ANTRIM ENERGY INC. Q2 2015

INTERIM FINANCIAL REPORT – SECOND QUARTER 2015

Highlights

- Commencement of four well abandonment program in United Kingdom Central North Sea
- Significant cost reduction expected from summer 2015 abandonment program
- Continue to evaluate new opportunities for transformative upside potential
- Strong financial position including cash at June 30, 2015 of US $13.5 million
- Large reduction in ongoing G&A costs

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, 2015 compared to the same periods ended June 30, 2014 and should be read in conjunction with the audited consolidated financial statements of Antrim for the year ended December 31, 2014. This MD&A has been prepared using information available up to August 25, 2015. The interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless otherwise noted all amounts are reported in United States ("US") dollars.

Non-IFRS Measures

Cash flow used in operations and cash flow used in operations per share do not have standard meanings under IFRS and may not be comparable to those reported by other companies. Antrim utilizes cash flow from operations 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 used in operations is defined as cash flow used in operating activities before changes in working capital. Cash flow used in operations per share is calculated as cash flow used in operations divided by the weighted-average number of outstanding shares. Reconciliation of cash flow used in operations to its nearest measure prescribed by IFRS is provided below.

	Three Months Ended June 30		Six Months Ended June 30	
($000's)	2015	2014	2015	2014
Cash flow from (used in) operating activities	(805)	(3,326)	(579)	(4,091)
Less: change in non-cash working capital	52	(816)	(191)	(402)
Cash flow from (used in) operations	(857)	(2,510)	(388)	(3,689)

Overview of Continuing Operations

Corporate

Over the past year the Company has sought and evaluated a number of international opportunities with the objective of providing shareholders with exposure to attractive growth opportunities with an emphasis on existing or near term oil and gas production and cash flow. It is the Company's view that the falling commodity price environment should lead to an increase in M&A activity within the junior E&P sector. The Company's robust balance sheet and long–term potential puts it in a strong position to benefit from industry consolidation. So far this year, much of the anticipated increase in M&A has not occurred as sellers or those in need of capital have been reluctant to transact at what they perceive to be the bottom or near bottom of the cycle and those with capital to invest have been either unwilling to take additional risk or pay a potential premium in a volatile and still declining market environment.

Along with others who believe parties in the sector are only now beginning to adjust their expectations, we remain hopeful that a transformative transaction can be concluded. Completion of the Fyne and Erne abandonment programme currently underway and subsequent reimbursement by former joint venture partners of their portion of these costs will provide clarity as to Antrim's financial position and its contribution towards any future M&A transaction.

Ireland

Frontier Exploration Licence 1-13, Antrim 25%

In 2013, Kosmos Energy Ltd. ("Kosmos") farmed-in to Antrim's Licencing Option over the Skellig Block and assumed operatorship of the block. Kosmos subsequently acquired 3-D seismic, results from which reinforced Antrim's interpretation based on 2-D seismic and strongly indicated the presence of Lower Cretaceous slope fan and channel deposits similar in geometry and seismic character to many of the recent Cretaceous oil discoveries offshore West Africa.

In December 2014 Kosmos prepared a prospect inventory which includes several leads previously identified and highlights three prospects including two tilted Jurassic fault blocks and a Cretaceous submarine fan. Two of the three prospects were included as leads in the prospective resources evaluated by McDaniel & Associates Consultants Ltd. ("McDaniel") in accordance with National Instrument 51-101 in a report dated effective June 30, 2014. In the McDaniel Report, prospective resources were assigned to 17 leads within the Skellig Block, further details of which are included in Antrim's AIF for the year ended December 31, 2014. A second Jurassic prospect identified by Kosmos has yet to be reviewed by McDaniel pending receipt of additional information. Additional work planned for 2015 to mitigate drilling risk among the top three identified prospects includes trace inversion, AVO mapping and modeling, spectral decomposition and attribute extraction.

FEL 1-13 has a 15 year term, with an initial three-year term followed by three four-year terms. At least three months before the end of the initial term a work programme for the second term must be proposed. That programme must include the drilling of an exploration well. At the end of the initial three-year term (July 4, 2016), 25% of the acreage must be relinquished.

Fyne Licence
P077 Block 21/28a – Fyne, Antrim 100%

United Kingdom Seaward Licences require licensees to permanently abandon all suspended wells prior to licence expiry. In June 2015 the Company entered into a contract with Offshore Installation Services Ltd. ("OIS") to permanently plug and abandon three suspended wells on the Fyne Licence and one suspended well on the Erne Licence in the United Kingdom Central North Sea. The well abandonment campaign commenced on July 8, 2015 including six Central North Sea wells from another operator allowing Antrim to share certain common costs offering significant cost savings. The first phase of the 10 well abandonment program was completed on August 15, 2015 and the final phase is expected to be completed early September 2015. The estimated total gross cost for abandonment of Antrim's four wells is £5.0 million ($7.9 million), with the estimated net cost to Antrim totaling £2.1 million ($3.25 million).

