Premier"), the sale of a 30% working interest in Licence P077 Block 211/22a South East Area and P1383 Block 211/23d (the "Causeway Licences") to Valiant Petroleum plc ("Valiant") and technical revisions to the Causeway reserves following a change in strategy for field development.

Fyne Licence

The Fyne Licence includes the Fyne Field, the Dandy Field and the Area 4 Field. Total proved plus probable reserves at December 31, 2011 remained at 23.3 million boe (gross), unchanged from 2010. The transfer of the 39.9% of Antrim's 75% working interest to Premier reduced Antrim's working interest to 35.1% and corresponding net proved plus probable reserves from 17.5 million boe in 2010 to 8.2 million boe in 2011. The Fyne Licence represents 65% of the Company's total proved plus probable reserves as at December 31, 2011.

In February 2012, Premier (operator) drilled the East Fyne appraisal well in the Fyne Field and discovered that the thickness of the oil bearing sand was at the lower end of Antrim's estimate and the well was plugged and abandoned. Antrim's share of drilling and abandonment costs was covered by Premier's $48 million carried contribution under the Earn-In Agreement ("EIA"). Antrim is now incorporating the results of the East Fyne well into its reserve estimates and updating field development options. The less than expected results of this well may have a material impact on the reserves and net present values for the Fyne Field. Insufficient data exists at this time to properly assess whether there may be an impairment to the carrying amount of those assets. In addition, Premier is currently evaluating their project economics and retains the right to sell back the previously acquired 39.9% working interest to Antrim at a nominal price.

Antrim continues to work with Premier on the identification of export routes for production from the Fyne Field. The currently preferred production system will handle approximately 20,000 barrels of oil per day ("bopd"), with potential capacity add-ons to handle additional volume from satellite fields. First production is anticipated in the middle of 2014.

The original Fyne Licence expired on November 25, 2011. The Department of Energy and Climate Change ("DECC") agreed to a three-year extension to November 25, 2014 on the condition that a field development plan ("FDP") for the Fyne Field is submitted by June 25, 2012. If the Fyne Field FDP is not submitted by that date, or an extension obtained from DECC, the Fyne Licence could be revoked. First production must be achieved from any of the three identified Prospective Areas (Fyne Field, Dandy Field and Area 4 Field) within the three year license extension period in order for that Prospective Area to become a Producing Area and the licence to continue. If first production is not achieved in a Prospective Area by November 25, 2014, the licence relative to that Prospective Area will expire. Although the Company expects to submit a Fyne Field FDP by June 25, 2012 and to achieve first production by 2014, there is no assurance that the Company will be successful in doing so.

Greater Fyne Area

Pursuant to an option in the EIA for the Fyne Licence, Antrim farmed-out a 50% working interest in Licence P1875 Block 21/29d (the "Erne Prospect") to Premier.

In the fourth quarter of 2011, Antrim completed the drilling of the Erne discovery well 21/29d-11 and sidetrack well 21/29d-11Z (Antrim 50%). Post-well analysis of the wells by Antrim's independent reserve evaluation engineers did not result in any reserves being assigned at this time. As the carrying value of the asset is not expected to be recovered from future production, an impairment charge of $10.3 million was recognized during the year.

The Erne pilot and sidetrack wells have high-graded and de-risked other drilling prospects in the Upper Tay Formation near Erne and along the same trend on Antrim-interest licences. With this information, Antrim is re-prioritizing its future drilling plans, focusing on both the Upper Tay and Middle Tay drilling targets.

Premier retains the right to participate up to 50% in future Greater Fyne Area exploration programs.

Causeway Licences

The Causeway Licences' total proved plus probable reserves decreased by 20% from 15.6 million boe (gross) to 12.5 million boe (gross) as at December 31, 2011 due to technical revisions following a change in strategy for field development. Due to these revisions and the transfer of the 30% of working interest to Valiant, net proved plus probable reserves to Antrim as at December 31, 2011 are 4.4 million boe (net proved plus probable reserves to Antrim as at December 31, 2010 were 10.2 million boe).

In December 2011, DECC assigned separate field designations to the Fionn Field (previously referred to as the Central Causeway fault block) and the Causeway Field (previously referred to as the East Causeway and Far East Causeway fault blocks). This allows for separate Small Field Allowance tax credits to be applied for each field.

Antrim announced on December 28, 2011 the FDP for the Causeway Field was approved by DECC. The FDP includes a production well and a water injection well, with first oil production anticipated in the third quarter of 2012. Hydrocarbons will be transported to and processed at the Cormorant North production platform operated by TAQA Bratani Limited ("TAQA") before being exported to the Sullom Voe terminal for sale. Antrim's development costs for its 35.5% working interest are estimated at $36.3 million, net of the carried contribution received from the sale of a 30% interest to Valiant.

Since the approval of the FDP, a contract was awarded by Valiant to French contractor Technip for engineering, procurement, installation and commissioning of rigid and flexible pipelines, subsea equipment and umbilicals. The Borgsten Dolphin semi-submersible rig was contracted to complete the existing production and water injection wells in the field. First oil remains on-track for the third quarter of 2012. Average production for the first twelve months is expected to be 3,000 bopd net to Antrim.

