ANTRIM ENERGY INC.

Q2 2011

INTERIM FINANCIAL REPORT – SECOND QUARTER 2011

Three and Six Months Ended June 30, 2011

All financial figures are unaudited and in US dollars unless otherwise noted

HIGHLIGHTS:

- **Sale of Antrim Causeway (N.I.) Limited completed**
- **Farm out completed on Erne Prospect**
- **Rig contract signed to drill East Fyne well**
- **Average oil and gas prices in Argentina increased 23% and 19% respectively**
- **Cash position of $73.4 million and no bank debt**

Oil and gas revenue, net of royalties, was $5.1 million for the six months ended June 30, 2011 compared to $5.0 million for the same period in 2010. Net revenue increased as a result of higher oil and gas prices partially offset by lower oil and gas sales volumes. Antrim generated cash flow from operations of $0.5 million for the six months ended June 30, 2011 compared to a cash flow deficiency of $0.4 million for the same period in 2010.

In the first half of 2011, average production in Argentina was 1,596 barrels of oil equivalent per day ("boepd") compared to 1,787 boepd in the first half of 2010. The reduced production is attributable to a natural decline coupled with ongoing gas plant maintenance which curtailed gas production for periods of time during the second quarter.

Antrim's average gas price for the second quarter of 2011 was $2.22 per mcf compared to $1.87 per mcf for the same period in 2010, a 19% increase. For the second quarter, oil prices averaged $58.42 per barrel compared to $47.38 per barrel for the same period in 2010, a 23% increase.

As announced on August 9, 2011, Antrim finalized the sale of Antrim Causeway (N.I.) Limited which holds a 30% interest in P201 Block 211/22a South East Area and P1383 Block 211/23d (the "Causeway Licences") to Valiant Petroleum plc ("Valiant"). In return Antrim will receive up to $21.75 million towards its remaining 35.5% working interest share of the development costs of the Causeway Field.

On July 7, 2011, Antrim announced that it had signed a Heads Of Agreement ("HOA") to farm out a portion of its Erne Prospect located in the Greater Fyne Area in the Central North Sea. Premier Oil UK Limited ("Premier") has agreed to earn a 50% working interest in Antrim's 100% owned Licence P1875 by funding a promoted share of the costs to drill a well on the Erne Prospect on Block 21/29d. The well is expected to commence drilling late in the third quarter of 2011 as part of the Greater Fyne Area drilling programme. A contract has been signed to provide well project management and drilling services, including the provision of the WilPhoenix semi-submersible drilling rig, and a site survey has been completed.

On May 6, 2011, Antrim announced that a rig contract had been signed to drill the East Fyne appraisal/development well in Block 21/28a in the Central North Sea. Drilling is expected to commence in October 2011, with an estimated drilling operation duration of 28 days. The cost of drilling, completion and/or abandonment will be deducted from Premier's carried contribution of up to $50 million under the previously announced Earn-In Agreement ("EIA"), assigned to offset all or a significant portion of Antrim's development expenses to bring the Fyne Field to production.

Financial and Operating Results (unaudited)

	Three Months Ended June 30		**Six Months Ended June 30**	
	2011	**2010**	**2011**	**2010**
Financial Results ($000's except per share amounts)				
Revenue	2,730	2,295	5,115	4,952
Cash flow (used in) from operations [(1)]	(134)	(141)	474	(389)
Cash flow (used in) from operations per share [(1)]	(0.00)	(0.00)	0.00	(0.00)
Net (loss)	(760)	(1,423)	(1,896)	(2,716)
Net (loss) per share – basic	(0.00)	(0.01)	(0.01)	(0.02)
Total assets	286,277	224,988	286,277	224,988
Working capital	71,665	27,753	71,665	27,753
Capital expenditures	2,606	2,109	4,229	3,063
Common shares Outstanding (000's)				
End of period	184,044	135,370	184,044	135,370
Weighted average – basic	184,044	135,357	163,707	135,355
Weighted average – diluted	185,447	135,357	165,172	135,355
Production				
Oil, natural gas and NGL production (boe per day) [(2)]	1,553	1,739	1,596	1,787

(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.

(2) The 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.

OVERVIEW OF OPERATIONS

United Kingdom

Fyne Field

Premier has elected to drill the East Fyne well in the Fyne Field in P077 Block 21/28a (the "Fyne Licence") under the EIA signed in October 2010. The appraisal well is designed to de-risk the eastern extent of the Fyne Field and is expected to be drilled starting in October 2011. The well will be drilled at no cost to Antrim and the cost of drilling, completion and/or abandonment will be deducted from Premier's $50 million carried contribution.

The election by Premier resulted in the transfer of a 39.9% working interest, a corresponding interest in the reserves, and operatorship of the Fyne Licence from Antrim to Premier, with Antrim retaining a 35.1% working interest.

The Fyne Licence expires on November 25, 2011. DECC has agreed to a three year extension on the condition that a FDP is submitted by December 25, 2011 or by June 25, 2012 if the East Fyne appraisal well is drilled on the licence prior to November 25, 2011. The well is presently scheduled to start drilling in October 2011.

Antrim is continuing to work with Premier on the identification of alternative export routes. The currently preferred production system will handle up to 20,000 barrels of oil per day ("bopd") directly from the Fyne Field, with potential capacity add-ons to handle additional volume from satellite fields. First production is anticipated between the middle of 2013 to the middle of 2014 depending on the export route adopted.

The EIA also provides Premier with the option to participate at a "promoted" 20% to 50% working interest alongside Antrim in a planned drilling program on Antrim's 100% licences surrounding the Fyne Field (the "Greater Fyne Area").

Greater Fyne Area

In addition to the Fyne development, Antrim has identified several high priority drilling prospects on Antrim licences within the Greater Fyne Area. Initial drilling targets are expected to be the Erne Tay Prospect in P1875 Block 21/29d at 5,600 feet drilling depth, the Carra Eocene Tay Prospect in P1563 Block 21/28b at 5,000 feet drilling depth and the West Teal Upper Jurassic Fulmar Prospect, at 10,400 feet true vertical depth, in P1625 Block 21/24b. The West Teal Prospect contains a discovery well drilled by a previous operator in 1991 that was subsequently abandoned after encountering mechanical problems.

Antrim signed a LOA for project management and drilling services for two wells commencing late in the third quarter of 2011. The estimated duration for the drilling of the two wells is 50 days, not including testing. Antrim completed the site survey work over the Erne, Carra, and West Teal Prospects in April 2011. Antrim signed a Heads of Agreement with Premier to farm-out a 50%

working interest in licence P1875 (the "Erne Prospect") and Premier retains a right to participate up to 50% in the Greater Fyne Area exploration program.

Causeway Field

As announced on August 9, 2011, Antrim finalized the sale of Antrim Causeway (N.I.) Limited which holds a 30% interest in the Causeway Licences, including a corresponding interest in reserves associated with the licences, to Valiant. In return, Antrim will receive up to $21.75 million towards its remaining 35.5% working interest share of development costs of the Causeway Field. Antrim will recognize a loss on the disposition in the third quarter of 2011.

On April 5, 2011, Antrim announced that a non-binding Heads of Terms agreement had been signed for the export route of Causeway crude oil to the Cormorant North production platform. The Cormorant North platform is operated by TAQA Bratani Limited and is located approximately 15 km west of the Causeway Field.

Antrim and Valiant are currently discussing the FDP to be submitted to DECC with respect to the Causeway Field. Among the items being discussed is Valiant's estimate of reserves associated with portions of the field, which may be lower than that of Antrim and its independent reserve evaluator McDaniel & Associates Consultants Ltd. Such discussions are at a preliminary stage and subject to finalization as the process of preparing the FDP evolves. Antrim expects that a finalized FDP will be submitted to DECC in 2011 with a target of achieving first production in the middle of 2012.