The Company is in discussion with the Oil and Gas Authority (OGA), formerly DECC, with respect to relinquishment and possible reapplication for the licence. The carrying value of the Fyne Licence at June 30, 2015 is $nil (December 31, 2014 - $nil).

Erne Licence
P1875 Block 21/29d – Erne, Antrim 50%

Previous discoveries on the Erne Licence are not commercial on their own, but may be economic to develop as tie-backs to an adjacent production facility if such a facility were available. The carrying value of the Erne Licence at June 30, 2015 is $nil (December 31, 2014 - $nil).

Financial Discussion of Continuing Operations

($000's except per share amounts)	Three Months Ended June 30 2015	Three Months Ended June 30 2014	Six Months Ended June 30 2015	Six Months Ended June 30 2014
Financial Results				
Cash flow used in operations [1]	(857)	(2,510)	(388)	(3,689)
Cash flow used in operations per share [1]	(0.00)	(0.01)	(0.00)	(0.02)
Net income (loss) – continuing operations	812	(3,666)	1,273	(5,204)
Net income (loss) per share – basic, continuing operations	0.00	(0.02)	0.01	(0.03)
Net income (loss)	812	(223)	1,273	(8,684)
Net income (loss) per share - basic	0.00	(0.00)	0.01	(0.05)
Total assets	15,611	19,430	15,611	19,430
Working capital	10,423	17,512	10,423	17,512
Capital expenditures – continuing operations	58	53	86	195
Common shares outstanding				
End of period	184,731	184,731	184,731	184,731
Weighted average – basic	184,731	184,731	184,731	184,731
Weighted average – diluted	184,731	184,731	184,731	184,731

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

General and Administrative

General and administrative ("G&A") costs decreased to $1.3 million in the first half of 2015 compared to $3.2 million for the corresponding period in 2014. The decrease in G&A is primarily due to lower salary and administrative expenses as part of the Company's ongoing efforts to reduce annual G&A. G&A costs decreased to $0.5 million for the three month period ended June 30, 2015 compared to $1.9 million for the same period in 2014. The decrease in G&A is primarily due to employee severance costs paid in 2014 and lower staffing levels thereafter. Administrative costs increased in the period due to increased activity assessing potential M&A opportunities.

A breakdown of G&A expense is as follows:

($000's)	Three Months Ended June 30 2015	Three Months Ended June 30 2014	Six Months Ended June 30 2015	Six Months Ended June 30 2014
Wages and salaries	214	1,406	658	1,776
Occupancy	80	76	163	169
Administrative	308	294	558	1,118
Travel	2	7	2	15
Overhead recovery	(67)	151	(67)	93
	537	1,934	1,314	3,171

Exploration & Evaluation Expenditures

Exploration and evaluation ("E&E") expenditures were a recovery of $1.7 million in the three and six month periods ended June 30, 2015 compared to expenses of $0.9 million for the corresponding periods in 2014. The decrease is related to lower expected decommissioning obligations following signing of the abandonment contract with OIS in June 2015. Due to the Fyne and Erne licences being fully impaired, adjustments to decommissioning obligations are booked to profit and loss.

Finance Costs

Finance costs were $16 thousand in the first half of 2015 compared to $28 thousand for the corresponding period in 2014. Finance costs are primarily related to accretion of asset retirement obligations.

Income Taxes

The Company follows the liability method of accounting for income taxes. As at June 30, 2015, 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 Income (Loss) from Continuing Operations

In the first half of 2015 cash flow used in operations was $0.4 million compared to cash flow used in operations of $3.7 million for the corresponding period in 2014. Cash flow used in operations decreased due to lower G&A costs and a $0.9 million foreign exchange gain in the first half of 2015 as a result of a significant decline in the period in the value of the Canadian dollar relative to the US dollar. Excluding foreign exchange gains and losses, cash flow used in operations in the first half of 2015 was $1.3 million compared to $3.2 million for the corresponding period in 2014.

In the first half of 2015, Antrim had net income from continuing operations of $1.3 million compared to a net loss from continuing operations of $5.2 million for the corresponding period in 2014. Net income increased due to lower expected decommissioning obligations, foreign exchange gains and lower general and administrative costs.

Foreign Exchange and Other Comprehensive Income (Loss)

The reporting currency of the Company is the US dollar while the Company's operating costs and certain of the Company's payments in order to maintain property interests are made in the local currency of the jurisdiction where the applicable property is located. The Company's continuing activities in Canada, Ireland and United Kingdom are accounted for using the Canadian dollar, Euro and British pound sterling as the functional currency, respectively. As a result of these factors, fluctuations in these currencies relative to the US dollar could result in unanticipated fluctuations in the Company's financial results. The Company incurred a foreign exchange gain of $0.9 million in first half of 2015 compared to a loss of $0.8 million for the corresponding period in 2014.

The Company reported other comprehensive loss of $1.1 million in first half of 2015, compared to other comprehensive loss of $6.6 million for the corresponding period in 2014. Other comprehensive loss decreased due to foreign currency translation adjustments on disposal of discontinued operations in 2014.

