

## Message to Shareholders

### Highlights for the Quarter:

- Net revenue increased 471% to \$2,338,994.
- Net cash flow increased 289% to \$683,027.
- Seismic operations (land and marine) were completed adjacent to Antrim's Rimu #1A oil discovery in New Zealand.
- Net Working capital increased to \$3.7 million from \$2.9 million at December 31, 1999.

### Operations

Antrim's average oil and gas sales for the first six months, mostly oil from Argentina, amounted to 376 boep/d, a 276% increase over the equivalent period last year. Modifications to surface facilities and downhole work in Argentina continued to enhance oil production at very low cost. A more extensive workover program has been designed and is planned to commence in the third quarter 2000.

In New Zealand a rig has been contracted to drill up to three wells on PEP 38719, the site of the 1999 Rimu oil discovery, which tested 1600 barrels of oil and 5 million cubic feet of gas a day. Drilling operations on the first well (Rimu B1), an appraisal to the discovery well, commenced July 18<sup>th</sup>.

Onshore and offshore seismic operations comprising 114 km of 2D data were successfully completed adjacent to the Rimu oil discovery on the Kauri prospect. A 3D survey was completed on PEDL 023, East Midlands, onshore UK, offsetting the abandoned Kelham Hills oil pool.

In Tunisia, final well prognosis, cost estimates and initial tendering has commenced in preparation for the deepening to 4500m of the Chott Fejaj #3 well planned for the 2000 fourth quarter. The Chott Fejaj structure has the potential to contain "world class" resources of wet gas in Late Triassic (TAGI)

and Permian reservoirs at depths of 3750 to 4500m. These reservoirs host giant accumulations of oil and gas in southern Tunisia, Algeria and Libya.

In the Czech Republic the planning and regulatory approval process to tie in two additional gas wells continued.

### Financial

For the six months ended June 30, 2000 gross oil and gas revenue totalled \$2,593,580 an increase of 611% compared to the \$364,755 for the first half of 1999. Net income for the first six months of 2000 was \$210,615 or \$0.02/share, an improvement of 310% over the net loss of (\$530,851) or (\$0.05)/share recorded for the same period of 1999. Cash flow for the first six months of 2000 was \$683,027, an improvement of 289% recorded for the same period of 1999.

Average field selling price for the first six months of 2000 was \$37.80/boe compared with \$19.97/boe for the equivalent period of 1999.

The company remains debt-free.



Stephen Greer  
Chairman and CEO

## Consolidated Balance Sheets As at June 30, 2000 and December 31, 1999 (Unaudited)

	June 30, 2000	December 31, 1999
<b>Assets</b>		
<b>Current assets</b>		
Cash and short-term deposits	\$ 2,702,922	\$ 2,380,082
Accounts receivable	1,453,595	1,052,095
Inventories and other	331,862	212,308
	<u>4,488,379</u>	<u>3,644,485</u>
<b>Petroleum and natural gas properties</b>	11,572,324	12,222,034
<b>Office equipment</b>	151,469	149,300
	<u>\$ 16,212,172</u>	<u>\$ 16,015,819</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 752,324	\$ 793,818
<b>Site restoration liability</b>	46,189	33,357
<b>Shareholders' Equity</b>		
<b>Capital Stock</b>	18,207,146	18,192,746
<b>Deficit</b>	(2,793,487)	(3,004,102)
	<u>15,413,659</u>	<u>15,188,644</u>
	<u>\$ 16,212,172</u>	<u>\$ 16,015,819</u>

**Consolidated Statements of  
Loss and Deficit**  
For the six month period ended  
June 30, 2000 and 1999  
(Unaudited)

	2000	1999
<b>Revenue</b>		
Oil and gas	\$ 2,593,580	\$ 364,755
Royalties	(301,554)	(32,114)
	<u>2,292,026</u>	<u>332,641</u>
<b>Interest and other income</b>	<u>46,968</u>	<u>76,951</u>
	<u>2,338,994</u>	<u>409,592</u>
<b>Expenses</b>		
Operating	551,427	129,355
General and administrative	909,457	641,880
Depletion, depreciation and amortization	472,412	149,930
Petroleum and natural gas properties written off	-	19,278
	<u>1,933,296</u>	<u>940,443</u>
<b>Income (loss) for the period before income taxes</b>	<u>405,698</u>	<u>(530,851)</u>
Income taxes	195,083	-
<b>Income (loss) for the period</b>	<u>210,615</u>	<u>(530,851)</u>
<b>Deficit - Beginning of period</b>	<u>3,004,102</u>	<u>1,805,510</u>
<b>Deficit - End of period</b>	<u>\$ 2,793,487</u>	<u>\$ 2,336,361</u>
Income (loss) per common share	<u>\$ 0.02</u>	<u>\$ (0.05)</u>

**Consolidated Statements of  
Changes in Financial Position**  
For the six month period  
ended June 30, 2000 and 1999  
(Unaudited)

	2000	1999
<b>Cash flows from operating activities</b>		
Income (loss) for the period	210,615	(530,851)
Items not involving cash		
Depreciation, depletion and amortization	472,412	149,930
Petroleum and natural gas properties written off	-	19,278
	<u>683,027</u>	<u>(361,643)</u>
Changes in non-cash working capital	<u>(562,548)</u>	<u>(703,330)</u>
	<u>120,479</u>	<u>(1,064,973)</u>
<b>Cash flows from financing activities</b>		
Issue of common shares	14,400	-
<b>Cash flows from investing activities</b>		
Office equipment	(30,665)	(16,297)
Petroleum and natural gas properties	(746,374)	(1,292,101)
Proceeds from sale of producing properties	965,000	-
	<u>187,961</u>	<u>(1,308,398)</u>
<b>Increase (decrease) in cash and short-term deposits for the period</b>	<u>322,840</u>	<u>(2,373,371)</u>
<b>Cash and short-term deposits - Beginning of period</b>	<u>2,380,082</u>	<u>5,103,293</u>
<b>Cash and short term deposits - End of period</b>	<u>2,702,922</u>	<u>2,729,922</u>



2

**Antrim Energy Inc.**  
600, 603 – 7<sup>th</sup> Avenue S.W.  
Calgary, Alberta T2P 2T5 Canada  
Ph: (403) 264-5111 Fx: (403) 264-5113  
e-mail: [info@antrimenergy.com](mailto:info@antrimenergy.com)  
Internet: <http://www.antrimenergy.com>  
CDNX: AEN

**Second Quarter Report  
for the 6 months ended  
June 30, 2000**