On January 23, 2012, Antrim announced that it had signed an agreement with Valiant to proceed with the early installation of subsea facilities for the development of the Fionn Field. Coincident with this agreement, a development plan and budget for the Fionn Field was agreed to by the joint venture partners. Valiant subsequently prepared an FDP for the Fionn Field, which was submitted to DECC for approval in March 2012. Fionn Field production will be combined with the Causeway Field production and transported for processing to the Cormorant North platform. First oil from the Fionn Field is anticipated in the middle of 2013. Antrim's share of the development costs for the Fionn Field, including the pre-investment costs, is estimated to be approximately $22 million.

In October 2011, Antrim finalized the sale of a 30% interest in the Causeway Licences, along with the pro rata share of the reserves and tax losses, to Valiant. In return, Antrim received up to $21.75 million carried contribution towards its remaining share of the development costs of the Causeway Field. Antrim recorded an impairment expense on exploration and evaluation assets of $35.6 million due to the sale and a loss on disposal of $0.1 million.

Kerloch Licence

Antrim signed a farm-out agreement with TAQA related to P201 Block 211/22a North West Area (the "Kerloch Licence") whereby TAQA agreed to drill an exploration well to earn an interest in the licence. Prior to the farm-out, Antrim held a 21% working interest in the licence.

In September 2011, DECC agreed to subdivide the licence into two sub-areas: the "Kerloch Area" in the north and the "Contender Area" in the south. By committing to drill an exploration well in the south, TAQA earned a 60% interest in the Contender Area. Antrim's working interest in the Contender Area was reduced to 8.4%. Once the exploration well is drilled, TAQA will earn 35% interest in the Kerloch Area. Antrim's remaining working interest in the Kerloch Area will be reduced to 13.65%.

TAQA assumed operatorship of the Contender Area and will drill the exploration well on the Contender Prospect from the Cormorant North platform. The well will target the Jurassic Brent sequence of sandstones at a projected drilling depth of 16,900 feet, less than two kilometres east of the Cormorant North Field. The well is expected to spud in the second quarter of 2012 and drilling will be funded by TAQA.

Cyclone Prospect

Licence P1784 Block 21/7b (Antrim 30%) is located in the Central North Sea north of the Greater Fyne Area. The block contains the "Cyclone" and the "Typhoon" Tertiary Cromarty prospects at approximately 5,000 and 5,600 feet respectively, in a region that is mature from both exploration and field infrastructure perspectives. The licence was acquired jointly with Premier (70%, operator) with a firm well commitment. An exploration well on the Cyclone Prospect has been approved by the joint venture partners and is planned to be drilled in the third quarter of 2012. The Typhoon Prospect would be a probable follow up to any discovery at Cyclone.

Ireland

On October 18, 2011, Antrim announced that it had been awarded a Frontier Licence Option by the Department of Communications, Energy and Natural Resources of Ireland, under the Irish 2011 Atlantic Margin Licensing Round. The Licence option area covers Blocks 44/4, 44/5 (part), 44/9, 44/10, 44/14, 44/15, an area of approximately 1,409 square km located in the Porcupine Basin approximately 110 km off the southwest coast of Ireland. The option allows Antrim two years to qualify the blocks for a full Exploration Licence. Antrim has committed to a seismic work program of $0.5 million.

Tanzania

In December 2010, two agreements were signed in Tanzania which are expected to lead to the resumption of exploration activities on the production sharing agreement for the Pemba-Zanzibar exploration licence offshore and onshore Tanzania (the "P-Z PSA"). Antrim holds an option to acquire a 20% interest in the P-Z PSA following the pre-drilling (seismic) phase and an additional 10% interest to be exercised up to 180 days following receipt of the initial drilling results. Carried costs associated with the interests would be repaid from future production. RAK Gas, the operator, has submitted a proposal for a revised work programme to the federal government of Tanzania, with seismic operations expected to proceed during 2012.

Overview of Discontinued Operations

Argentina

With the strategic decision to sell its Argentina business, the Company's Argentina operations have been accounted for as discontinued operations. Comparative figures have been reclassified to conform with this presentation. See Note 4 of the year end audited consolidated financial statements.

Argentina generated oil and gas revenue, net of royalties, of $10.2 million for the year ended December 31, 2011 which decreased from $10.8 million in 2010. Revenue decreased as a result of lower oil and gas production partially offset by higher oil and gas prices received. Production in Argentina decreased to 1,564 barrels of oil equivalent per day ("boepd") in 2011 from 1,783 boepd in 2010 due to a natural decline combined with gas plant maintenance and temporary oil storage problems.

Argentina total proved plus probable reserves decreased by 15% from 27.7 million boe (gross) to 23.5 million boe (gross) as at December 31, 2011 due to production and performance.

Antrim's average gas price for the fourth quarter of 2011 was $2.12 per thousand cubic feet ("mcf") compared to $1.80 per mcf for the same period in 2010, an 18% increase. In the fourth quarter of 2011, oil prices averaged $63.94 per barrel compared to $54.60 per barrel for the same period in 2010, a 17% increase. Antrim's gas price averaged $2.17 per mcf for the year ended December 31, 2011 compared to $1.84 per mcf in 2010. Oil prices averaged $59.78 per barrel in 2011 compared to $49.34 per barrel in 2010.

Antrim sells all of its oil production and approximately 78% of its natural gas production from Tierra del Fuego to the Argentine mainland. These sales generate value-added tax ("VAT") of 21%, which is retained by Antrim due to favorable tax laws pertaining to Tierra del Fuego. VAT of $2.2 million (2010 - $2.1 million) is reported as other income and is not included in Antrim's per unit sales prices.