Financial Discussion of Discontinued Operations

Discontinued operations relate to the sale of Antrim's Causeway, Kerloch and Cormorant East assets structured as the sale of all of the issued and outstanding shares in ARNIL (the "ARNIL Sale"). In the first half of 2014, Antrim had a net loss from discontinued operations of $3.5 million. On April 24, 2014 the Company completed the sale of ARNIL and settled its outstanding obligations under its Payment and Oil Swap agreements.

Financial Resources and Liquidity

Antrim had a working capital surplus at June 30, 2015 of $10.4 million compared to a working capital surplus of $15.1 million as at December 31, 2014. Working capital decreased due to classification of decommissioning obligations to be incurred in 2015 under the current four well abandonment programme as a current liability, general and administrative expenses and actual decommissioning costs incurred in the period.

Contractual Obligations, Commitments and Contingencies

Antrim has several commitments in respect of its petroleum and natural gas properties and operating leases, including operating costs, as at June 30, 2015 as follows:

($000's)	**2015**	**2016**	**2017**	**2018**	**Thereafter**
Office Leases	169	337	312	3	-
Ireland	363	-	-	-	-
United Kingdom					
Fyne	10	-	-	-	-
Erne	-	-	-	-	-
Total	542	337	312	3	-

The estimated total gross cost for abandonment of Antrim's Fyne and Erne licence wells is £5.0 million ($7.9 million), with the estimated net cost to Antrim totaling £2.1 million ($3.25 million). As gross expenditures are incurred by Antrim, amounts expected to be recovered from certain previous joint venture partners in the Fyne Licence are recorded as other current assets. Once each well on the Fyne Licence is abandoned in accordance with industry practice and legislation in force, these costs can be invoiced to the partners with payment due within 20 days of receipt of the invoice.

Outlook

The Company plans to look for additional M&A opportunities and assess those opportunities based on, amongst other criteria, strategic fit, focus on near term appraisal / development, use of funds, transformative potential with upside potential for Antrim shareholders and current or near term cash flow.

The board of Antrim views the Company's strong financial position as a competitive advantage in the current volatile oil price environment and the Company will continue to seek ways to reduce the Company's G&A costs to further protect its financial position. G&A costs in 2015 are budgeted to be approximately 50% of G&A in 2014.

Summary of Quarterly Results

($000's, except per share amounts)	Revenue, Net of Royalties	Cash Flow Used in Operations	Net Income (Loss)	Net Income (Loss) Per Share - Basic
	(Note 1)	(Note 1)		
2015				
Second quarter	-	(857)	812	0.00
First quarter	-	469	461	0.00
	-	(388)	1,273	0.01
2014				
Fourth quarter	-	(815)	(903)	(0.00)
Third quarter	-	(109)	(528)	(0.00)
Second quarter	-	(2,510)	(223)	(0.00)
First quarter	-	(1,179)	(8,461)	(0.05)
	-	(4,613)	(10,115)	(0.05)
2013				
Fourth quarter	-	(1,836)	(21,212)	(0.11)
Third quarter	-	(388)	(16,067)	(0.09)
Second quarter	-	(2,934)	930	0.01
First quarter	-	(3,368)	(2,853)	(0.02)
	-	(8,526)	(39,202)	(0.21)

Note 1: Continuing operations only

Key factors relating to the comparison of net income for the second quarter of 2015 to previous quarters are as follows:

- In the second quarter of 2015, the Company recognized a $1.7 million recovery of E&E costs following lower expected decommissioning obligations associated with signing the OIS contract in June 2015.

- In the first quarter of 2015, the Company recognized a $1.2 million foreign exchange gain as a result of a significant decrease in the value of the Canadian dollar relative to the US dollar;
- In the fourth quarter of 2014, the Company incurred $0.7 million in severance to an executive who exercised an option to voluntarily terminate employment upon closing of the ARNIL sale;
- In the second quarter of 2014, the Company recognized a $5.2 million gain on disposal of assets primarily with respect to the recognition in income of foreign currency translation adjustments previously included in accumulated other comprehensive income;
- In the first quarter of 2014, the Company incurred $7.6 million in finance costs and loss on financial derivative related to the Company's bank loan and oil hedge obligations;
- In the fourth quarter of 2013, the Company recognized a $14.6 million impairment charge on assets held for sale; and
- In the third quarter of 2013, the Company recognized a $12.1 million impairment charge with respect to delays and cost overruns for the Causeway Field.

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.

Substantial Capital Requirements

The Company's ability to establish 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. World financial market events and the resultant negative impact on economic conditions, particularly with respect to junior oil and gas companies, have increased the risk and uncertainty of the availability of equity or debt financing.

Foreign Operations

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, 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.

Third Party Credit Risk

The Company is or may be exposed to third party credit risk through its contractual arrangements with its former, current or future joint venture partners. In the event such entities fail to meet their contractual obligations to the Company, such failures could have a material adverse effect on the Company and its financial position.

