MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis ("MD&A") dated November 24, 2014, of the financial condition and the results of operations of Anterra Energy Inc. ('Anterra" or the "Company") for the three and nine month periods ended September 30, 2014 and 2013 should be read in conjunction with the Company's unaudited interim financial statements for the three and nine month periods ended September 30, 2014 and 2013 and the audited consolidated financial statements and MD&A for the year ended December 31, 2013.

Non-IFRS Measures

This MD&A makes reference to terms commonly used in the petroleum and natural gas industry including funds flow from operations, funds flow from operations per share, net debt and netback. Such terms do not have a standard meaning as prescribed by International Financial Reporting Standards ("IFRS") and therefore may not be comparable with the determination of similar measures for other entities. These measures are identified as non-GAAP measures and are used by management to analyze operating performance and leverage. These measures should not be considered an alternative to, or more meaningful, than cash flow from/used in operating activities or net income (loss) as determined in accordance with IFRS.

BOE Presentation

Production volumes and reserves are commonly expressed on a barrel of oil equivalent ("boe") basis whereby natural gas volumes are converted at the ratio of six thousand cubic feet of gas being equal to one barrel of oil, based on an energy equivalency at the burner tip and does not represent a value equivalency at the wellhead. Used in isolation, barrels of oil equivalent may be misleading.

Forward-Looking Information

Certain information in this MD&A constitutes forward-looking statements or information (collectively referred to herein as "forward-looking statements") within the meaning of applicable securities legislation. In particular, forward-looking statements include:

- *Statements under "Going Concern" and "Liquidity and Capital Resources" as to the accelerated development of Anterra's properties , increases in production and cash flow and the strengthening of the Company's overall financial position ; and*

Forward-looking statements are not guarantees of future performance and the reader should not place undue reliance on these forward-looking statements as there can be no assurances that the assumptions, plans, initiatives or expectations upon which they are based will occur. In addition, forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by forward-looking statements. Such factors include, among others: general economic and business conditions; the price of and demand for oil and natural gas and their effect on the economics of oil and gas exploration; fluctuations in currency and interest rates and their effect on projected profitability of the Company's operations; the ability of the Company to implement its business strategy, including exploration and development plans; the impact of competition and in particular the ability of the Company to maintain its land position in a competitive leasing environment; the availability and cost of seismic, drilling, completions and other equipment; the Company's ability to secure adequate transportation and markets for any oil or gas discovered; drilling and operating hazards and other difficulties inherent in the exploration for and production and sale of oil and natural gas; the availability and cost of financing; the success of any exploration and development undertaken; actions by governmental authorities; and, changes in government regulations and the expenditures required to comply with them (including, but not limited to, the changes in taxes or the royalty or other share of production taken by governmental authorities). Should one or more of these risks or uncertainties materialize, or should any of the Company's assumptions prove incorrect, actual results may vary in material respects from those projected in the forward-looking statements. Readers are cautioned that the foregoing list of risks, uncertainties and other factors is not exhaustive. Unpredictable or unknown factors not discussed could also have material adverse effects on forward-looking statements. The impact of any one factor on a particular forward-looking statement is not determinable with certainty as such factors are dependent on other factors, and the Company's course of action would depend on its assessment of the future considering all information then available. All forward-looking statements in this MD&A are expressly qualified in their entirety by these cautionary statements. Except as required by law, the Company assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change

Description of Business

Anterra is engaged in the acquisition, development, optimization and production of crude oil and natural gas in western Canada. The Company is focused on growth through a combination of accretive oil-based acquisitions and the development and optimization of existing and acquired assets.

Going Concern

During the third quarter ended September 30, 2014, the Company experienced two major pipeline failures at its Nipisi property. These failures have resulted in the Company incurring significant spill clean-up and remediation costs, which are in excess of estimated insurance recoveries. During the quarter, the Company incurred costs of $1,909,818, before expected recoveries, which together with associated production disruptions and declining commodity prices, was major contributors to the loss of $2,354,633 reported for the quarter. These factors have also resulted in a working capital deficiency of $3,912,578 excluding bank debt of $12,916,932 at September 30, 2014 and the Company is in default under its Credit Facility Agreement (Note 9). Additionally, The Company's lender, pursuant to the planned review of the Company's credit facility, has advised the Company that the authorized amount under the revolving demand facility is to be reduced to $12,500,000 by April 1, 2015.