Antrim's field netbacks in Argentina, based on sales, were $10.07 (2010 - $7.51) per boe and $9.31 (2010 - $9.06) for the three and twelve month periods ended December 31, 2011. The increase in the 2011 field netbacks, as compared to 2010, was due to higher product prices partially offset by higher production and operating expenses, royalties and export taxes.

In February 2012, the Company's application for "Gas Plus" pricing incentives for new gas produced from the wells drilled in 2010 was approved by the government. This approval will permit Antrim to sell a portion of its gas in the higher-priced industrial market on the mainland.

Antrim and its partners in the Tierra del Fuego Concession are finalizing a ten year extension to the licences which expires in November 2016. Terms of the extension will include an upfront cash payment to the Province of Tierra del Fuego, an increase in royalties and a multi-well drilling commitment and are expected to be approved by the government in the second quarter of 2012.

In Cerro de Los Leones, Antrim continues to work on obtaining the necessary environmental approvals to shoot a 3-D seismic program and now expects to have approval to shoot seismic by the middle of 2012 with drilling now scheduled to start later in 2012.

Financial and Operating Results from Continuing Operations

All amounts reported in this MD&A related to the three month periods ended December 31, 2011 and 2010 are unaudited.

	Three Months Ended December 31		Year Ended December 31	
	2011	**2010**	**2011**	**2010**
Financial Results ($000's except per share amounts)				
Cash deficiency from operations[1]	4,890	7,275	3,747	5,742
Cash deficiency from operations per share[1]	0.03	0.05	0.02	0.04
Net loss – continuing operations	15,975	2,842	55,110	7,586
Net loss	14,951	2,363	52,970	5,251
Net loss per share – basic, continuing operations	0.09	0.02	0.32	0.04
Total assets	239,177	229,912	239,177	229,912
Working capital, excluding assets held for sale	52,674	26,658	52,674	26,658
Assets held for sale, net of liabilities held for sale	27,471	-	27,471	-
Expenditures on petroleum and natural gas properties – continuing operations	10,634	(634)	14,702	123
Bank debt	-	-	-	-
Common shares outstanding (000's)				
End of period	184,116	135,572	184,116	135,572
Weighted average – basic	184,108	135,360	173,997	135,387
Weighted average – diluted	185,530	136,945	175,412	136,971

(1) Cash flow from operations and cash flow from operations per share are Non-IFRS Measures. Refer to "Non-IFRS Measures" in Management's Discussion and Analysis.

Financial and Operating Discussion from Continuing Operations

Revenue

With the classification of the Argentina segment to discontinued operations the Company did not have any revenue in 2011 or 2010.

General and Administrative

General and administrative ("G&A") costs remained consistent at $5.0 million in 2011 compared to $4.9 million in 2010. During 2011, Antrim capitalized $0.6 million (2010 – $0.5 million) of G&A costs related to exploration and development activity in the United Kingdom.

Impairment

For the year ended December 31, 2011, the Company recorded impairment charges of $49.1 million. Included is $35.6 million relating to the sale of the 30% interest in the Causeway Field, $3.2 million for costs identified as being impaired during the asset held for sale classification and $10.3 million incurred in the drilling of the Erne discovery well and sidetrack.

Finance Income

Finance income relates to interest income on short-term deposits and was $0.7 million (2010 - $0.3 million) for the year ended December 31, 2011.

Finance Costs

Finance costs were $0.6 million for the year ended December 31, 2011 (2010 - $0.4 million) and relate to accretion of asset retirement obligations, interest expense and bank charges.

Income Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Company did not pay or recover any taxes during the year ended December 31, 2011.

The Company follows the liability method of accounting for income taxes. As at December 31, 2011, no deferred income tax assets were recorded due to uncertainty with respect to the ability of Antrim to generate sufficient taxable income to utilize the unrecognized losses.

Cash Flow and Net Loss

In the three month period ended December 31, 2011, Antrim had a cash deficiency from operations of $4.9 million (($0.03) per share) compared to cash deficiency from operations of $7.3 million (($0.05) per share) in the same period in 2010. Antrim incurred a cash deficiency from operations of $3.7 million (($0.02) per share) in 2011 compared to a cash deficiency from operations of $5.7 million ($(0.04) per share) in 2010. Cash flow increased in 2011, as compared to 2010, due to higher interest income and lower exploration and evaluation expenditures.

In the fourth quarter of 2011 and 2010, Antrim incurred net losses of $15.0 million and $2.4 million respectively. For the year ended December 31, 2011, the Company incurred a net loss of $53.0 million compared to $5.3 million in 2010.

Capital Expenditures

Antrim incurred capital expenditures related to petroleum and natural gas properties of $14.7 million and $0.1 million relating to continuing operations for the year ended December 31, 2011 and 2010. The 2010 capital expenditures are net of a $2.0 million initial payment received from Premier for the Fyne option. Capital expenditures in 2011 relate to the drilling program and ongoing development in the North Sea.

Foreign Exchange Loss and Comprehensive (Loss) Income

The measurement currency of the Company is the Canadian dollar, while its reporting currency is the US dollar. A significant portion of the Company's activities are transacted in or referenced to US dollars, Canadian dollars, British pounds sterling or Argentine pesos. The Company's operating costs and certain of the Company's payments in order to maintain property interest are made in the local currency of the jurisdiction where the applicable property is located. As a result of these factors, fluctuations in the Canadian dollar, British pounds sterling, Argentine peso, and US dollar could result in unanticipated fluctuations in the Company's financial results.