Environmental and Decommissioning Regulations

The petroleum industry is subject to regulation, enforcement and intervention by governments in such matters as the awarding and licensing of exploration and production interests, the imposition of specific drilling obligations, environmental protection and pollution controls, health and safety aspects of on and off-shore activity and operations, control over the development, decommissioning and abandonment of fields (including restrictions on production) and possibly expropriation or cancellation of contract rights. Such regulation may be changed from time to time in response to economic or political conditions. The implementation of new legislation or regulations or the modification of existing legislation or regulations affecting the oil and gas industry could reduce demand for natural gas and crude oil, increase costs and may have a material adverse impact on the Company.

Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions and discharges of various substances and materials (including wastes) produced in association with or otherwise arising from oil and gas operations. The legislation also requires that wells and facility sites be operated, maintained, decommissioned, abandoned and reclaimed in accordance with relevant laws and permits and including, where relevant, to the satisfaction of applicable regulatory authorities. Before exploration, production or remedial activities can commence, the Company must obtain regulatory approval and relevant licences and there is no assurance that such approvals or licences will be obtained.

Environmental legislation and enforcement policy is evolving in a manner expected to result in more onerous and stricter requirements, standards and enforcement, larger fines and greater liability and potentially increased capital expenditures and operating costs. While the directors believe that the Company's current provision for compliance with environmental laws, regulations and liabilities (including decommissioning) in the countries in which it operates is reasonable, no assurance can be given that new rules and regulations will not be enacted or existing legislation, rules and regulations will not be applied in a manner which could limit or curtail the Company's development or result in increased liabilities. No assurance can be given that environmental laws will not result in a material increase in the costs of acquisition, exploration, development or production activities or otherwise adversely affect the Company's financial condition, results of operations or prospects.

In addition to the above regulatory risks, well abandonment programs may be subject to certain additional risks, including: the risk that the work required to complete the abandonment program may prove to be more difficult or take significantly longer than anticipated, the risk of delay due to adverse weather conditions, particularly in the UK North Sea, and the risk that proper abandonment of a property requires additional clean-up relating to oil and gas operations of previous operators. The existence of any such circumstances may significantly increase the cost to the Company of an abandonment program which could have a material adverse effect on the Company’s financial position.

The Company is committed to meeting its responsibilities to protect the environment wherever it operates and procedures are in place to ensure utmost care is taken in the day-to-day management of its properties. The Company believes in well abandonment and site restoration in a timely manner to ensure minimal damage and overall costs to the Company.

Further discussions regarding the Company's risks and uncertainties, can be found in the Company's Annual Information Form dated April 24, 2015 which is filed on SEDAR at www.sedar.com.

Forward-Looking and Cautionary Statements

This MD&A contains 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 should not be unduly relied upon. Such forward-looking statements and information speak only as of the date of this MD&A and Antrim does not undertake any obligation to publicly update or revise any forward-looking statements or information, except as required by applicable laws.

This MD&A may contain specific forward-looking statements and information pertaining to Antrim's plans for exploring and developing its licences, including exploration of the Skellig block, commodity prices, foreign currency exchange rates and interest rates, capital expenditure programs and other expenditures, supply and demand for oil, NGLs 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.

With respect to forward-looking statements contained in this MD&A, Antrim has made assumptions regarding: Antrim's ability to obtain additional drilling rigs and other equipment in a timely manner, obtain regulatory approvals, the consideration received in the ARNIL Sale will not change materially as a result of post-closing adjustments, the level of future capital expenditure required to exploit and develop resources, 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, 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, unanticipated delays with respect to the development of Antrim's properties, 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 capital requirements, Antrim's reliance on industry partners for the development and decommissioning 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 risk that the consideration from the ARNIL Sale is reduced as a result of post-closing adjustments, the risk that well abandonment programmes take longer or are more expensive than anticipated, the risk of adverse results from litigation and the accuracy of oil and gas resource estimates as they are affected by the Antrim's exploration and development drilling. 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, Ireland, 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 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 this MD&A and in Antrim's Annual Information Form for the year ended December 31, 2014. Readers are specifically referred to the risk factors described in this MD&A under "Risks and Uncertainties" 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.

In accordance with AIM guidelines, Mr. Murray Chancellor, C. Eng., MICE and Managing Director, United Kingdom for Antrim, is the qualified person that has reviewed the technical information contained in this MD&A. Mr. Chancellor has over 25 years operating experience in the upstream oil and gas industry.

Antrim Energy Inc.