On October 11, 2014, the Anterra entered into a non-binding agreement with a major shareholder designed to fund and accelerate the development of the Company's existing properties and significantly increase the Company's production, cash flow and strengthen its overall financial position. Should this arrangement not proceed, and given its current financial position, Anterra will not have the funds necessary to continue with the planned development of its properties. The agreement remains subject to a number of conditions including TSX Venture Exchange and shareholder approval. Accordingly, there is no assurance that the arrangements will be completed or that alternative financings will otherwise be available.

These conditions create a material uncertainty that may cast significant doubt as to the Company's ability to execute on its business strategy and continue as a going concern.

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of obligations in the normal course of business. If this assumption is not appropriate, adjustments to the carrying amounts of assets and liabilities, revenues and expenses and the statement of financial position classifications used in the financial statements and reflected in the MD&A may be necessary and such adjustments could be material.

Operational Summary

2013 Acquisitions

In 2013 Anterra completed two strategic acquisitions: the corporate acquisition of Terrex Energy Inc. in March of 2013 and the Nipisi property acquisition in December of 2013. The full impact of these acquisitions is reflected in the nine months ended September 30, 2014.

The acquisitions were funded primarily through a combination of the proceeds of $13.2 million from two private placement equity issues and an $8.3 million increase in bank debt. As a result of the acquisitions, the Company added approximately 2.4 million boe of proved plus probable reserves and the net present value of reserves, discounted at 10% increased by $48.5 million from $36.1 million at December 31, 2012 to $84.6 million at December 31, 2013.

Operations

Production and related revenue for the third quarter of 2014 increased significantly over the third quarter of 2013 primarily as a result of the Nipisi property acquisition which closed on December 19, 2013. Production for the third quarter averaged 598 boe per day, a 47% increase over third quarter 2013 average production of 406 boe per day.

Production for the third quarter of 2014 decreased 14% to 598 boe per day from an average of 697 boe per day in the second quarter of 2014. Lower production during the quarter was primarily the result two pipelines breaks at Nipisi which interrupted production until the lines were repaired.

Third quarter 2014 oil and gas revenue increased to $4,701,942 from $2,761,782 for the third quarter of 2013. In addition to revenue from the 2013 acquisitions, an overall improvement in commodity prices contributed to the increase. Quarter over quarter, Q3 2014 oil and gas revenue decreased 17% from Q2 2014 due to the decrease in production discussed above, and lower realized oil and gas prices.

Oil and gas operating expenses during the third quarter of 2014 also increased over 2013 as a result of the acquisitions and increased repair and maintenance costs. Q3 2014 operating costs, excluding spill clean-up and remediation costs totaled, $2,789,040 or $50.67/boe compared to $1,297,614 or $34.76/boe in the same period last year. Spill clean-up and remediation costs of $1,284,064, net of estimated future recoveries, were expensed during Q3 2014.

Royalties for the third quarter of 2014 totaled $1,185,905(25% of revenue) versus $539,162(20% of revenue) for the same period in 2013. The increase in overall royalty expense was due to higher production and higher royalty rates associated with Nipisi production.

Third quarter 2014 midstream processing revenue increased to $816,456 from $766,095 a year ago primarily as a result of increased throughput resulting from the Breton midstream plant expansion and water disposal revenue at Nipisi. Midstream operating expenses for the three months ended September 30, 2014 increased over the comparable period in 2013 due to higher personnel costs and increased maintenance expenditures. Midstream operating expenses totaled $465,038 for the third quarter of 2014 as compared to $359,490 for the comparable period in 2013.

Third quarter operations generated funds flow of $100,012, as calculated below, a decrease of $126,678 from funds flow from operations for the third quarter of 2013. For the nine months ended September 30, 2014, funds generated from operations increased by $2,018,097 over the same period in 2013.