Argentina

Antrim completed a ten (net 2.5) well drilling program on its Tierra del Fuego Concessions in southern Argentina in 2010. The program targeted the liquid-rich gas bearing sandstone reservoirs of the Springhill Formation in the Los Flamencos Field. Of the ten wells drilled, eight were cased for production and two were plugged and abandoned. Three cased wells were completed and tied-in in 2010. Of the remaining five wells, four have recently been fracture stimulated. Two of the four wells flowed gas and were placed on production, a third well tested oil and has been placed on pump. The fourth well did not respond to fracture stimulation and was suspended. The remaining cased well will be fracture stimulated in the third quarter of 2011. Antrim's daily production is expected to average approximately 1,650 boepd in 2011.

Antrim's average gas price for the second quarter of 2011 was $2.22 per mcf compared to $1.87 per mcf for the same period in 2010, a 19% increase. In the second quarter of 2011, oil prices averaged $58.42 per barrel compared to $47.38 per barrel for the same period in 2010, a 23% increase.

Antrim sells all of its oil production and approximately 80% 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 favourable tax laws pertaining to Tierra del Fuego. VAT of $1.0 million (2010 - $0.9 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 $9.35 (2010 - $8.33) per boe and $9.39 (2010 - $8.09) for the three and six month periods ended June 30, 2011. The increase in the 2011 field netbacks, as compared to 2010, was due to the higher oil and gas prices partially offset by higher operating costs, royalties and export taxes.

The Company applied for "Gas Plus" pricing incentives for new gas that will be produced from the wells drilled in 2010. The submission has received a favourable technical review and Antrim continues to await final government approval. If approved by the federal authorities, this 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 currently negotiating a ten year extension to the licences which expire in November 2016. Antrim expects to finalize this extension in late 2011.

In December 2010 Antrim entered into an agreement to acquire a 50.1% interest in and operatorship of the 307,215 acre Cerro de Los Leones Exploration Concession, located in Argentina's Neuquén Basin. Cerro de Los Leones is situated in the northern portion of the Neuquén Basin in the Province of Mendoza. The existing 2-D seismic coverage of 700 km provides regional control and has identified numerous lower Tertiary and Cretaceous structural and stratigraphic leads at drilling depths of between 5,000 and 8,200 feet. Antrim continues to work on obtaining the necessary environmental approvals to shoot a 3-D seismic program. Antrim expects to have approval to shoot seismic in the fourth quarter, with drilling now scheduled to start in 2012.

Antrim's Argentine operations are self-sustaining thereby enabling the Company to evaluate other opportunities in Argentina using the cash flow generated from the Tierra del Fuego properties.

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 for a 20% carried interest in the P-Z PSA through the pre-drilling phase and an additional 10% option to be exercised up to 180 days following receipt of the initial drilling results. The carried interests would be repaid from future production. The P-Z PSA has been in a state of effective force majeure for several years due to a dispute between the federal government of Tanzania and the provincial government of Zanzibar regarding revenue sharing, and access to the licence area for petroleum exploration activities has been blocked. RAK Gas, the operator, is currently drafting a revised work program for the P-Z PSA for submission to the government of Tanzania.

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 three and six months ended June 30, 2011 compared to the same periods ended June 30, 2010 and should be read in conjunction with the interim consolidated financial statements of Antrim. This MD&A has been prepared using information available up to August 10, 2011. The interim 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. All amounts are unaudited. An explanation of how the transition to IFRS has affected the reported financial position and financial performance of the Company for the period ended June 30, 2010 is provided in note 15 of the consolidated interim financial statements. The Company's accounting policies under IFRS and the impact on the Company's previously reported financial statements for the year ended December 31, 2010, and the opening balance sheet at January 1, 2010, are disclosed in the Company's consolidated interim financial statements for the three months ended March 31, 2011.

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 June 30		Six Months Ended June 30	
	2011	2010	2011	2010
$				
Cash flow from (used in) operating activities	(120)	(114)	1,913	(848)
(Increase) decrease in non-cash working capital	(14)	(27)	(1,439)	459
Cash flow from operations (deficiency)	(134)	(141)	474	(389)

Financial and Operating Review

Oil, Natural Gas and NGL Revenue and Production

Revenue

Revenue, net of royalties, from the sale of oil, natural gas and NGL for the three and six month periods ended June 30, 2011 and 2010 consisted of the following:

	Three Months Ended June 30		Six Months Ended June 30	
	2011	**2010**	**2011**	**2010**
($000's)				
Oil	1,428	1,150	2,588	2,617
Natural gas	1,557	1,487	3,099	2,939
NGL's	190	78	327	275
Total Oil, Natural gas and NGL Revenue	3,175	2,715	6,014	5,831
Less: Royalties	(445)	(420)	(899)	(879)
Net Oil, Natural Gas and NGL Revenue	2,730	2,295	5,115	4,952

Net revenue after royalties of $5.1 million for the six months ended June 30, 2011 increased from $5.0 million in the same period in 2010. The increase in net revenue is a result of higher oil and gas prices, partially offset by lower oil and gas sales 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 June 30, 2011, Antrim held 14,600 (June 30, 2010 – 22,700) barrels of oil in inventory in Tierra del Fuego.

Oil production from the Tierra del Fuego Concessions is sold with reference to the price of West Texas Intermediate ("WTI") crude oil less a quality discount. Domestic oil sales are also subject to in-country price discounts. Export taxes effectively limit the maximum price that producers could receive for crude oil exports to $42 per barrel. Increases in mainland Argentina demand have resulted in increased market prices for oil since the middle of 2009, resulting in increases in the oil price received.

Oil prices averaged $56.84 per barrel in the six month period ended June 30, 2011 compared to $46.91 per barrel in 2010. For the second quarter of 2011, oil prices averaged $58.42 per barrel compared to $47.38 for the same period in 2010.

Antrim's gas sales prices in Argentina averaged $2.22 and $2.15 per mcf in the three and six month periods ended June 30, 2011 compared to $1.87 and $1.86 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 $31.65 per barrel in the six months ended June 30, 2011 compared to $28.78 per barrel for the comparable period in 2010. For the second quarter of 2011, NGL prices averaged $29.11 per barrel compared to $16.07 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, were 14.9% in 2011 compared to 15.1% in 2010 due to a higher government mandated royalty rate in the first half of 2010.

Production

The following table provides a comparative analysis of average daily production of oil, natural gas and NGL for the three and six month periods ended June 30, 2011 and 2010:

	Three Months Ended June 30		**Six Months Ended June 30**	
	2011	**2010**	**2011**	**2010**
Oil (bbl/day)	274	289	276	344
Natural gas (mmcf/day)	7.3	8.3	7.6	8.2
NGL (bbl/day)	59	72	58	68
Total Production (boe/day)	1,553	1,739	1,596	1,787

Gas and NGL production decreased in the three and six month periods ended June 30, 2011, as compared to the same periods in 2010, due to natural decline and gas plant maintenance. For the six month period ended June 30, 2011 as compared to 2010, oil production decreased due to the sale of the Puesto Guardian property in 2010 and repairs to the workover rig in Tierra del Fuego.