Condensed Interim Consolidated Balance Sheets
As at June 30, 2015 and December 31, 2014 (unaudited)
(Amounts in US$ thousands)

	Note	June 30 2015	December 31 2014
Assets			
Current assets			
Cash and cash equivalents		**13,537**	15,420
Restricted cash		**13**	12
Accounts receivable		**172**	163
Prepaid expenses		**190**	205
Other current assets	12	**430**	-
		14,342	15,800
Property, plant and equipment	3	**12**	18
Exploration and evaluation assets	4	**1,257**	1,283
		15,611	17,101
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**962**	736
Decommissioning obligations	5	**2,957**	-
		3,919	736
Decommissioning obligations	5	**-**	4,913
		3,919	5,649
Shareholders' equity			
Share capital	6	**361,922**	361,922
Contributed surplus		**21,924**	21,892
Accumulated other comprehensive loss		**(3,902)**	(2,837)
Deficit		**(368,252)**	(369,525)
		11,692	11,452
Total Liabilities and Shareholders' Equity		**15,611**	17,101
Commitments and contingencies	11		

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

Antrim Energy Inc.

Condensed Interim Consolidated Statements of Comprehensive Loss
For the three and six months ended June 30, 2015 and 2014 (unaudited)
(Amounts in US$ thousands, except per share data)

	Note	Three Months Ended June 30 2015	Three Months Ended June 30 2014	Six Months Ended June 30 2015	Six Months Ended June 30 2014
Revenue		**-**	-	**-**	-
Expenses					
General and administrative	9	**537**	1,934	**1,314**	3,171
Depletion and depreciation	3	**2**	14	**5**	31
Share-based compensation	7	**34**	131	**33**	272
Exploration and evaluation	5	**(1,711)**	864	**(1,697)**	871
Finance income		**(8)**	(6)	**(22)**	(6)
Finance costs		**8**	15	**16**	28
Foreign exchange loss (gain)		**326**	714	**(922)**	837
Income (loss) from continuing operations before income taxes		**812**	(3,666)	**1,273**	(5,204)
Income tax expense		**-**	-	**-**	-
Income (loss) from continuing operations after income taxes		**812**	(3,666)	**1,273**	(5,204)
Income (loss) from discontinued operations	13	**-**	3,443	**-**	(3,480)
Net income (loss) for the period		**812**	(223)	**1,273**	(8,684)
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss:					
Foreign currency translation adjustment		**109**	217	**(1,065)**	201
Items reclassified to profit or loss:					
Foreign currency translation adjustment - disposal		**-**	(6,774)	**-**	(6,774)
Other comprehensive income (loss) for the period		**109**	(6,557)	**(1,065)**	(6,573)
Comprehensive income (loss) for the period		**921**	(6,780)	**208**	(15,257)
Net income (loss) per common share					
Basic and diluted - continuing operations	8	**0.00**	(0.02)	**0.01**	(0.03)
Basic and diluted - discontinued operations	8	**-**	0.02	**-**	(0.02)

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

Antrim Energy Inc.
Condensed Interim Consolidated Statements of Cash Flows
For the three and six months ended June 30, 2015 and 2014 (unaudited)
(Amounts in US$ thousands)

	Note	Three Months Ended June 30 2015	Three Months Ended June 30 2014	Six Months Ended June 30 2015	Six Months Ended June 30 2014
Operating Activities					
Income (loss) from continuing operations after income taxes		**812**	(3,666)	**1,273**	(5,204)
Items not involving cash:					
Depletion and depreciation	3	**2**	14	**5**	31
Share-based compensation	7	**34**	131	**33**	272
Accretion of decommissioning obligations	5	**6**	12	**12**	23
Non-cash items included in exploration and evaluation expenditures		**(1,711)**	828	**(1,711)**	828
Foreign exchange loss		**-**	171	**-**	361
Changes in non-cash working capital items - continuing operations	10	**52**	(816)	**(191)**	(402)
Cash provided by (used in) operating activities - continuing operations		**(805)**	(3,326)	**(579)**	(4,091)
Cash provided by (used in) operating activities - discontinued operations		**-**	(539)	**-**	2,043
Decommissioning costs incurred		**(265)**	-	**(265)**	-
Cash provided by (used in) operating activities		**(1,070)**	(3,865)	**(844)**	(2,048)
Financing Activities					
Payments on long-term debt facility		**-**	(20,650)	**-**	(24,650)
Financial derivative settlements		**-**	(10,864)	**-**	(11,452)
Cash provided by (used in) financing activities - discontinued operations		**-**	(31,514)	**-**	(36,102)
Investing Activities					
Exploration and evaluation assets additions		**(58)**	(53)	**(86)**	(195)
Change in restricted cash		**-**	(855)	**-**	(238)
Cash proceeds from disposal of assets	13	**-**	52,293	**-**	57,293
Cash used in investing activities - continuing operations		**(58)**	51,385	**(86)**	56,860
Cash used in investing activities - discontinued operations		**-**	(808)	**-**	(3,859)
Cash provided by (used in) investing activities		**(58)**	50,577	**(86)**	53,001
Effects of foreign exchange on cash and cash equivalents		**321**	583	**(953)**	534
Net decrease in cash and cash equivalents		**(807)**	15,781	**(1,883)**	15,385
Cash and cash equivalents - beginning of period		**14,344**	686	**15,420**	1,082
Cash and cash equivalents - end of period		**13,537**	16,467	**13,537**	16,467

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

Antrim Energy Inc.