Funds Flow from Operations

	3 Months Ended September 30,		9 Months Ended September 30,	
	2014	**2013**	**2014**	**2013**
	($)	($)	**($)**	($)
Net cash from (used in) operating activities	**326,955**	(1,315,967)	**3,588,981**	(1,957,287)
Transaction costs	**--**	-	**--**	437,821
Decommissioning expenditure	**126,001**	--	**495,492**	--
Spill clean-up and remediation costs	**1,284,064**	-	**1,284,064**	-
Changes in non-cash working capital	**(1,637,008)**	1,542,657	**(2,770,028)**	2,099,878
Funds flow from (used in) operations	**100,012**	**226,690**	**2,598,509**	**580,412**

The Company incurred a net loss of $2,354,633 for the three months ended September 30, 2014. The third quarter loss was primarily the result of clean-up and remediation expenses associated with the pipeline failures at Nipisi. Lower production resulting from the pipeline failures and lower realized prices during the quarter also contributed to the loss. Net income of $35,226 for the first half of 2014 was more than offset by the third quarter loss resulting in a loss of $2,319,407 for the nine months ended September 30, 2014.

Financial and Operating Results

Production, Revenue and Price

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	**2014**	2013
Production				
Light crude oil (bbls/d)	**515**	**283**	**570**	**260**
Natural gas (mcf/d)	**341**	**652**	**407**	**639**
NGLs (bbls/d)	**25**	**14**	**26**	**17**
Total production (boe/d)	**598**	**406**	**664**	**384**
Total production *(boe)*	**55,044**	**37,327**	**181,181**	**104,797**
Revenue				
Crude oil *($)*	**4,457,857**	2,469,024	**15,076,453**	6,147,499
Natural gas *($)*	**133,694**	211,956	**593,047**	648,826
NGLs *($)*	**110,391**	80,802	**403,363**	270,755
Gross revenue *($)*	**4,701,942**	2,761,782	**16,072,863**	7,067,080
Royalties *($)*	**1,185,905**	539,162	**3,911,729**	1,153,829
Operating expenses($)	**3,024,852**	1,566,638	**8,408,006**	4,235,949
Spill clean-up and remediation cost	**1,284,064**	-	**1,284,064**	-
Net operating revenue *($)*	**(792,879)**	655,982	**2,469,064**	1,677,302
Average Realized Prices				
Light crude oil *($/bbl)*	**94.07**	94.83	**96.92**	86.61
Natural gas *($/mcf)*	**4.27**	3.53	**5.33**	3.72
NGLs *($/bbl)*	**47.42**	62.73	**55.70**	58.34
Total sales price *($/boe)*	**85.42**	73.99	**88.76**	67.44
Royalty costs *($/boe)*	**21.54**	14.44	**21.60**	11.01
Operating costs *($/boe)*	**54.95**	41.97	**46.43**	40.42
Field netback *($/boe)*	**8.93**	17.58	**20.73**	16.01
Midstream Processing				
Revenue *($)*	**816,456**	766,095	**2,667,156**	2,189,194
Operating costs *($)*	**465,038**	359,490	**1,352,650**	921,366
Operating *income*	**351,418**	406,605	**1,314,506**	1,267,828

For the third quarter of 2014, oil and gas revenue totaled $4,701,942 on average daily sales of 598 boe/d compared to $2,761,782 on average daily sales volumes of 406 boe/d for the third quarter of 2013. The 70% year-over-year revenue increase resulted from a 47% increase in sales volumes and a 15% increase in realized commodity prices; the increase in sales volumes was mainly driven by the 2013 Nipisi acquisition. During the third quarter of 2014, the Company's realized sales price for light crude oil was $94.07/bbl compared to $94.83/bbl in 2013.

For the nine months ended September 30, 2014, revenue increased 127% due to a 73% increase in sales volumes and a 32% increase realized in oil and gas prices. The realized sales price for crude oil was $96.92/bbl for the nine months ended September 30, 2014 as compared to $86.61/bbl for the comparable period in 2013.

Anterra's product volume mix during 2014 has remained relatively consistent, at 86% crude oil for the three and nine months ended September 30, 2014 as compared to 70% and 68% for the comparable periods in 2013.

For the third quarter of 2014, midstream processing revenue totaled $816,456 compared to $766,095 a year ago. For the nine months ended September 30, 2014, revenue increased 22% from $2,189,194 to $2,667,156. The increase was primarily the result of increased processing revenue from the Breton expansion.