The Company incurred a foreign exchange loss of $0.7 million from continuing operations for the year ended December 31, 2011 compared to a loss of $0.4 million in the same period in 2010.

Antrim realized a loss of $2.3 million on the recycling of the accumulated other comprehensive income relating to the disposition of Causeway to Valiant for the year ended December 31, 2011.

Financial and Operating Discussion from Discontinued Argentina Operations

Oil, Natural Gas and NGL Revenue and Production

Revenue

Revenue, net of royalties, from the sale of oil, natural gas and natural gas liquids ("NGL") for the three month periods and year ended December 31, 2011 and 2010 consisted of the following:

	Three Months Ended December 31		Year Ended December 31	
	2011	**2010**	**2011**	**2010**
($000's)				
Oil	1,542	1,099	5,133	6,033
Natural gas	1,502	1,465	6,209	5,923
NGL's	130	129	721	583
Total Oil, Natural Gas and NGL Revenue	3,174	2,693	12,063	12,539
Less: Royalties	495	434	1,866	1,782
Net Oil, Natural Gas and NGL Revenue	2,679	2,259	10,197	10,757

Net revenue after royalties of $10.2 million for the year ended December 31, 2011 decreased from $10.8 million in 2010 as a result of lower production, partially offset by higher product prices. For the three months ended December 31, 2011, net revenue after royalties was $2.7 million, compared to $2.3 million for the same period in 2010. The increase in net revenue in the fourth quarter is a result of higher product prices for oil and gas offset by lower oil and gas volumes.

The sale of crude oil from Tierra del Fuego can be impacted by intermittent shipments. Oil production from Tierra del Fuego is stored and periodically transported by ship to a refinery on the mainland. As at December 31, 2011, Antrim held 18,300 (2010 – 11,100) barrels of oil in inventory in Tierra del Fuego.

Oil prices averaged $59.78 per barrel in the year ended December 31, 2011 compared to $49.34 per barrel in 2010. For the fourth quarter 2011, oil prices averaged $63.94 per barrel compared to $54.60 for the same period in 2010.

Oil production from the Tierra del Fuego Concessions is sold on a spot basis with reference to the in-country Medanito crude oil benchmark price less a quality discount. Increases in mainland Argentina demand have resulted in increased market prices for oil since middle of 2009, resulting in increases in the oil price received.

Antrim's gas sales prices in Argentina averaged $2.12 and $2.17 per mcf in the three and twelve month periods ended December 31, 2011 compared to $1.80 and $1.84 per mcf for the same periods in 2010. Average gas prices increased due to the negotiation of higher priced contracts.

NGL prices, before export taxes, averaged $31.44 per barrel in the year ended December 31, 2011 compared to $28.25 per barrel for the comparable period in 2010. For the fourth quarter 2011, NGL prices averaged $23.23 per barrel compared to $33.39 for the same period in 2010. NGL prices increased in 2011 as compared to 2010 due to increases in the export price combined with a higher proportion of NGL being exported to the higher-priced Chilean market.

Royalty expenses, as a percentage of total revenue, for the year ended December 31, 2011, increased in 2011 compared to 2010 due to an adjustment in royalties paid in prior years and a reduction of deductible expenses in the Tierra del Fuego Concession. Export taxes, as a percentage of NGL revenue, increased for the year ended December 31, 2011, compared to 2010, as exports to Chile were curtailed due to restrictions in obtaining export permits.

Production

The following table provides a comparative analysis of average daily production of oil, natural gas and NGL for the three month periods and years ended December 31, 2011 and 2010:

	Three Months Ended December 31		**Year Ended December 31**	
	2011	**2010**	**2011**	**2010**
Oil (bbl/day)	241	303	259	326
Natural gas (mmcf/day)	7.3	8.4	7.5	8.3
NGL (bbl/day)	60	59	61	65
Total Production (boe/day)	1,518	1,757	1,564	1,783

Gas production decreased for the three months and year ended December 31, 2011, as compared to the same periods in 2010, due to natural decline and gas plant maintenance. Oil production decreased during the same periods as a result of short term shut-in of some oil production due to temporary storage problems at the Cruz del Sur tank farm and natural decline.

Netbacks

The following table provides a comparative analysis of field netbacks, based on sales, for the three month periods and years ended December 31, 2011 and 2010:

	Three Months Ended December 31		Year Ended December 31	
	2011	**2010**	**2011**	**2010**
$/boe				
Wellhead price	22.41	17.68	21.43	19.27
Royalties	(3.49)	(2.84)	(3.32)	(2.74)
Export tax	(0.37)	(0.21)	(0.44)	(0.22)
Production and operating expenses	(8.48)	(7.12)	(8.36)	(7.25)
Netback	10.07	7.51	9.31	9.06
Oil, Natural gas and NGL sales (boe)	141,672	152,336	562,774	650,804
Oil, Natural gas and NGL sales (boepd)	1,540	1,656	1,542	1,783

Field netbacks increased in 2011, as compared to 2010, due to higher wellhead prices received partially offset by lower production and operating expenses, royalties and export taxes.

Average wellhead prices were impacted as higher valued gas, on a boe basis, accounted for 81% of sales in 2011, as compared to 78% in 2010.

General and Administrative

G&A costs for discontinued operations decreased to $1.3 million for the year ended December 31, 2011 compared to $1.7 million for 2010.