Condensed Interim Consolidated Statements of Changes in Equity
For the three and six months ended June 30, 2015 and 2014 (unaudited)
(Amounts in US$ thousands)

	Note	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Deficit	Total
Balance, December 31, 2013		361,922	21,527	4,673	(359,410)	**28,712**
Net loss for the period		-	-	-	(8,684)	**(8,684)**
Other comprehensive loss		-	-	(6,573)	-	**(6,573)**
Share-based compensation	7	-	272	-	-	**272**
Balance, June 30, 2014		**361,922**	**21,799**	**(1,900)**	**(368,094)**	**13,727**
Balance, December 31, 2014		**361,922**	**21,892**	**(2,837)**	**(369,525)**	**11,452**
Net income for the period		-	-	-	**1,273**	**1,273**
Other comprehensive loss		-	-	**(1,065)**	-	**(1,065)**
Share-based compensation	7	-	**32**	-	-	**32**
Balance, June 30, 2015		**361,922**	**21,924**	**(3,902)**	**(368,252)**	**11,692**

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

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 activities in the United Kingdom and Ireland. Antrim Energy Inc. is incorporated and domiciled in Canada. The Company's common shares are listed on the TSX Venture Exchange ("TSXV") and the London AIM market ("AIM") under the symbols "AEN" and "AEY", respectively. 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 condensed interim consolidated financial statements for the three and six months ended June 30, 2015 have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting, and have been prepared following the same accounting policies as the annual consolidated financial statements for the year ended December 31, 2014. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2014, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The policies applied in these condensed interim consolidated financial statements are based on IFRS issued and outstanding as at August 25, 2015, the date the Board of Directors approved the interim consolidated financial statements.

b) Presentation currency

In these condensed interim consolidated financial statements, unless otherwise indicated, all dollar amounts are expressed in United States ("US") dollars. The Company has adopted the US dollar as its presentation currency to facilitate a more direct comparison to 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 judgments used in the preparation of the financial statements are described in the Company's consolidated annual financial statements for the year ended December 31, 2014.

(Amounts in US$ thousands)

d) Changes in accounting policies

The interim consolidated financial statements are prepared on a historical cost basis except as detailed in the accounting policies disclosed in the Company's consolidated financial statements for the year ended December 31, 2014.

3) Property, plant and equipment

	June 30 2015	December 31 2014
Opening balance	18	64
Additions	-	-
Depletion and depreciation	(5)	(42)
Foreign currency translation	(1)	(4)
Closing balance	12	18

4) Exploration and evaluation assets

	June 30 2015	December 31 2014
Opening balance	1,283	1,125
Additions	86	320
Foreign currency translation	(112)	(162)
Closing balance	1,257	1,283

Exploration and evaluation assets at June 30, 2015 and December 31, 2014 relate to the Company's Ireland Frontier Exploration Licence.

5) Decommissioning obligations

	June 30 2015	December 31 2014
Opening balance	4,913	4,130
Additions	-	-
Accretion	12	49
Change in estimate	(1,710)	1,058
Decommissioning costs incurred	(265)	-
Foreign currency translation	7	(324)
Closing balance	2,957	4,913

(Amounts in US$ thousands)

At June 30, 2015, the Company's estimated net undiscounted decommissioning obligations are $2,973 (December 31, 2014 - $4,937). The change in estimate in 2015 and classification as a current liability at June 30, 2015 is related to entering into a contract in June 2015 for a multi-client, multi-well abandonment program to be completed in 2015. As gross expenditures are incurred by Antrim, amounts expected to be recovered from certain previous joint venture partners in the Fyne Licence are recorded as other current assets (see note 11 and 12).

The present value of the decommissioning obligations has been calculated using a risk-free interest rate of 0.50% (2014 – 0.50%) and an inflation rate of 0.0% (2014 – 2.0%).

6) Share capital

Authorized
Unlimited number of common voting shares

Common shares issued	Number of Shares	Amount $
Balance, June 30, 2015 and December 31, 2014	184,731,076	361,922

7) Share-based compensation

The Company has a program whereby it 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.

Share-based compensation expense for the six months ended June 30, 2015 was $33 (2014 – $272).

The following table illustrates the number and weighted average exercise prices of and movements in share options under the option program during the period.