Netbacks

The following table provides a comparative analysis of field netbacks, based on sales, for the three and six month periods ended June 30, 2011 and 2010:

	Three Months Ended June 30		**Six Months Ended June 30**	
	2011	**2010**	**2011**	**2010**
$/boe				
Wellhead price	22.37	17.57	21.15	18.57
Royalties	(3.13)	(2.72)	(3.16)	(2.80)
Export tax	(0.47)	(0.07)	(0.37)	(0.21)
Production and operating expenses	(9.42)	(6.46)	(8.23)	(7.47)
Netback	9.35	8.32	9.39	8.09
Oil, Natural gas and NGL sales (boe)	141,938	154,560	284,324	314,048
Oil, Natural gas and NGL sales (boepd)	1,560	1,698	1,571	1,735

Field netbacks increased in 2011, as compared to 2010, primarily due to higher oil and gas prices partially offset by higher production and operating expenses, royalties and export taxes. Higher salaries and maintenance costs resulted in operating costs on a boe basis increasing to $8.23 in 2011 compared to $7.47 for 2010.

Depletion and Depreciation

Depletion and depreciation expense was $2.0 million for the first half of 2011 compared to $2.3 million in 2010. The consolidated per unit charge for 2011 was $6.82 per boe compared to $6.88 per boe in the same period of 2010. No depletion was recorded with respect to the $182.5 million of exploration and evaluation assets.

General and Administrative

General and administrative ("G&A") costs, net of amounts capitalized, were $3.4 million in the first half of 2011 compared to $3.8 million for the same period in 2010. In the first half of 2011, Antrim capitalized $0.5 million of G&A costs related to exploration and evaluation activity compared to $0.3 million for the same period of 2010. Included in G&A is $0.5 million (2010 - $0.7 million) of share-based payments.

Other Income

Other income relates to VAT retention from operating in Tierra del Fuego and was $1.0 million (2010 - $0.9 million) for the six months ended June 30, 2011.

Finance Costs

Finance costs were $0.3 million for the six month period ended June 30, 2011 (2010 - $0.2 million) and relates to foreign exchange and accretion of asset retirement obligations.

Income Taxes

The following table provides a comparative analysis of income tax expenses for the three and six month periods ended June 30, 2011 and 2010:

	Three Months Ended June 30		Six Months Ended June 30	
	2011	**2010**	**2011**	**2010**
($000's)				
Current income taxes	56	53	133	56
Deferred income taxes	-	-	-	-
Total	56	53	133	56

Current income taxes relate to a minimum tax incurred based on the book value of assets in Argentina.

Deferred income taxes arise from differences between accounting and the tax basis of assets and liabilities. As of June 30, 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 in Canada, Argentina and the United Kingdom. Income generated in Tierra del Fuego is tax exempt.

Foreign Exchange Loss on Translation

The functional currency of the Company is the Canadian dollar, while the Company's presentation 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 capital costs 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 pound sterling, Argentine peso, and US dollar could result in unanticipated fluctuations in the Company's financial results.

The Company incurred a foreign exchange gain on translation of foreign operations of $6.1 million for the six month period ended June 30, 2011 compared to a loss of $9.7 million in the same period in 2010, which has been recorded in other comprehensive income (loss).

Cash Flow and Net Loss

In both the three month periods ended June 30, 2011 and June 30, 2010, Antrim generated cash flow deficiencies from operations of $0.1 million ($0.00 per share). Antrim generated cash flow from operations of $0.5 million ($0.00 per share) in the first six months of 2011 compared to a deficiency of $0.4 million ($0.00 per share) for the same period in 2010. The increase in cash flow from operations in 2011, compared to 2010, is primarily due to reduced G&A, higher finance income and a slight increase in net revenues after royalties.

In the second quarter of 2011 and 2010, Antrim incurred net losses of $0.8 million and $1.4 million respectively. For the six months ended June 30, 2011, the company incurred a net loss of $1.9 million compared to $2.7 million in the same period of 2010. The decrease in the net loss in 2011, compared to 2010, is primarily due to lower G&A and higher finance income.

Capital Expenditures

Antrim incurred capital expenditures related to exploration and evaluation assets of $4.1 million and $0.6 million for the first half of 2011 and 2010. Included in exploration and evaluation capital expenditures is $0.2 million (2010 - $0.1 million) of capitalized share-based payments. These expenditures relate to ongoing development costs on the UK properties.

Capital expenditures incurred related to petroleum, plant and equipment were $1.7 million and $6.5 million for the first half of 2011 and 2010. In 2011 the costs related to fracturing of wells drilled in 2010 in Tierra del Fuego.

Financial Resources and Liquidity

As at June 30, 2011, Antrim had working capital of $71.7 million and no bank debt. There were no restrictions on the use of cash and cash equivalents at June 30, 2011. Accounts payable and accrued liabilities increased to $2.6 million at June 30, 2011 from $2.4 million as at December 31, 2010.

Valiant agreed to loan Antrim up to $2.2 million on a non-interest bearing basis to satisfy cash calls and invoices for joint operations prior to the completion of the sale of Causeway. The loan relates to both the 30% interest held by Antrim Causeway (N.I.) Limited which has now been sold to Valiant, and Antrim's remaining 35.5% share. The balance outstanding as of June 30, 2011 was $2.2 million. With the successful completion of the sale in August 2011, the outstanding loan balance of $1.2 million related to Antrim's remaining 35.5% interest will be applied to and reduce the $21.75 million carried contribution.

Antrim invests cash not required for immediate operations in Canadian denominated short-term bankers' acceptances and money market instruments.

The global economy financial markets remain fragile with restrictions on availability of credit which 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 2011 includes ongoing development of the Fyne and Causeway Fields, and the exploration of the 25^{th} and 26^{th} bid round licences in the UK North Sea and the Cerro de Los Leones property in Argentina. Fyne and Causeway will be initially funded by the Premier farm-out and Valiant sale, respectively. The remaining capital expenditures will be funded by existing cash resources combined with operating cash flow. With the net proceeds from the March 2011 equity financing, Antrim plans to drill two exploratory wells in the UK North Sea.

Contractual Obligations and Commitments

Antrim has several commitments in respect of its petroleum and natural gas properties and operating leases as at June 30, 2011 as follows:

	2011	2012	2013	2014	2015	Thereafter
($000's)						
United Kingdom						
• Fyne and Dandy (1)	21	10,025	25	25	25	25
• Causeway (2)	143	190	33	33	33	33
• 25th Bid Round(3)	24,192	3,083	-	-	-	-
• 26th Bid Round(4)	4,630	6,080	13	13	-	-
Argentina						
• Tierra del Fuego	105	650	650	650	650	1,300
• Cerro de Los Leones (5)	1,503	3,532	1,904	-	-	-
Office Leases	153	268	114	114	114	256
Total	30,747	23,828	2,739	835	822	1,614

(1) The Company agreed to pay an additional $10 million as part of the acquisition of the Fyne Licence, upon approval of a Field Development Plan by DECC.

(2) Relates to Antrim's 35.5% interest in the Causeway Licences after the sale of Antrim Causeway (N.I.) Limited to Valiant in August 2011.

(3) The Company acquired two licences in the 25th bid round which include contingent drilling commitments which Antrim has committed to drill in the third and fourth quarters of 2011. Includes estimated drilling costs net of Premier's share of the Erne Prospect. The remaining licences include committed licence fees and seismic costs to drill or drop decision.

(4) The Company acquired two licences in the 26th bid round which include firm drilling commitments estimated at $6 million in 2012. The remaining licence include committed licence fees and seismic costs to drill or drop decision.

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

Subsequent events

On August 9, 2011, Antrim finalized the sale of Antrim Causeway (N.I.) Limited which holds a 30% interest in P201 Block 211/22a South East Area and P1383 Block 211/23d, the Causeway Licences, including a corresponding interest in the reserves associated with the licences, to Valiant Petroleum plc. In return Antrim will receive up to $21.75 million towards its remaining 35.5% working interest share of the development costs of the Causeway Field. Antrim will recognize a loss on the disposition in the third quarter of 2011.