Royalties

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	**2014**	2013
	($)	*($)*	***($)***	*($)*
Crown royalties	1,022,177	296,767	3,226,932	583,021
Freehold royalties	41,591	244,451	181,228	563,874
Overriding royalties	122,137	(2,056)	503,569	6,934
Total royalties	**1,185,905**	539,162	**3,911,729**	1,153,829
Total royalties ($/boe)	**21.54**	14.44	**21.60**	11.01
Percent of revenue (%)	**25%**	20%	**24%**	16%

For the third quarter of 2014, the Company recorded total royalties of $1,185,905 or 25% of revenue versus $539,162 or 20% of revenue for the same period in 2013. For the nine months ended September 30, 2014, royalty expense was $3,911,729 or 24% of revenue versus $1,153,829 or 16% of revenue for the same period of 2013. The overall increase is primarily the result of the Nipisi acquisition.

Total royalties are a combination of royalties paid on production from Crown lands, royalties paid on production from freehold lands and gross overriding royalties. Crown royalties under the Alberta Royalty Framework are sensitive to both commodity prices and well productivity. As a result royalties and royalty rates will fluctuate with commodity prices and well production.

As a percentage of revenue, royalties for the three and nine months ended September 30, 2014 increased from comparable periods in 2013 primarily as a result of crude oil production from higher productivity wells at Nipisi which also realize high oil prices.

Operating Expenses

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	**2014**	2013
	($)	*($)*	*($)*	*($)*
Oil and gas operations	**2,789,040**	1,297,614	**7,618,169**	3,648,150
Transportation	**235,812**	269,024	**789,837**	587,799
Midstream operation	**465,038**	359,490	**1,352,650**	921,366
Inter-company eliminations	**(13,420)**	(18,896)	**(39,791)**	(79,782)
Total operating expense	**3,476,470**	1,907,332	**9,720,865**	5,077,533
Total oil and gas operating expenses ($/boe)	**50.67**	34.76	**42.07**	34.81

Total oil and gas operating and transportation expenses for the three and nine months ended September 30, 2014 increase substantially over the same periods in 2013 as a result of operating costs associated with increased production from acquisitions. For the nine months ended September 30, 2014, oil and gas operating expenses, on a per barrel of production basis, increased from $34.81 per boe in 2013 to $42.07 per boe during the comparable period in 2014.

For the third quarter of 2014, the Company's midstream operating expenses totaled $465,038 compared to $359,490 in the same period last year. The increase resulted from increased equipment maintenance and personnel costs at the Breton and Suffield area as well as increased midstream throughput. For the nine months ended September 30, 2014, operating expense increased 47% from $921,366 in 2013 to $1,352,650.

Field Netback

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	**2014**	2013
	($/boe)	($/boe)	**($/boe)**	($/boe)
Gross revenue	**85.42**	73.99	**88.76**	67.44
Royalty expenses	**21.54**	14.44	**21.60**	11.01
Operating and transportation expenses	**54.95**	41.97	**46.43**	40.42
Field netback	**8.93**	17.58	**20.73**	16.01

For the third quarter of 2014, Anterra realized a field netback of $8.93/boe as compared to $17.58/boe for the same period of 2013. For the nine months ended September 30, 2014, the realized netback increased to $20.73 from $16.01 in 2013

General and Administrative ("G&A") Expenses

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	**2014**	2013
	($)	($)	***($)***	($)
Personnel costs	**263,518**	283,725	**756,681**	775,394
Professional fees	**44,918**	79,156	**245,342**	258,690
Computer services and subscriptions	**30,513**	84,370	**116,134**	126,594
Investor relations	**34,133**	9,735	**108,307**	52,306
Travel and business entertainment	**16,227**	119,839	**99,657**	236,612
Office rent	**88,691**	74,310	**262,551**	166,419
General office expenses	**82,368**	64,630	**350,137**	438,358
	560,368	715,765	**1,938,809**	2,054,373
General and Administrative Expenses per Boe	**10.18**	19.18	**10.71**	19.60

G&A costs for the nine months ended in 2014 decreased 6% compared with the costs in 2013. On a per boe of production basis ,G&A costs for the three and nine month ended September 30, 2014 decreased approximately 45% from 2013 as a result of increased production.