	Six Months Ended June 30, 2015		Six Months Ended June 30, 2014	
	Number	Weighted average exercise price Cdn $	Number	Weighted average exercise price Cdn $
Outstanding at beginning of period	5,345,002	0.65	7,575,000	0.67
Granted	-	-	-	-
Forfeited	(1,150,002)	0.71	(53,332)	0.60
Expired	(290,000)	1.02	(50,000)	0.35
Outstanding at end of period	3,905,000	0.61	7,471,668	0.67

(Amounts in US$ thousands)

8) Earnings per share

	Three Months Ended June 30		Six Months Ended June 30	
	2015	**2014**	**2015**	**2014**
Income (loss) from continuing operations	812	(3,666)	1,273	(5,204)
Income (loss) from discontinued operations	-	3,443	-	(3,480)
Net income (loss) for the period	812	(223)	1,273	(8,684)
Basic earnings per share:				
Issued common shares	184,731,076	184,731,076	184,731,076	184,731,076
Effect of share options exercised	-	-	-	-
Weighted average number of common shares – basic	184,731,076	184,731,076	184,731,076	184,731,076
Diluted earnings per share:				
Weighted average number of common shares – basic	184,731,076	184,731,076	184,731,076	184,731,076
Effect of outstanding options	-	-	-	-
Weighted average number of common shares – diluted	184,731,076	184,731,076	184,731,076	184,731,076
Basic and diluted income (loss) per common share:				
From continuing operations	0.00	(0.02)	0.01	(0.03)
From discontinued operations	-	0.02	-	(0.02)
Total basic and diluted loss per share	0.00	(0.00)	0.01	(0.05)

There have been no other transactions involving common shares or potential common shares between the reporting date and the date of completion of these financial statements.

For the periods ended June 30, 2015 and 2014, all stock options were anti-dilutive and were not included in the diluted common share calculation.

9) General and administrative expenses

	Three Months Ended June 30		Six Months Ended June 30	
	2015	**2014**	**2015**	**2014**
Wages and salaries	214	1,406	658	1,776
Occupancy	80	76	163	169
Administrative	308	294	558	1,118
Travel	2	7	2	15
Overhead recovery	(67)	151	(67)	93
	537	1,934	1,314	3,171

10) Supplemental cash flow information

	Three Months Ended June 30		Six Months Ended June 30	
	2015	**2014**	**2015**	**2014**
(Increase)/decrease of assets:				
Trade and other receivables	(61)	(271)	(7)	(277)
Inventory and prepaid expenses	(49)	23	6	55
Other current assets	(420)	-	(420)	-
Increase/(decrease) of liabilities:				
Trade and other payables	582	(568)	230	(180)
	52	(816)	(191)	(402)
Cash and cash equivalents are comprised of:				
Cash in bank	3,537	16,467	3,537	16,467
Short-term deposits	10,000	-	10,000	-
	13,537	16,467	13,537	16,467

11) Commitments and contingencies

The Company has net commitments in respect of its petroleum and natural gas properties and operating leases, including operating costs, as at June 30, 2015 as follows:

($000's)	2015	2016	2017	2018	Thereafter
Office Leases	169	337	312	3	-
Ireland	363	-	-	-	-
United Kingdom					
Fyne	10	-	-	-	-
Erne	-	-	-	-	-
Total	542	337	312	3	-

The estimated total gross cost for abandonment of Antrim's Fyne and Erne licence wells is £5.0 million ($7.9 million), with the estimated net cost to Antrim totaling £2.1 million ($3.25 million). As gross expenditures are incurred by Antrim, amounts expected to be recovered from certain previous joint venture partners in the Fyne Licence are recorded as other current assets. Once each well on the Fyne Licence is abandoned in accordance with industry practice and legislation in force these costs can be invoiced to the partners with payment due within 20 days of receipt of the invoice.

(Amounts in US$ thousands)

12) Financial instruments and financial risks

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value and are subsequently accounted for based on their classification. The classification categories, which depend on the purpose for which the financial instruments were acquired and their characteristics include held-for-trading, available-for-sale, held-to-maturity, loans and receivables, investments, and other liabilities. Except in very limited circumstances, the classification is not changed subsequent to initial recognition.

The Company's financial instruments consist of cash, cash equivalents, restricted cash, accounts receivable and accounts payable and accrued liabilities. Cash and cash equivalents, restricted cash, and accounts receivable are classified as loans and receivables and are accounted for at amortized cost. Accounts payable and accrued liabilities are classified as other liabilities and are accounted for at amortized cost. Due to the short-term maturity of these financial instruments, fair values approximate carrying amounts.

Financial risks

The Company is exposed to financial risks encountered during the normal course of its business. These financial risks are composed of credit risk, liquidity risk and market risk including commodity price and foreign currency exchange risks.

(a) Credit risk

The Company is exposed to the risk that its counterparties will fail to discharge their obligations to the Company on its cash, cash equivalents, accounts receivable and certain other-current assets.

Cash and cash equivalents and restricted cash are on deposit with reputable Canadian and international banks, and therefore the Company does not believe these financial instruments are subject to material credit risk.

The extent of the Company's credit risk exposure is identified in the following table:

	June 30 2015	**December 31 2014**
Cash and cash equivalents	13,537	15,420
Restricted cash	13	12
Accounts receivable	172	163
Other current assets	430	-
	14,152	15,595

No accounts receivable are past due or considered impaired. Other current assets are amounts expected to be recovered from certain previous joint venture partners in the Fyne Licence. Once each well on the Fyne Licence is abandoned these costs can be invoiced with payment due within 20 days of receipt of the invoice.