On July 7, 2011, Antrim announced that it has signed a Heads Of Agreement to farm out a portion of its Erne Prospect located in the Greater Fyne Area in the Central North Sea. Premier Oil UK Limited has agreed to earn a 50% working interest in Antrim's 100% owned Licence P1875 by funding a promoted share of the costs to drill a well on the Erne Prospect on Block 21/29d.

Outlook

Antrim expects to have a FDP for the Causeway Field sanctioned by DECC in the fourth quarter of 2011 for an anticipated production startup in the third quarter of 2012. Production startup from the Fyne Field is anticipated between the middle of 2013 to the middle of 2014 depending on the export route adopted.

In 2011, Antrim will take a leading role in the exploration of the Greater Fyne Area. The drilling program is scheduled to begin late in the third quarter with a well drilled to test the Erne Tay Prospect. The well is expected to take 22 days to drill at an estimated cost to Antrim of $5 million after the farm-in by Premier. One additional prospect in the Greater Fyne Area is expected to be drilled subsequent to the Erne prospect.

An East Fyne appraisal well is also scheduled to be drilled on the Fyne Field in October 2011. This well is intended to de-risk the eastern extent of the Fyne Field and will extend the submission deadline of the FDP for Fyne to June 25, 2012. Antrim, together with its partners, continues to work towards identifying the most attractive export route for future oil production from the Fyne Field. Under the terms of the EIA, Antrim’s costs up to $50 million are paid by Premier.

In Argentina, Antrim’s focus will be on the recently acquired Cerro de Los Leones Exploration Concession (Antrim 50.1% and operator) in the Neuquén Basin. A 3-D seismic program will be shot to support drilling now scheduled for 2012. Cash flow from Antrim’s expected 1,650 boepd from Tierra del Fuego will be used to support this exploration program.

Antrim also considers other global exploration opportunities and views its bilateral strategy of balancing longer term and capital-intensive investments in the UK North Sea with shorter investment cycle on-shore exploration and production opportunities as central to its corporate development.

Summary of Quarterly Results

($000, except per share amounts)	**Oil, Natural Gas and NGL Revenue, Net of Royalties**	**Cash Flow from Operations (deficiency)**	**Loss**	**Loss Per Share – Basic**
IFRS				
2011				
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
Previous Canadian GAAP				
2009				
Fourth quarter	2,796	(1,378)	6,071	0.04
Third quarter	3,590	744	1,751	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 oil and gas prices and lower oil production due to decline rates and property sales in early 2010. Fourth quarter cash flow from the operations in 2010 was negatively impacted by lower production and higher general and administrative expenses.

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. There were no changes in the Company's internal controls over financial reporting that occurred during the second quarter of 2011 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

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 the first half of 2011, Antrim incurred fees of $190,325 (2010 - $131,594) 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 first six months of 2011.

Risks and Uncertainties

The oil and gas industry is subject to 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 Fyne Licence expires on November 25, 2011. DECC has agreed to a three year extension on the condition that an FDP is submitted by December 25, 2011 or by June 25, 2012 if an appraisal well is drilled on the licence prior to expiry. Antrim anticipates the drilling of this appraisal well to commence in October 2011. First production must be achieved within the three year licence extension period in order to obtain a further licence extension. Antrim expects first production to be achieved in 2013 or 2014.

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 significant investments in Argentina and the United Kingdom and its only source of revenue is from one oil and gas property 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 28, 2011 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 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 start up 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, 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, Premier exercising its option to acquire a portion of the Fyne Licence, Antrim's ability to obtain access to sub-sea or floating facility including transportation and production storage offshore providers, 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 and Fyne Fields in the UK North Sea and at the Tierra del Fuego concession in Argentina. 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.

Statements relating to "resources" are deemed to be forward-looking statements. The estimates of remaining recoverable prospective resources have been risked for chance of discovery, but have not been risked for chance of development. If a discovery is made, there is no certainty that it will be developed or, if it is developed, there is no certainty as to the timing of such development.

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, 2010. 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.

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.

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.

Antrim Energy Inc.
Consolidated Balance Sheet
As at June 30, 2011 (unaudited)
(Amounts in US$ thousands)

	Note	June 30 2011 $	December 31 2010 $ *(note 15)*
Assets			
Current assets			
Cash and cash equivalents		73,422	25,650
Accounts receivable		1,966	3,530
Inventory and prepaid expenses		1,042	727
		76,430	29,907
Exploration and evaluation assets	3	182,541	171,850
Property, plant and equipment	4	25,114	26,129
Investments and other non-current assets	5	2,192	2,026
		286,277	229,912
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		2,603	2,413
Loan from Valiant		2,162	836
		4,765	3,249
Asset retirement obligations	6	7,841	7,380
		12,606	10,629
Commitments and contingencies	12		
Shareholders' equity			
Share capital	7	361,516	312,062
Contributed surplus		19,063	18,377
Deficit		(108,700)	(106,804)
Accumulated other comprehensive income (loss)		1,792	(4,352)
		273,671	219,283
		286,277	229,912

Antrim Energy Inc.
Consolidated Statement of Loss and Comprehensive (Income) Loss
For the three and six months ended June 30, 2011 and 2010 (unaudited)
(Amounts in US$ thousands, except per share data)

		Three Months Ended June 30		Six Months Ended June 30	
	Note	**2011**	**2010**	**2011**	**2010**
		$	**$** *(note 15)*	**$**	**$** *(note 15)*
Revenue, net of royalties		(2,730)	(2,295)	(5,115)	(4,952)
Production and operating expenditures		1,337	998	2,341	2,345
Depletion and depreciation		931	1,070	2,026	2,282
General and administrative expenses		1,739	2,021	3,362	3,849
Exploration and evaluation expenditures		80	148	241	444
Other income	9	(541)	(473)	(1,040)	(908)
Export taxes		67	10	105	67
Gain on disposals	4	-	-	-	(622)
		883	1,479	1,920	2,505
Finance income		(282)	(50)	(411)	(94)
Finance costs		103	(59)	254	249
Loss for the period before income taxes		704	1,370	1,763	2,660
Income tax expense		56	53	133	56
Net loss for the period		760	1,423	1,896	2,716
Other comprehensive (income) loss					
Exchange differences on translation of foreign operations		919	1,207	(6,144)	9,664
Other comprehensive (income) loss for the period		919	1,207	(6,144)	9,664
Comprehensive (income) loss for the period		1,679	2,630	(4,248)	12,380
Net loss per common share					
Basic		0.00	0.01	0.01	0.02
Diluted		0.00	0.01	0.01	0.02

Antrim Energy Inc.
Consolidated Statement of Changes in Equity
For the six months ended June 30, 2011 and 2010 (unaudited)
(Amounts in US$ thousands)

	Note	Share capital $	Contributed surplus $	Accumulated other comprehensive income $	Deficit $	Total $
Balance, January 1, 2010	15	**311,946**	**16,929**	**-**	**(101,786)**	**227,089**
Net loss for the period		-	-	-	(2,716)	(2,716)
Other comprehensive loss		-	-	(9,664)	-	(9,664)
Share-based compensation	8	-	959	-	-	959
Stock options exercised		11	(4)	-	-	7
Balance, June 30, 2010		**311,957**	**17,884**	**(9,664)**	**(104,502)**	**215,675**
Balance, January 1, 2011		**312,062**	**18,377**	**(4,352)**	**(106,804)**	**219,283**
Net loss for the period		-	-	-	(1,896)	(1,896)
Other comprehensive income		-	-	6,144	-	6,144
Issuance of common shares	7	52,297	-	-	-	52,297
Share issuance costs	7	(2,999)	-	-	-	(2,999)
Share-based compensation	8	-	750	-	-	750
Stock options exercised		156	(64)	-	-	92
Balance, June 30, 2011		**361,516**	**19,063**	**1,792**	**(108,700)**	**273,671**