Depletion and Depreciation

Depletion and depreciation expense for discontinued operations was $4.0 million for 2011 compared to $4.6 million in 2010. The consolidated per unit charge for 2011 was $6.56 per boe compared to $8.80 per boe in the same period of 2010. The per unit charge decreased in 2011, as compared to 2010, due to a reduction in reserves related to the remapping of the Los Flamencos Field and the resulting true up of depletion which was recognized in the fourth quarter of 2010.

Income Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Company did not pay or recover any taxes during the year ended December 31, 2011.

The Company follows the liability method of accounting for income taxes. As at December 31, 2011, no deferred income tax assets were recorded due to uncertainty with respect to the ability of Antrim to generate sufficient taxable income to utilize the unrecognized losses. Income generated in Tierra del Fuego is tax exempt.

Cash Flow and Net Income

Antrim had cash flow used in operating activities of $1.2 million (($0.01) per share) in 2011 compared to cash flow provided by operating activities of $3.5 million ($0.03 per share) in 2010.

In the fourth quarter of 2011 and 2010, Antrim recognized net income from discontinued operations of $1.0 million and $0.5 million respectively. For the year ended December 31, 2011, the Company recognized net income from discontinued operations of $2.1 million compared to $2.3 million in the same period in 2010.

Financial Resources and Liquidity

As at December 31, 2011, Antrim had working capital of $52.7 million excluding $27.5 million relating to assets held for sale, and restricted cash of $17.2 million. Accounts payable and accrued liabilities increased to $17.1 million at December 31, 2011 from $3.2 million as at December 31, 2010 due to the Erne drilling program in December. The Company has no bank debt.

In March 2011, Antrim completed an equity financing for gross proceeds of $51.6 million (net proceeds of $48.5 million).

Antrim invests cash not required for immediate operational needs in short-term bankers' acceptances and money market instruments.

Although there have been improvements in the global economy and financial markets in recent months, restrictions on availability of credit remain and may limit Antrim's ability to access debt or equity financing for its development projects. Antrim forecasts cash flows against a range of macroeconomic and financing market scenarios in an effort to identify future commitments and arrange financing, if necessary. The Company has reduced the time frame in projecting its future expenditures from an annual budget to a quarterly and, where applicable, monthly forecast process to enable Antrim to better adapt to changing market conditions. Although Antrim may need to raise additional funds from internal or external sources, if available, in order to develop both of its major UK properties, the Company maintains flexibility to manage its financial commitments.

Antrim's planned capital program for 2012 includes ongoing development of the Fyne and Causeway Fields and the Cyclone exploration well. The remaining capital expenditures for the development of Causeway will be funded by existing cash resources combined with operating cash flow.

Contractual Obligations, Commitments and Contingencies

Antrim has several commitments in respect of its petroleum and natural gas properties and operating leases as at December 31, 2011 as follows:

	2012	2013	2014	2015	2016	Thereafter
United Kingdom						
• Fyne and Dandy(1)	11	10,011	11	11	11	11
• Causeway(2)	36,255	117	142	166	191	216
• 25th Bid Round(3)	3,080	38,000	-	-	-	-
• 26th Bid Round(4)	6,013	25	25	-	-	-
Ireland	35	461	-	-	-	-
Office leases	221	111	111	111	111	137
Discontinued Operations - Argentina						
• Tierra del Fuego	650	650	650	650	650	1,300
• Cerro de Los Leones(5)	3,006	2,029	1,904	-	-	-
Office leases	38	-	-	-	-	-
Total	49,309	51,404	2,843	938	963	1,664

(1) The Company agreed to pay an additional $10 million as part of the acquisition of the Fyne Licence, upon approval of a FDP by DECC. This amount has been recorded at estimated fair value on the consolidated balance sheet as contingent consideration.

(2) Relates to Antrim's 35.5% interest in the Causeway Licences

(3) The Company acquired two licences in the 25th bid round which each include a firm drilling commitment.

(4) The Company acquired two licences in the 26th bid round which include firm drilling commitments estimated at $6 million in 2012.

(5) Relates to Antrim's 50.1% interest in the exploration concession and includes seismic and firm well commitment costs.

In 2011, the Company entered into a variation to an existing contract for drilling management services in the UK North Sea which required the drilling of two wells, estimated to take 50 days in a letter of intent preceding the contract variation. The Company contends that it met its contractual obligations under this variation through the drilling of the Erne pilot (21/29d-11) and Erne sidetrack (21/29d-11Z) wells, which took place over a period of 58 days. Subsequent to releasing the rig, the Company received an invoice from the drilling management services contractor charging the Company for approximately $5 million in additional costs as the contractor claims all conditions of the contract had not yet been satisfied. The Company is disputing the additional costs and believes it is probable it will not have to pay. As a result, a contingent liability has not been recorded.

Subsequent Events

In January 2012, the Company announced that it had signed an agreement with Valiant for the development of the Fionn Field in the UK North Sea, in which Antrim holds a 35.5% working interest. Valiant has agreed to finance Antrim's working interest share of the Fionn Field pre-investment costs. The development of the Fionn Field is subject to approval from DECC.