(b) Liquidity risk

The Company is exposed to liquidity risk from the possibility that it will encounter difficulty meeting its financial obligations. The Company manages this risk by forecasting cash flows in an effort to identify future liabilities and arrange financing, if necessary. It may take many years and substantial cash expenditures to pursue exploration and development activities on all of the Company's existing undeveloped properties. Accordingly, the Company will need to raise additional funds from outside sources in order to explore and develop its properties. There is no assurance that adequate funds from debt and equity markets will be available to the Company in a timely manner.

As at June 30, 2015 the Company's financial liabilities are due within one year.

(c) Market risk

Market risk consists of commodity price risk and foreign currency exchange risk.

<u>Commodity price risk</u>

On April 24, 2014 the Company completed the sale of Antrim Resources (N.I.) Limited and settled its outstanding obligations under its Payment and Oil Swap agreements (see note 13).

<u>Foreign currency exchange risk</u>

The Company is exposed to fluctuations in foreign currency exchange rates as many of the Company's financial instruments are denominated in United States dollars, Canadian dollars and British pounds sterling. As a result, fluctuations in the United States dollar against the Canadian dollar and British pound sterling could result in unanticipated fluctuations in the Company's financial results. The Company seeks to minimize foreign exchange risk by holding cash and cash equivalents in United States dollars when not required in support of current operations.

(Amounts in US$ thousands)

Capital management

The Company's objective when managing its capital is to safeguard the Company's ability to continue as a going concern, maintain adequate levels of funding to support its exploration and development program, and provide flexibility in the future development of its business. The ability of the Company to successfully carry out its business plan is dependent upon the continued support of its shareholders, attracting joint venture partners, the discovery of economically recoverable reserves and the ability of the Company to obtain financing to develop reserves. The Company maintains and adjusts its capital structure based on changes in economic conditions and the Company's planned requirements. The Company may adjust its capital structure by issuing new equity and/or debt, selling assets, and controlling capital expenditure programs. The Company intends to fund its planned capital program through existing cash resources.

The Company's capital structure at June 30, 2015 consisted of cash and cash equivalents and shareholders' equity. Shareholders' equity includes shareholders' capital, contributed surplus, and accumulated other comprehensive loss and deficit.

The capital structure of the Company consists of:

	June 30 2015	December 31 2014
Cash and cash equivalents	13,537	15,420
Shareholders' equity	11,692	11,452

Current restrictions on the availability of credit may limit the Company's ability to access debt or equity financing for its projects. The Company forecasts cash flows against a range of macroeconomic and financing market scenarios in an effort to identify future liabilities and arrange financing, if necessary. Although the Company may need to raise additional funds from outside sources, if available, in order to develop its oil and gas properties, the Company seeks to maintain flexibility to manage financial commitments on these assets.

Methods employed to adjust the Company's capital structure could include any, all or a combination of the following activities:

(i) Issue new shares through a public offering or private placement;
(ii) Issue equity linked or convertible debt;
(iii) Raise fixed or floating rate debt;
(iv) Sell or farm-out existing exploration assets.

(Amounts in US$ thousands)

13) Loss from discontinued operations

The Company entered into an agreement (the "Agreement") on February 7, 2014 with First Oil Expro Limited ("FOE") pursuant to which, subject to the terms and conditions of the Agreement, FOE agreed to purchase from the Company (the "Transaction") all of the issued and outstanding shares in the capital of Antrim's UK subsidiary, Antrim Resources (N.I.) Limited ("ARNIL") for $53 million in cash, plus the assumption of certain liabilities and adjusted working capital, from which Antrim would settle on closing all outstanding obligations under its Payment and Oil Swap agreements. The economic date of the transaction was January 1, 2014 and a $5 million deposit was received in February 2014. On April 24, 2014 the Company completed the sale of ARNIL.

The combined results of the discontinued operations which have been included in the consolidated statement of loss and comprehensive loss are as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2015	2014	2015	2014
Discontinued operations				
Revenue	-	(11)	-	2,465
Expenses				
Direct production and operating expenditures	-	718	-	1,692
Depletion and depreciation	-	-	-	844
Finance and administrative costs	-	661	-	5,126
Loss on financial derivative	-	323	-	3,439
Gain on disposal of assets	-	(5,156)	-	(5,156)
Income (loss) from discontinued operations	-	3,443	-	(3,480)

DIRECTORS

Stephen Greer (1) (3)
Chairman

Erik Mielke (1) (2) (3)
Independent Director

Jim Perry (1) (2) (3) (4)
Independent Director

Anthony Potter
Director
Antrim Energy Inc.

Jay Zammit (2) (4)
Partner,
Burstall Winger Zammit LLP

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

OFFICERS

Anthony Potter
President, Chief Executive Officer and Chief Financial Officer

Adrian Harvey
Corporate Secretary

STOCK EXCHANGE LISTINGS

TSX Venture Exchange (TSXV): Trading Symbol "AEN"
London Stock Exchange (AIM): Trading Symbol "AEY"

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The Company's website is not incorporated by reference in and does not form a part of this report.

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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:

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