Antrim Energy Inc.
Consolidated Statement of Cash Flows
For the three and six months ended June 30, 2011 and 2010 (unaudited)
(Amounts in US$ thousands)

		Three Months Ended June 30		Six Months Ended June 30	
		2011	2010	2011	2010
	Note	$	$	$	$
Cash Provided by (used in):					
Operating Activities					
Net loss for the period		(760)	(1,423)	(1,896)	(2,716)
Items not involving cash:					
Depletion and depreciation		931	1,070	2,026	2,282
Accretion of asset retirement obligations		75	62	143	138
Accretion of financial asset		(38)	-	(76)	-
Share-based payments	8	250	450	510	742
Foreign exchange gain		(592)	(300)	(233)	(213)
Gain on disposal		-	-	-	(622)
		(134)	(141)	474	(389)
Changes in non-cash working capital items	10	14	27	1,439	(459)
		(120)	(114)	1,913	(848)
Financing Activities					
Issue of common shares	7	20	5	52,389	6
Share issue expenses	7	(22)	-	(2,999)	-
		(2)	5	49,390	6
Investing Activities					
Capital expenditures		(2,606)	(2,109)	(4,229)	(3,063)
Other non-current assets		66	(59)	(41)	(629)
		(2,540)	(2,168)	(4,270)	(3,692)
Effects of foreign exchange on cash and cash equivalents		(121)	(592)	739	(129)
Net increase (decrease) in cash and cash equivalents		(2,783)	(2,869)	47,772	(4,663)
Cash and cash equivalents – beginning of period		76,205	29,375	25,650	31,169
Cash and cash equivalents – end of period		73,422	26,506	73,422	26,506
Cash and cash equivalents are comprised of:					
Cash in bank		7,857	4,657	7,857	4,657
Short-term deposits		65,565	21,849	65,565	21,849
		73,422	26,506	73,422	26,506
Interest received		243	50	335	94
Income taxes paid		56	53	133	56

1) Nature of operations

Antrim Energy Inc. ("Antrim" or the "Company") is a Calgary based oil and natural gas company. Through subsidiaries, the Company conducts exploration, development and production activities in Argentina and exploration activities in the United Kingdom. Antrim Energy Inc. is incorporated and domiciled in Canada. The address of its registered office is 1600, 333 – 7th Avenue S.W, Calgary, Alberta, Canada.

2) Basis of presentation

a) Statement of compliance

These consolidated interim financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles, specifically International Accounting Standard 34 *Interim Financial Reporting* within Part 1 of the Canadian Institute of Chartered Accountants (CICA) Handbook. The unaudited interim financial statements were prepared using the same accounting policies as disclosed in the unaudited interim financial statements as at and for the period ended March 31, 2011. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the company as at and for the year ended December 31, 2010.

Effective January 1, 2011, the Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS 1 *First-Time Adoption* of *International Financial Reporting Standards* ("IFRS 1") has been applied. In previous years, the company prepared its consolidated financial statements in accordance with Canadian Generally Accepted Accounting Principles in effect prior to January 1, 2011 ("Canadian GAAP"). Comparative information has been restated from Canadian GAAP to IFRS. An explanation of how the transition to IFRS has affected the reported financial position and financial performance of the company for the period ended June 30, 2010 is provided in note 15 of these consolidated interim financial statements. The Company's accounting policies under IFRS and the impact on the Company's previously reported financial statements for the year ended December 31, 2010, and the opening balance sheet at January 1, 2010, are disclosed in the Company's consolidated interim financial statements for the three months ended March 31, 2011.

The policies applied in these interim consolidated financial statements are based on IFRS issued and outstanding as at August 10, 2011, the date the Board of Directors approved the interim consolidated financial statements. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ended December 31, 2011 could result in restatement of these interim consolidated financial statements, including the adjustments recognized on transition to IFRS.

(Amounts in US$ thousands, except as otherwise noted)

b) Presentation currency

In these interim consolidated financial statements, unless otherwise indicated, all dollar amounts are expressed in United States (U.S.) dollars. Antrim's functional currency is Canadian dollars, however, the Company has adopted the U.S. dollar as its presentation currency to facilitate a more direct comparison to other North American oil and gas companies with international operations.

c) Critical accounting judgments and key sources of estimation uncertainty

The timely preparation of financial statements requires that management make estimates and assumptions and use judgment regarding assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. Accordingly, actual results may differ from estimated amounts as future confirming events occur.

Significant estimates and judgment used in the preparation of the financial statements are described in the Company's consolidated interim financial statements for the three months ended March 31, 2011.

3) Exploration and evaluation assets

	June 30 2011	December 31 2010
Opening balance	171,850	176,588
Expenditure incurred	4,100	569
Changes in ARO estimate	131	-
Impairment	-	(431)
Foreign currency translation	6,460	(4,876)
Balance carried forward	182,541	171,850

During the period, the Company capitalized $258 (2010 - $136) of general and administrative costs and $225 (2010 - $140) of share-based payments related to exploration and evaluation activity.

On April 2, 2011, the Company transferred 39.9% working interest in the Fyne licence for a carried contribution of up to $50.0 million on future development costs.

(Amounts in US$ thousands, except as otherwise noted)

4) Property, plant and equipment

	June 30 2011	December 31 2010
Opening balance	26,129	24,932
Additions	1,674	6,459
Disposals	-	(1,946)
Depletion	(2,026)	(4,743)
Changes in ARO estimate	40	793
Foreign currency translation	(703)	634
Balance carried forward	25,114	26,129

During the period, the Company capitalized $17 (2010 - $73) of general and administrative and $15 (2010 - $75) of share-based payments related to production and development activity.

At June 30, 2011, oil and gas assets include $764 (2010 - $1,086) related to stand-by equipment for the Argentina operations which have been excluded from the depletion calculation.

During the first quarter of 2010, the Company disposed of its Puesto Guardian, Medianera and Tres Nidos Sur properties in Argentina resulting in a gain on the disposition of $622.

5) Investments and other non-current assets

	June 30 2011	December 31 2010
Non-interest bearing promissory note	852	771
Interest bearing bonds	713	794
VAT receivable	627	461
	2,192	2,026

On February 16, 2010, the Company sold its 40% working interest in Puesto Guardian Argentina for consideration of a $1,360 non-interest bearing promissory note. The note has a maturity date of February 16, 2014 and is convertible into common shares of Tripetrol Holdings Inc, a private Cayman Island incorporated company, at the option of Antrim. The Company estimated the fair value of the note receivable to be $0.6 million and no value was given to the option to convert the note receivable to common shares of Tripetrol Holdings Inc., with this amount reducing the book value of the Company's petroleum and natural gas properties. The discount of the fair value of the note receivable is recognized through finance income using the effective interest rate method over the term of the financial asset.

(Amounts in US$ thousands, except as otherwise noted)

In 2009 the Argentina state owned natural gas transportation company commenced a project to increase capacity on the pipeline connecting Tierra del Fuego with the mainland. The Company was obligated to invest in the project through the purchase of interest bearing bonds issued by a national trust created by the Argentine government. As at June 30, 2011, the interest rate for the period was 17.4%. Repayment of the bonds is in thirty quarterly instalments which commenced in January 2011.