Net Finance Expenses

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	**2013**	**2014**	2013
Finance income:	*($)*	*($)*		
Interest income on cash on deposit	**(233)**	(146)	**(672)**	(576)
Financial expenses:				
Interest on bank debt	**122,456**	**60,278**	**350,988**	**180,921**
Interest on debenture	**60,000**	**60,000**	**180,000**	**130,000**
Accretion of debenture	**30,323**	**30,326**	**90,979**	**65,707**
Accretion of decommissioning liabilities	**135,600**	**64,115**	**429,047**	**146,823**
Total net finance expenses	**348,146**	214,573	**1,050,342**	522,875
Total net finance expenses *($/boe)*	**5.77**	5.27	5.57	4.57

For the three and nine months ended September 30, 2014, interest on bank debt increased $62,178 and $170,067 respectively from the comparative periods in 2013 due to increased borrowings and an increase in interest rates under the Company's credit facilities.

For the three and nine months ended September 30, 2014, accretion of decommissioning liabilities increased $71,485 and $282,224 respectively compared to the same periods in 2013, due to the increase in total decommissioning liabilities.

Depletion and Depreciation ("D&D")

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	**2014**	2013
	($)	*($)*	*($)*	*($)*
D&D for oil and gas properties	**915,045**	661,590	**2,944,774**	1,874,075
D&D for midstream facilities and others	**50,159**	45,783	**129,650**	116,549
Total D&D	**965,204**	707,373	**3,074,424**	1,990,624
Total D&D for oil and gas properties *($/boe)*	**17.54**	18.95	**16.98**	19.00

The provision for depletion and depreciation ("D&D") of property, plant and equipment ("PP&E") is determined on a component basis using the unit-of-production method based on independent estimates of proved and probable reserves and is calculated based on the ratio of production to proved plus probable reserves applied to the cost of the asset. Depreciation of midstream facilities is calculated on a straight-line method and the useful life is 20 years. Depreciation of other non-resource assets is calculated on a straight-line basis at various rates between 20% and 45%.

The overall increase in 2014 D&D costs from 2013 costs results from increased production. The decrease in D&D costs on a boe basis results from the addition of reserves through the Terrex and the Nipisi acquisitions at a cost per boe lower than the carrying costs of other reserves.

Income Taxes

To December 31, 2013, the Company has accumulated non-capital losses of approximately $30 million. The losses expire between 2023 and 2033 and are available to offset future taxable income. Income taxes that would otherwise have been be payable on taxable income for the three and nine month periods ended September 30, 2014 are recovered through the utilization of available non-capital losses.

Share Based Compensation

The Company has established a Stock Option Plan that meets with the requirements of the TSX Venture Exchange. Share based payments reflect the amortization over the vesting period of the fair value of stock options granted, to employees, consultants and directors of the Company.

A summary of the status of the Company's stock option plan as at September 30, 2014 and December 31, 2013 and changes during the periods ended on those dates is presented below

	Number of options	**Weighted average exercise price $**
Outstanding at January 1, 2013	19,850,000	0.14
Forfeited	(1,750,000)	0.10
Forfeited	(1,500,000)	0.255
Outstanding at September 30, 2014 and December 31, 2013	16,600,000	0.14

The following table summarizes stock options outstanding and exercisable:

Options Exercisable					
Range of exercise prices	Number outstanding at September 30 2014	Expiry date	Weighted average exercise price	Number exercisable at September 30, 2014	Weighted average remaining contractual life
$0.10	13,100,000	July 13, 2015	$0.10	13,100,000	0.75 year
$0.255	3,500,000	March 26, 2016	$0.255	3,500,000	1.45 years
	16,600,000		$0.13	16,600,000	0.95 years

Stock based compensation with a cost of $1,752 (2013 - $11,301) was expensed during the first quarter of 2014.

Capital Expenditures

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	**2013**	**2014**	**2013**
	($)	*($)*	*($)*	*($)*
Acquisitions (dispositions)	**200,000**	-	**202,000**	(204,000)
Geological and geophysical	**41,993**	123,664	**147,216**	803,174
Midstream facility	**4,187**	1,024,247	**81,391**	1,277,901
Equipment, completions and other	**2,037,194**	249,593	**3,494,365**	572,843
Total capital expenditures	**2,283,374**	1,397,504	**3,924,972**	2,449,918
Capital expenditures are comprised of:				
PP&E	**2,283,374**	1,397,504	**3,924,972**	2,475,865
Exploration and evaluation assets	**-**	-	**-**	(25,947)
	2,283,374	1,397,504	**3,924,972**	2,449,918

The majority of capital expenditures incurred during the three and nine month periods ended September 30, 2014 relate to remediation activities on the Company's recently acquired property at Nipisi and expenditures at Strathmore relating to the reactivation and expansion of the water flood. Third quarter acquisitions of $200,000 relate to a bonus payment upon renewal of the freehold royalty rate agreement at Strathmore.