On February 6, 2012, the Company announced that the East Fyne appraisal well 21/28a-11, which commenced drilling on January 16, 2012, was plugged and abandoned. The well was designed to de-risk the eastern extent of the Fyne Field, however the thickness of the oil bearing sand was at the lower end of Antrim's estimate. Antrim is now incorporating the results of the East Fyne well into their internal reserve estimates and updating the field development options for the Fyne Field, which requires an FDP submitted to DECC by June 25, 2012. The less than expected results of this well may have a material impact on the reserves and net present values presented in this report for the Fyne Field. Insufficient data exists at this time to properly assess whether there may be an impairment to the carrying amount of those assets.

On March 21, 2012, The UK government announced that the maximum amount of the small field allowance introduced in Finance Act 2009 will be doubled from £75 million to £150 million. The qualifying criteria will also be relaxed. The maximum allowance will be available for fields which have reserves in place of 6.25 million tonnes (approximately 45 mmbbls) or less, reducing to no allowance at 7 million tonnes (approximately 50 mmbbls). The previous thresholds were 2.75 million and 3.5 million tonnes. For these purposes, a new field will be one with development approval on or after March 21, 2012. The results of this change in the maximum allowance are expected to provide Antrim with additional tax benefits for the development of certain qualifying UK fields.

On March 23, 2012, the Company entered into the Arrangement Agreement with Crown Point Ventures Ltd., as described in the "Overview" section.

Outlook

Antrim's decision to divest of its oil and gas interests in Argentina will allow the Company to focus on high return opportunities in the UK North Sea. Antrim remains on track for first production of approximately 3,000 bopd net, from the Causeway Field in the third quarter of 2012, followed by the Fionn Field in 2013.

Antrim continues to work with its joint venture partners for the development of the Fyne Field with the intention of achieving first production in 2014.

In 2012, Antrim will continue to focus on exploration of the Greater Fyne Area. A well will be drilled in the third quarter of 2012 to test the Cyclone prospect, which has recently been high-graded by the operator. In addition, Antrim will participate in the drilling of an exploration well in the Contender prospect in the Northern North Sea in the second quarter of 2012.

Antrim will continue studies on the blocks covered by the Frontier Licence Options awarded to the Company in the Irish 2011 Atlantic Margin Licensing Round.

Summary of Quarterly Results

($000, except per share amounts)	Oil, Natural Gas and NGL Revenue, Net of Royalties	Cash Flow from Operations (deficiency)	Net Loss	Net Loss Per Share – Basic
2011				
Fourth quarter	2,679	(4,890)	14,951	0.08
Third quarter	2,403	666	36,124	0.20
Second quarter	2,730	(134)	760	0.00
First quarter	2,384	608	1,136	0.01
2010				
Fourth quarter	2,260	(1,767)	2,112	0.02
Third quarter	3,545	1,925	190	0.00
Second quarter	2,295	(141)	1,423	0.01
First quarter	2,658	(248)	1,294	0.01

Antrim's net revenue and cash flow from operations has fluctuated over the quarters due to intermittent shipments of crude oil from Tierra del Fuego, increasing gas sales and lower oil production due to decline rates and property sales in early 2011. Fourth quarter cash from the operations in 2011 was negatively impacted by lower production and higher general and administrative expenses. Fourth quarter cash flow from operations and loss in 2010 was negatively impacted by VAT valuation allowances. Fourth quarter losses in 2010 also increased due to the write-down of investments and other non-current assets and future income tax assets.

Critical Accounting Estimates

Our significant accounting policies are detailed in Note 3 to the audited consolidated financial statements under IFRS. In determination of financial results, we must make certain critical accounting estimates as follows:

Depletion expense

Eligible costs associated with oil and gas activities are capitalized on a unit of measure basis. Depletion expense is subject to estimates including petroleum and natural gas reserves, future petroleum and natural gas prices, estimated future remediation costs, as well as other fair value assumptions. The aggregate of capitalized costs, net of accumulated depletion and depreciation, less estimated salvage values, is charged to depletion and depreciation over the life of the proved and probable reserves using the unit of production method.

Withheld Costs

Costs related to exploration and evaluation activities and development projects are excluded from costs subject to depletion until technical feasibility and commercial viability is assessed or production commences. At that time, costs are either transferred to property, plant and equipment or their value is impaired. Impairment is charged against income.

Impairment of Long-Lived Assets

Impairment is indicated if the carrying value of the long-lived asset or oil and gas cash generating unit exceeds its recoverable amount. If impairment is indicated, the amount by which the carrying value exceeds the estimated fair value of the long-lived asset is charged against income. The determination of the recoverable amount for impairment purposes involves the use of numerous assumptions and judgments including future net cash flows from oil and gas reserves, future third-party pricing, inflation factors, discount rate sand other uncertainties. Future revisions to these assumptions impact the recoverable amount.

Asset Retirement Obligation ("ARO")

The discounted expected future costs of statutory, legal or constructive obligations to retire long-lived assets is recorded as ARO with a corresponding increase to the carrying amount of the related asset. The recorded liability increases over time to its future liability amount through accretion charges to income. Revisions to the estimated amount or timing of the obligations are reflected as increases or decreases to the recorded ARO. Actual decommissioning expenditures are charged to the liability to the extent of the then-recorded liability. Amounts capitalized to the related assets are amortized to income consistent with depletion or deprecation of the underlying asset.

Fair Value of Financial Instruments

To estimate the fair value of financial instruments, the Company uses quoted market prices when available, or models that use observable market data. Inputs used in determining fair value are characterized using a hierarchy that prioritizes inputs depending on the degree to which they are observable. However, these fair value estimates may not necessarily be indicative of the amounts that could be realized or settled in a current market transaction.