6) Asset retirement obligations

	June 30 2011	December 31 2010
Opening balance	7,380	7,664
Additions	36	51
Accretion	143	269
Change in estimate	171	793
Dispositions	-	(1,172)
Foreign currency translation	111	(225)
Balance carried forward	7,841	7,380

At June 30, 2011, the estimated undiscounted asset retirement obligations are $2,448 (2010 - $2,442) and $9,961 (2010 - $9,370) for Argentina and United Kingdom, respectively. The Company expects the undiscounted obligations to be payable after 2015 for Argentina and after 2023 for the United Kingdom.

The present value of the asset retirement obligations has been calculated using risk-free interest rates of 2.2% and 4.3% (2010 – 2.0% and 4.5%) and inflation rates of 2.5% and 2.0% (2010 – 2.5% and 2.0%) for Argentina and United Kingdom, respectively.

The Company makes full provision for the future cost of decommissioning oil production facilities and pipelines in Argentina and United Kingdom on a discounted basis on the installation of those facilities.

(Amounts in US$ thousands, except as otherwise noted)

7) Share capital

Authorized

Unlimited number of common voting shares

Common shares issued

	Number of Shares	Amount $
Balance, December 31, 2009	135,349,272	311,946
Exercise of stock options	222,270	69
Transfer from contributed surplus	-	47
Balance, December 31, 2010	135,571,542	312,062
Issuance of common shares	48,191,700	52,297
Exercise of stock options	280,436	92
Transfer from contributed surplus	-	64
Share issuance costs	-	(2,999)
Balance, June 30, 2011	184,043,678	361,516

On March 17, 2011, the Company successfully closed a Canadian bought deal. Gross proceeds were $52.3 million (C$51.6 million) through the issuance of 48.2 million shares at a price of C$1.07 per share.

8) Share-based payments

The Company has established a program whereby the Company may grant options to its directors, officers and employees to purchase up to 10% of the issued and outstanding number of common shares. The exercise price of each option is no less than the market price of the Company's stock on the date of grant. Stock option terms are determined by the Company's Board of Directors but options typically vest evenly over a period of three years from the date of grant and expire five years after the date of grant.

Pursuant to the Company's stock option plan, as at June 30, 2011 there were 10,393,796 (2010 – 11,819,497) options outstanding to purchase common share at prices ranging from $0.31 Cdn to $6.95 Cdn.

Options totalling nil (2010 – 1,545,000) were granted during the six month period ended June 30, 2011.

Share-based payments for the period were $750 (2010 – $959) of which $510 (2010 – $742) was expensed and $240 (2010 – $217) was capitalized.

(Amounts in US$ thousands, except as otherwise noted)

9) Other income

	Three Months Ended June 30		Six Months Ended June 30	
	2011	**2010**	**2011**	**2010**
VAT retention	541	473	1,040	908
	541	473	1,040	908

Other income relates to VAT retention from operating in Tierra del Fuego.

10) Supplemental cash flow information

	Three Months Ended June 30		Six Months Ended June 30	
	2011	**2010**	**2011**	**2010**
(Increase) / decrease of assets:				
Trade and other receivables	43	(166)	1,564	152
Inventory and prepaid expenses	(73)	(197)	(315)	(35)
Increase / (decrease) of liabilities:				
Trade and other payables	44	390	190	(576)
	14	27	1,439	(459)

(Amounts in US$ thousands, except as otherwise noted)

11) Segmented information

The Company operates predominately in one business, namely the exploration, development and production of hydrocarbons and the sale of hydrocarbons and related activities. The Company also operates within two geographical markets, United Kingdom and Argentina.

The following tables present revenue, profit and certain asset and liability information regarding the Company's business segments. All sales are to external customers.

Three months ended June 30, 2011	**United Kingdom**	**Argentina**	**Corporate**	**Total**
Segment revenue	-	2,730	-	2,730
Segment earnings (loss)	(234)	740	(1,389)	(883)
Finance income				282
Finance costs				(103)
Loss before tax				(704)
Total assets	184,709	33,573	67,995	286,277
Other segment information				
Capital expenditures	1,591	934	81	2,606
Depletion and depreciation	14	887	30	931

Three months ended June 30, 2010	**United Kingdom**	**Argentina**	**Corporate**	**Total**
Segment revenue	-	2,295	-	2,295
Segment earnings (loss)	(880)	488	(1,087)	(1,479)
Finance income				50
Finance costs				59
Loss before tax				(1,370)
Total assets	170,222	30,834	23,932	224,988
Other segment information				
Capital expenditures	1,814	268	27	2,109
Depletion and depreciation	12	1,051	7	1,070

(Amounts in US$ thousands, except as otherwise noted)

Six months ended June 30, 2011	United Kingdom	Argentina	Corporate	Total
Segment revenue	-	5,115	-	5,115
Segment earnings (loss)	(574)	1,170	(2,516)	(1,920)
Finance income				411
Finance costs				(254)
Loss before tax				(1,763)
Total assets	184,709	33,573	67,995	286,277
Other segment information				
Capital expenditures	2,334	1,809	86	4,229
Depletion and depreciation	26	1,942	58	2,026

Six months ended June 30, 2010	United Kingdom	Argentina	Corporate	Total
Segment revenue	-	4,952	-	4,952
Segment earnings (loss)	(1,299)	847	(2,053)	(2,505)
Finance income				94
Finance costs				(249)
Loss before tax				(2,660)
Total assets	170,222	30,834	23,932	224,988
Other segment information				
Capital expenditures	1,438	1,446	179	3,063
Depletion and depreciation	23	2,224	35	2,282

(Amounts in US$ thousands, except as otherwise noted)

12) Commitments and contingencies

The Company has several commitments in respect of its petroleum and natural gas properties and operating leases as follows:

	2011	2012	2013	2014	2015	Thereafter
United Kingdom						
• Fyne and Dandy (1)	21	10,025	25	25	25	25
• Causeway (2)	143	190	33	33	33	33
• 25th Bid Round (3)	24,192	3,083	-	-	-	-
• 26th Bid Round (4)	4,630	6,080	13	13	-	-
Argentina						
• Tierra del Fuego	105	650	650	650	650	1,300
• Cerro de Los Leones (5)	1,503	3,532	1,904	-	-	-
Office Leases	153	268	114	114	114	256
Total	30,747	23,828	2,739	835	822	1,614

(1) The Company agreed to pay an additional $10 million as part of the acquisition of the Fyne Licence, upon approval of a Field Development Plan by DECC.

(2) Relates to Antrim's 35.5% interest in the Causeway Licences after the sale of Antrim Causeway (N.I.) Limited to Valiant in August 2011.

(3) The Company acquired two licences in the 25th bid round which include contingent drilling commitments which Antrim has committed to drill in the third and fourth quarters of 2011. Includes estimated drilling costs net of Premier's share of the Erne Prospect. The remaining licences include committed licence fees and seismic costs to drill or drop decision.

(4) The Company acquired two licences in the 26th bid round which include firm drilling commitments estimated at $6 million in 2012. The remaining licence include committed licence fees and seismic costs to drill or drop decision.

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

13) Related party transactions

The Company may from time to time enter into arrangements with related parties which are accounted for at fair value. In 2011, the Company incurred fees of $190 (2010 - $132) payable to Burstall Winger LLP, a law firm in which a director of the Company is a partner. There are no other related party transactions.

14) Subsequent events

On August 9, 2011, Antrim finalized the sale of Antrim Causeway (N.I.) Limited which holds a 30% interest in P201 Block 211/22a South East Area and P1383 Block 211/23d, the Causeway Licences, including a corresponding interest in the reserves associated with the licences, to Valiant Petroleum plc. In return Antrim will receive up to $21.75 million towards its remaining 35.5% working interest share of the development costs of the Causeway Field. Antrim will recognize a loss on the disposition in the third quarter of 2011.