Liquidity and Capital Resources

The Company evaluates its ability to carry on business on a regular basis with key considerations being given to the non-GAAP measures net debt and funds flow from operations. Funds flow from operations represents cash flow generated from operating activities adjusted for expenditures of a non-operational nature including decommissioning activities, transaction costs and changes in non-cash operating working capital. Funds flow from operations is a key indicator of the Company's ability to meet its current obligations and execute on its planned capital programs. Net debt is defined as bank indebtedness plus trade and other payables less accounts receivable and deposits and prepaid expenses. Net debt and changes in net debt are summarized below:

	2014	2013
Net debt, January 1	**$ 13,685,841**	**$ 7,929,584**
Funds flow from operations	(2,598,509)	(580,412)
Proceeds from share issue	-	(13,329,418)
Capital expenditures	3,757,419	2,501,812
Decommissioning expenditures	495,492	-
Spill clean-up and remediation costs	1,284,064	
Terrex transaction	-	3,960,655
Transaction costs	-	437,821
Net debt, September 30	**$16,624,307**	**$1,010,042**
Net debt to annualized funds flow	**4.8**	**1.3**

The Company considers the ratio of net debt to annualized funds flow to be a key measure of liquidity and the management of capital resources. For the nine months ended September 30, 2014 the annualized net debt to funds flow ratio was 4.8 to 1 as compared to 1.3 to 1 for the comparable period in 2013. Net debt at January 1, 2014 reflects the acquisition of the Nipisi property funded from the proceeds of $13.2 million from two private placement equity issues and an $8.3 million draw on bank debt.

The determination of the debt to funds flow ratio at September 30, 2014 reflects the impact of the pipeline failures on operations as discussed under the Going Concern section.

The Company has curtailed planned capital expenditures until its financial position stabilizes or additional capital is obtained.

Credit Facility

As at September 30, 2014, the Company's credit facility is comprised of a revolving, operating, demand loan credit facility and development facility. The demand facility bears interest at the bank prime plus 1.00% (2013 - prime rate plus 0.75%). Pursuant to a review, completed in May 2014, the authorized amount of the facility was set at $15,000,000. The facility is secured by a first floating charge debenture in the amount of $35 million over all assets of the Company. Under its Credit Facility Agreement, the Company is required to maintain an adjusted working capital ratio, after adding the unused portion of the revolving demand loan facility and excluding outstanding debt under the facility, of not less than 1 to 1. As at September 30, 2014 the adjusted working capital ratio was 1 to 0.8.

In addition to the revolving operating loan, the Company has an authorized non-revolving acquisition/development demand loan facility in the amount of $7 million. No amount has been drawn on the non-revolving facility.

6% convertible debenture

In connection with the acquisition of Terrex, the Company and Terrex entered into a settlement agreement with Sandstorm Metals and Energy Ltd. ("Sandstorm"). On March 14, 2014, as part of this settlement, the Company issued a five year, 6% convertible redeemable debenture in the principal amount of $4,000,000 to Sandstorm.

Shareholders' Equity

As at September 30 and November 24, 2014, Anterra had 496,871,120 Class A common shares issued and outstanding. Additionally, options, issued pursuant to the Company's stock option plan, for the acquisition of 16.6 million common shares at a weighted average price of $0.13 per share were outstanding; and 4,000,000 share purchase warrants were outstanding. The warrant were issued in conjunction with various equity financings and are exercisable at prices ranging from $0.10 to $0.60 per share and expire at varying times to November 24, 2015.

Risk Factors

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration, development, operating and financial activities. The Company's financial risks are consistent with those discussed in the Company's MD&A for the year ended December 31, 2013.