Legal, Environmental Remediation and Other Contingent Matters

The Company is required to both determine whether a loss is probable based on judgment and interpretation of the laws and regulations and determine whether the loss can be reasonably estimated. When a loss is determined it is charged against income. The Company must continually monitor known and potential contingent matters and make appropriate provisions by charges against income when warranted by circumstances.

Deferred Income Tax

Deferred income taxes are recorded based on the liability method of accounting whereby temporary differences are calculated assuming financial assets and liabilities will be settled at their carrying amount. Deferred income taxes are computed on temporary differences using substantively enacted income tax rates expected to apply when future income tax assets and liabilities are realized or settled.

New Accounting Pronouncements

The following pronouncements and amendments are effective for annual periods beginning on or after January 1, 2013 unless otherwise stated. Adopting these standards is expected to have minimal or no impact on the consolidated financial statements.

IFRS 9 – Financial Instruments: Classification and Measurement applies to classification and measurement of financial assets and liabilities as defined in IAS 39. It is effective for annual periods beginning on or after January 1, 2015 with early adoption permitted.

IFRS 10 – Consolidation replaces SIC-12 Consolidation – Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements and requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

IFRS 11 – Joint Arrangements requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas joint operations, the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. IFRS 11 supersedes IAS 31 Interests in Joint Ventures, and SIC-13 Jointly Controlled Entities – Non-monetary Contributions by Venturers.

IFRS 12 – Disclosure of Interest in Other Entities establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, and special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces additional disclosures addressing the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 – Fair Value Measurement is a comprehensive standard that defines fair value, requires disclosure about fair value measurement and provides a framework for measuring fair value when it is required or permitted within the IFRS standards.

IAS 27 – Separate Financial Statement addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements

IAS 28 – Investments in Associates and Joint Ventures has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

IAS 1 – Presentation of Financial Statements amendment requires components of other comprehensive income to be separately presented between those that may be reclassified to income and those that will not. The amendments are effective for annual periods beginning on or after July 1, 2012.

IAS 32 – Financial Instruments: Presentation amendment provides clarification on the application of offsetting rules. The amendments are effective for annual periods beginning on or after July 1, 2012.

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

Antrim has established disclosure controls, procedures and corporate policies so that its consolidated financial results are presented accurately, fairly and on a timely basis. The Chief Executive Officer and Chief Financial Officer have designed or have caused such internal controls over financial reporting to be designed under their supervision to provide reasonable assurance regarding the reliability of financial reporting and preparation of the Company's financial statements in accordance with IFRS.

The Company tested and evaluated the effectiveness of its disclosure controls and procedures and internal controls over financial reporting as at December 31, 2011. During this evaluation the Corporation identified weaknesses due to the limited number of finance and accounting personnel at the Corporation dealing with complex and non-routine accounting transactions that may arise.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, these systems provide reasonable but not absolute assurance that financial information is accurate and complete.

Related Party and Off-Balance Sheet Transactions

Antrim may from time to time enter into arrangements with related parties. In 2011, Antrim incurred fees of $266,741 (2010 - $185,934) payable to Burstall Winger LLP, a law firm in which a director of the Company is a partner. The Company had no off-balance sheet transactions in the year ended December 31, 2011.

Risks and Uncertainties

The oil and gas industry involves a wide range of risks which include but are not limited to the uncertainty of finding new commercial fields, securing markets for existing reserves, commodity price fluctuations, exchange and interest rate costs and changes to government regulations, including regulations relating to prices, taxes, royalties, land tenure, allowable production and environmental protection and access to off-shore production facilities in the UK. The oil and natural gas industry is intensely competitive and the Company competes with a large number of companies that have greater resources.

The original Fyne Licence expired on November 25, 2011. DECC agreed to a three-year extension to November 25, 2014 on the condition that an FDP for the Fyne Field is submitted by June 25, 2012. If the Fyne Field FDP is not submitted by that date, or an extension obtained from DECC, the Fyne Licence could be revoked. First production must be achieved from any of the three identified Prospective Areas (Fyne Field, Dandy Field and Area 4 Field) within the three year license extension period in order for that Prospective Area to become a Producing Area and the licence to continue. If first production is not achieved in a Prospective Area by November 25, 2014, the licence relative to that Prospective Area will expire. Although the Company expects to submit a Fyne Field FDP by June 25, 2012 and to achieve first production by 2014, there is no assurance that the Company will be successful in doing so.

The Company's ability to increase reserves in the future will depend not only on its ability to develop its present properties but also on its ability to select and acquire suitable exploration or producing properties or prospects. The acquisition and development of properties also requires that sufficient funds, including funds from outside sources, will be available in a timely manner. The availability of equity or debt financing is affected by many factors, many of which are outside the control of the Company. Recent world financial market events and the resultant negative impact on economic conditions have increased the risk and uncertainty of the availability of equity or debt financing.

The Company has a significant investment in the United Kingdom and currently its only source of revenue is from discontinued operations in Argentina. A number of risks are associated with conducting foreign operations over which the Company has no control, including currency instability, potential and actual civil disturbances, restriction of funds movement outside of these countries, the ability of joint venture partners to fund their obligations, changes of laws affecting foreign ownership and existing contracts, environmental requirements, crude oil and natural gas price and production regulation, royalty rates, OPEC quotas, potential expropriation of property without fair compensation, retroactive tax changes and possible interruption of oil deliveries.