On July 7, 2011, Antrim announced that it has signed a Heads Of Agreement to farm out a portion of its Erne Prospect located in the Greater Fyne Area in the Central North Sea. Premier Oil UK Limited has agreed to earn a 50% working interest in Antrim's 100% owned Licence P1875 by funding a promoted share of the costs to drill a well on the Erne Prospect on Block 21/29d.

15) Transition to IFRS

For all periods up to and including the year ended December 31, 2010, the Company prepared its financial statements in accordance with Canadian GAAP. The Company has prepared financial statements which comply with IFRS's applicable for periods beginning on or after January 1, 2010 and the significant accounting policies meeting those requirements are the same as disclosed in the unaudited interim financial statements as at and for the period ended March 31, 2011.

The effect of the Company's transition to IFRS is summarized in this note as follows:

(i) Transition elections
(ii) Reconciliation of equity, loss and comprehensive loss as previously reported under Canadian GAAP to IFRS
(iii) Adjustments to the statement of cash flows

(i) Transition elections

IFRS 1 allows first-time adopters certain exemptions from the general requirement to apply IFRS as effective for December 2011 year ends retrospectively. The Company has taken the following exemptions:

(a) IFRS 3 *Business Combinations* has not been applied to acquisitions of subsidiaries or of interests in associates and joint ventures that occurred before January 1, 2010, the Company's date of transition.
(b) IFRS 2 *Share-based Payment* has not been applied to any equity instruments that were granted on or before November 7, 2002, nor has it been applied to equity instruments granted after November 7, 2002 that vested before January 1, 2010.
(c) The Company has elected under IFRS 1 *First-time Adoption of IFRS* to measure oil and gas assets at the date of transition to IFRS at deemed cost equal to its previous GAAP historical book value for property, plant & equipment. As a result, any changes to asset retirement obligations are recorded directly to retained earnings.
(d) The Company has elected to apply the exemption, as allowed under IFRS 1, and deemed the cumulative translation differences for all foreign operations to be zero at the date of transition to IFRS. Any gain or loss on a subsequent disposal of any foreign operation shall exclude translation differences that arose before the date of transition to IFRSs and shall include later translation differences.

(Amounts in US$ thousands, except as otherwise noted)

(ii) Reconciliation of equity as at June 30, 2010

		IFRS Adjustments						
	Canadian GAAP	Share-based payments	Disposition	E&E	ARO	Depletion	Foreign Currency	IFRS
		(Note d)	(Note h)	(Note b)	(Note c)	(Note g)	(Note f)	
Assets								
Current assets								
Cash and cash equivalents	26,506	-	-	-	-	-	-	26,506
Accounts receivable	3,128	-	-	-	-	-	-	3,128
Inventory and prepaid expenses	1,040	-	-	-	-	(69)	-	971
	30,674	-	-	-	-	(69)	-	30,605
Exploration and evaluation assets	-	(29)	-	167,445	101	-	-	167,517
Property, plant and equipment	248,512	(16)	316	(224,900)	-	1,108	-	25,020
Investments and other non-current assets	1,846	-	-	-	-	-	-	1,846
	281,032	(45)	316	(57,455)	101	1,039	-	224,988
Liabilities								
Current liabilities								
Accounts payable and accrued liabilities	2,852	-	-	-	-	-	-	2,852
	2,852	-	-	-	-	-	-	2,852
Asset retirement obligations	5,362	-	(306)	-	1,405	-	-	6,461
	8,214	-	(306)	-	1,405	-	-	9,313
Shareholders' equity								
Share capital	311,957	-	-	-	-	-	-	311,957
Contributed surplus	16,787	1,097	-	-	-	-	-	17,884
Deficit	(53,718)	(1,142)	622	(57,455)	(1,304)	1,039	7,456	(104,502)
Accumulated other comprehensive income (loss)	(2,208)	-	-	-	-	-	(7,456)	(9,664)
	272,818	(45)	622	(57,455)	(1,304)	1,039	-	215,675
	281,032	(45)	316	(57,455)	101	1,039	-	224,988

(Amounts in US$ thousands, except as otherwise noted)

Reconciliation of loss and comprehensive loss for the three month period ended June 30, 2010

		IFRS Adjustments					
	Canadian GAAP	**Share-based payments**	**E&E**	**ARO**	**Depletion**	**Foreign Currency**	**IFRS**
		(Note d)	(Note b)	(Note c)	(Note g)	(Note f)	
Revenue, net of royalties	(2,295)	-	-	-	-	-	(2,295)
Expenses							
Production and operating expenditures	998	-	-	-	-	-	998
Depletion and depreciation	1,666	-	-	-	(596)	-	1,070
General and administrative	2,157	(136)	-	-	-	-	2,021
Exploration and evaluation expenditures	-	-	148	-	-	-	148
Other income	(473)	-	-	-	-	-	(473)
Export taxes	10	-	-	-	-	-	10
	2,063	(136)	148	-	(596)	-	1,479
Finance income	(50)	-	-	-	-	-	(50)
Finance costs	(46)	-	-	(13)	-	-	(59)
Loss for the period before income taxes	1,967	(136)	148	(13)	(596)	-	1,370
Income tax expense	53	-	-	-	-	-	53
Net loss for the period	2,020	(136)	148	(13)	(596)	-	1,423
Other comprehensive (income) loss							
Exchange differences on translation of foreign operations	7,446	-	-	-	-	(6,239)	1,207
Other comprehensive (income) loss for the period	7,446	-	-	-	-	(6,239)	1,207
Comprehensive (income) loss for the period	9,466	(136)	148	(13)	(596)	(6,239)	2,630

(Amounts in US$ thousands, except as otherwise noted)

Reconciliation of loss and comprehensive loss for the six month period ended June 30, 2010

		IFRS Adjustments						
	Canadian GAAP	Share-based payments	Disposition	E&E	ARO	Depletion	Foreign Currency	IFRS
		(Note d)	(Note h)	(Note b)	(Note c)	(Note g)	(Note f)	
Revenue, net of royalties	(4,952)	-	-	-	-	-	-	(4,952)
Expenses								
Production and operating expenditures	2,345	-	-	-	-	-	-	2,345
Depletion and depreciation	3,321	-	-	-	-	(1,039)	-	2,282
General and administrative	4,030	(181)	-	-	-	-	-	3,849
Exploration and evaluation expenditures	-	-	-	444	-	-	-	444
Other income	(908)	-	-	-	-	-	-	(908)
Export taxes	67	-	-	-	-	-	-	67
Gain on disposals	-	-	(622)	-	-	-	-	(622)
	3,903	(181)	(622)	444	-	(1,039)	-	2,505
Finance income	(94)	-	-	-	-	-	-	(94)
Finance costs	265	-	-	-	(16)	-	-	249
Loss for the period before income taxes	4,074	(181)	(622)	444	(16)	(1,039)	-	2,660
Income tax expense	56	-	-	-	-	-	-	56
Net loss for the period	4,130	(181)	(622)	444	(16)	(1,039)	-	2,716
Other comprehensive (income) loss								
Exchange differences on translation of foreign operations	240	-	-	-	-	-	9,424	9,664
Other comprehensive (income) loss for the period	240	-	-	-	-	-	9,424	9,664
Comprehensive (income) loss for the period	4,370	(181)	(622)	444	(16)	(1,039)	9,424	12,380

Notes to the reconciliation of equity, loss and comprehensive loss from Canadian GAAP to IFRS

(a) The Company has elected under IFRS 1 *First-time Adoption of IFRS* to measure oil and gas assets at the date of transition to IFRS on a deemed cost basis. The Canadian GAAP full cost pool was measured upon transition to IFRS as follows:

(i) exploration and evaluation assets were reclassified from the full cost pool to intangible exploration assets at the amount that was recorded under Canadian GAAP; and

(ii) the remaining full cost pool was allocated to the producing assets and components pro rata using proved plus probable reserve volumes.

This resulted in $182,473 increase in evaluation and exploration assets (before consideration of impairment – see (b) below) as at January 1, 2010 with a corresponding decrease in property, plant and equipment.

(b) The recognition and measurement of impairment differs under IFRS from Canadian GAAP, therefore in accordance with IFRS 1 the Company performed an assessment of impairment for all property, plant and equipment and intangible assets at the date of transition. The results of the testing identified certain evaluation and exploration assets where the Company has elected to discontinue any further activities. This resulted in a $5,885 decrease in exploration and evaluation assets to recognize impairment with a corresponding increase in deficit.

For the three and six months ended June 30, 2010, the Company expensed pre-licence costs of $148 and $444 that were previously capitalized under Canadian GAAP, respectively.

For the three and six months ended June 30, 2010, the Company did not recognize an impairment.

As a result, the Company has recorded exploration and evaluation assets of $167,517 as at June 30, 2010.

(c) Under Canadian GAAP asset retirement obligations were discounted at a credit adjusted risk free rate. Under IFRS the estimated cash flow to abandon and remediate the wells and facilities has been risk adjusted and the provision is discounted at a risk free rate. Upon transition to IFRS this resulted in a $1,967 increase in the asset retirement obligations with corresponding adjustments to deficit and accumulated other comprehensive income.

As a result of the change in the asset retirement obligations, accretion expense decreased by $13 and $16 for the three and six months ended June 30, 2010 under IFRS compared to Canadian GAAP. In addition, under Canadian GAAP accretion of the discount was included in depletion and depreciation. Under IFRS it is included in finance expenses.

(d) Under Canadian GAAP, the Company recognized an expense related to share-based payments on a straight-line basis through the date of full vesting and did not incorporate a forfeiture estimate. Under IFRS, the Company is required to recognize the expense over the individual vesting periods for the graded vesting awards and estimate a forfeiture rate. This increased contributed surplus and increased deficit at the date of transition by $1,323.

Share-based compensation expense decreased by $136 and $181 for the three and six months ended June 30, 2010 respectively with offsetting adjustments to contributed surplus, exploration and evaluation assets and property, plant and equipment.

(e) In accordance with IFRS transitional provisions, the Company has elected to reset the cumulative translation adjustment account, which includes gains and losses arising from the translation of foreign operations, to zero at the date of transition to IFRS. Accumulated other comprehensive income has been increased and deficit has been increased by $1,968, the other comprehensive income balance recorded under Canadian GAAP.

(f) Under GAAP all of the Company's UK subsidiaries were considered integrated foreign operations. Therefore, monetary items were translated at period end rates and non-monetary items were translated at historical rates with all foreign currency gains and losses recognized in profit or loss. IFRS requires that the functional currency of each subsidiary of the Company be determined separately and all monetary and non-monetary items translated at period end rates with all foreign currency gains and losses recognized in the foreign currency translation reserve in equity. Under IFRS, it was determined that the Great British pound was the functional currency of all UK subsidiaries and therefore as at the transition date a foreign exchange translation reserve had accumulated. This resulted in a $39,577 increase in other comprehensive loss. In accordance with IFRS 1 optional exemptions, the Company has elected to transfer the accumulated other comprehensive income balance at January 1, 2010, recognized as a separate component of equity, directly to deficit.

(g) Upon transition to IFRS, the Company adopted a policy of depleting oil and natural gas interests on a unit of production basis over proved plus probable reserves. The depletion policy under Canadian GAAP was based on units of production over proved reserves. In addition depletion was done on the Canadian cost centre level under Canadian GAAP. IFRS requires depletion and depreciation to be calculated based on individual components (i.e. fields or combinations thereof).

There was no impact of this difference on adoption of IFRS at January 1, 2010 as a result of the IFRS 1 election as discussed in Note 27(i)(c).

For the three and six months ended June 30, 2010 depletion and depreciation decreased by $596 and $1,039 respectively, with the corresponding changes to property, plant and equipment and inventory.

(h) Under Canadian GAAP, proceeds from dispositions of upstream assets were deducted from the full cost pool without recognition of a gain or loss unless the deduction resulted in a change to the country cost centre depletion rate of 20 percent or greater, in which case a gain or loss was recorded.

Under IFRS, gains or losses are recorded on dispositions and are calculated as the difference between the proceeds and the net book value of the asset disposed. For the year ended December 31, 2010. Antrim recognized a $622 net gain on dispositions under IFRS compared to Canadian GAAP results. The net gain arose due to the dispositions of the Puesto Guardian, Medianera and Tres Nidos Sur properties in Argentina.

(iii) Adjustments to the statement of cash flows

The transition from Canadian GAAP to IFRS had no significant impact on cash flows generated by the Company.

DIRECTORS

Stephen Greer
President and Chief Executive Officer,
Antrim Energy Inc.

Colin Maclean (2) (3) (4) (5)
Independent Director

Dr. Brian Moss
Executive Vice President, Latin America
Antrim Energy Inc.

Dr. Gerry Orbell (1) (3) (4) (5)
Chairman and Chief Executive Officer,
Sound Oil plc

Jim Perry (1) (3) (4) (5)
President and CEO,
Alternative Fuel Systems (2004) Inc.

Jim Smith (1) (2) (5)
Independent Director

Jay Zammit (2) (5)
Partner,
Burstall winger LLP

(1) Member of the Audit Committee
(2) Member of the Compensation Committee
(3) Member of the Reserves Committee
(4) Member of the Exploration Committee
(5) Member of the Corporate Governance Committee

OFFICERS

Stephen Greer
President and Chief Executive Officer

Brian Moss
Executive Vice President, Latin America

Douglas Olson
Chief Financial Officer

Kerry Fulton
Vice President, Operations

Terry Lederhouse
Vice President, Commercial

Adrian Harvey
Corporate Secretary

HEAD OFFICE

610, 301 8th Avenue SW
Calgary, Alberta,
Canada T2P 1C5
Main: +1 403 264 5111
Fax: + 1 403 264 5113
info@antrimenergy.com
www.antrimenergy.com
The Company's website is not incorporated by reference in and does not form a part of this Interim Report.

LONDON OFFICE

Ashbourne House, The Guildway
Old Portsmouth Road, Artington
Guildford, Surrey
United Kingdom GU3 1LR
Main: +44 (0) 1483-307 530
Fax: +44 (0) 1483-307 531

BUENOS AIRES OFFICE

Luis Maria Campos 1061 – Piso 8
CP (C1426BOI), Capital Federal
Buenos Aires, Argentina
Main: +54 11 4779 1030
Fax: +54 11 4779 1040

INTERNATIONAL SUBSIDIARIES

Antrim Argentina S.A.
Antrim Energy Ltd.
Antrim Resources (N.I.) Limited
Netherfield Corporation

LEGAL COUNSEL

Burstall Winger LLP
Calgary, Alberta

BANKERS

Toronto-Dominion Bank of Canada

AUDITORS

PricewaterhouseCoopers LLP
Calgary, Alberta

INDEPENDENT ENGINEERS

McDaniel & Associates Consultants Ltd

REGISTRAR AND TRANSFER AGENT

Inquiries regarding change of address, registered shareholdings, stock transfers or lost certificates should be direct to:

CIBC Mellon Trust Company
Calgary, Alberta

STOCK EXCHANGE LISTINGS

Toronto Stock Exchange: Trading Symbol "AEN"
London Stock Exchange (AIM): Trading Symbol "AEY"