Further discussions regarding the Company's risks and uncertainties, can be found in the Company's Annual Information Form dated March 26, 2012 which is filed on SEDAR at www.sedar.com.

Forward-Looking Statements

This MD&A and any documents incorporated by reference herein contain certain forward-looking statements and forward-looking information which are based on Antrim's internal reasonable expectations, estimates, projections, assumptions and beliefs as at the date of such statements or information. Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting", "forecast", "achieve" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements and information. Antrim believes that the expectations reflected in those forward-looking statements and information are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements and information included in this MD&A and any documents incorporated by reference herein should not be unduly relied upon. Such forward-looking statements and information speak only as of the date of this MD&A or the particular document incorporated by reference herein and Antrim does not undertake any obligation to publicly update or revise any forward-looking statements or information, except as required by applicable laws.

In particular, this MD&A and any documents incorporated by reference herein, contain specific forward-looking statements and information pertaining to the quality of and future net revenues from Antrim's reserves of oil, natural gas liquids ("NGL") and natural gas production levels. This MD&A may also contain specific forward-looking statements and information pertaining to the proposed plan of arrangement with Crown Point Ventures Ltd., commodity prices, foreign currency exchange rates and interest rates, capital expenditure programs and other expenditures, supply and demand for oil, NGL’s and natural gas, expectations regarding Antrim's ability to raise capital, to continually add to reserves through acquisitions and development, the schedules and timing of certain projects, Antrim's strategy for growth, Antrim's future operating and financial results, treatment under governmental and other regulatory regimes and tax, environmental and other laws and the startup of production from the Causeway or Fyne Fields in the UK North Sea.

With respect to forward-looking statements contained in this MD&A and any documents incorporated by reference herein, Antrim has made assumptions regarding Antrim's ability to obtain additional drilling rigs and other equipment in a timely manner, obtain regulatory approvals, future oil and natural gas production levels from Antrim's properties and the price obtained from the sales of such production, the level of future capital expenditure required to exploit and develop reserves, the ability of Antrim’s partners to meet their commitments as they relate to the Company and Antrim’s reliance on industry partners for the development of some of its properties. Antrim’s ability to obtain financing on acceptable terms, the general stability of the economic and political environment in which Antrim operates and the future of oil and natural gas pricing. In respect to these assumptions, the reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect.

Antrim's actual results could differ materially from those anticipated in these forward-looking statements and information as a result of assumptions proving inaccurate and of both known and unknown risks, including risks associated with the exploration for and development of oil and natural gas reserves such as the risk that drilling operations may not be successful, operational risks and liabilities that are not covered by insurance, volatility in market prices for oil, NGLs and natural gas, changes or fluctuations in oil, NGLs and natural gas production levels, changes in foreign currency exchange rates and interest rates, the ability of Antrim to fund its substantial capital requirements and operations, risk associated with the proposed plan of arrangement with Crown Point Ventures Ltd., including the risk that the transaction is not completed or is completed on different terms than those described herein, or the risk that certain rights of first refusal are exercised, and Antrim’s reliance on industry partners for the development of some of its properties, risks associated with ensuring title to the Company’s properties, liabilities and unexpected events inherent in oil and gas operations, including geological, technical, drilling and processing problems, the accuracy of oil and gas reserve estimates and estimated production levels as they are affected by the Antrim’s exploration and development drilling and estimated decline rates, in particular the future production rates at the Causeway, Fionn and Fyne Fields in the UK North Sea and at the Tierra del Fuego and Cerro de Los Leones concessions in Argentina, which are considered in discontinued operations. Additional risks include the ability to effectively compete for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel, incorrect assessments of the value of acquisitions, Antrim's success at acquisition, exploitation and development of reserves, changes in general economic, market and business conditions in Canada, North America, Argentina, South America, the United Kingdom, Europe and worldwide, actions by governmental or regulatory authorities including changes in income tax laws or changes in tax laws, royalty rates and incentive programs relating to the oil and gas industry and more specifically, changes to the capped market price in Argentina, changes in environmental or other legislation applicable to Antrim's operations, and Antrim's ability to comply with current and future environmental and other laws, adverse regulatory rulings, order and decisions and risks associated with the nature of the Common Shares.

Many of these risk factors, other specific risks, uncertainties and material assumptions are discussed in further detail throughout the MD&A and in Antrim's management discussion and analysis for the year ended December 31, 2011. Readers are specifically referred to the risk factors described in this MD&A under “Risk Factors” and in other documents Antrim files from time to time with securities regulatory authorities. Copies of these documents are available without charge from Antrim or electronically on the internet on Antrim's SEDAR profile at www.sedar.com. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

Oil and Gas Disclosure

The calculation of barrels of oil equivalent (“boe”) is based on a conversion rate of six thousand cubic feet of natural gas (“mcf”) to one barrel of crude oil (“bbl”). Boe’s may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All estimates of reserves contained herein are derived from two reports of McDaniel & Associates Consultants Ltd., the Company's independent reserves evaluators, with effective dates of December 31, 2011 and December 31, 2010. The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

In accordance with AIM guidelines, Mr. Kerry Fulton, P. Eng and Vice President, Operations for Antrim, is the qualified person that has reviewed the technical information contained in this MD&A. Mr. Fulton has over 30 years operating experience in the upstream oil and gas industry.