Effective June 1, 2014, the Company entered into a commodity price contract, as outlined below, to partially mitigate its exposure to commodity price risk and provide a degree of stability to operating cash flows which enable the Company to fund a portion of its capital program. Additionally effective July 1 2014 the Company entered into two fixed power contacts also outlined below. Approximately 25% of the Company's operating costs relate to electrical power charges. The fixed price contracts provide a degree of protection from increases in power rates that occur from time to time.

Contracts, as noted above, are not used for trading or speculative purposes. The Company has not designated these financial derivative contracts as effective accounting hedges although the Company considers them to be an effective economic hedge. As a result, the contracts are recorded at fair value on the statement of financial position, with changes in fair value being recognized as an unrealized gain or loss on the statement of operations.

Financial assets and liabilities carried at fair value are required to be classified in accordance with a hierarchy that prioritizes the inputs used to measure fair value. The risk management contracts are valued using level 2 inputs which are based on quoted forward prices that can be substantially observed or corroborated in the market place.

Commodity price contract

Remaining term	Contract Type	Quantity Contracted	Price Floor	Price Ceiling
Oct 2014 – June 2015	Crude Oil - collar	150 bbls per day	$97.00 / bbl	$112.00/bbl

Power price contracts

Remaining term	Contract Type	Volume	Price
Oct 2014 – Dec 2015	Fixed price	0.2 MW	$52.99/MWh
Oct 2014 – June 2017	Fixed price	1.5 MW	$55.25/MWh

The combined fair value of the contracts as at September 30, 2014 is estimated to be a liability of $37,650. and the Company recognized an unrealized net loss $39,454 for the third quarter of 2014 being the difference between the fair value of the contracts on June 30, 2014, and September 30, 2014.

Off-balance Sheet Arrangements

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

Changes in Accounting Policies

The following new and amended standards have been adopted with an effective date of January 1, 2014.
IFRIC 21, "Levies" which clarifies that an entity should recognize a liability for a levy when the activity that triggers payment occurs. The adoption of this interpretation had no impact on the Company's financial statements.

Amendments to IAS 32, "Financial Instruments: Presentation", which clarifies the requirements for offsetting financial assets and liabilities. The amendments clarify when an entity has a legally enforceable right to offset and certain other requirements that are necessary to present a net financial asset or liability. The adoption of this interpretation had no impact on the Company's financial statements.

Related Party Transactions

The Company has entered into the following transactions with related parties:

a) LandOcean Energy Services Co., Ltd. ("LandOcean") and Western Union Petro (Canada) Technology Co., Ltd. ("Western Union"), a wholly owned subsidiary of LandOcean.
LandOcean currently holds approximately 21.7% of the issued and outstanding Class A common shares of Anterra through its subsidiary, LandOcean Resources Investment Canada Co., Ltd. LandOcean has been tasked with (1) assessing the potential of the Company's oil and gas properties and preparing development plans for the properties; and (2) providing assistance to the Company's management in executing such plans. Specific projects, as summarized below, undertaken by LandOcean and Western Union are approved by the independent directors of the Company prior to the commencement of the project. The Company's management monitors and manages the work, and tracks all expenses against a budget approved by the directors for the project.

   i) On April 8, 2013, the Company entered into an agreement ("the Agreement") with LandOcean whereby LandOcean will provide Anterra with long-term technical consulting services including integrated reservoir studies, exploitation evaluations and production planning for existing properties and acquisition projects through to the end of 2014. Pursuant to the Agreement, LandOcean will earn total compensation of $1,949,600 for technical services through to the end of 2014 of which $976,880 has been earned to September 30, 2014. The Company charges technical costs incurred under the Agreement to petroleum and natural gas properties. Additionally, under the terms of the Agreement, $50,000 for travel, communication and management costs, were paid and expensed during 2013. At September 30, 2014, $392,000 was payable to LandOcean in relation to the Agreement.

   ii) On April 10, 2014, the Company engaged Western Union, to complete the initial stage of a waterflood project at Strathmore, Alberta. Total cost of the project is estimated $1,695,650 including equipment purchases and installation, of which $776,757 has been recognized to September 30, 2014.

(b.) During the nine months ended September 30, 2014, a consulting company, to which an officer of Anterra is related, charged the Company $75,987 (2013 - $74,690) for consulting services. At September 30, 2014, $8,378 was payable in relation to services provided

(c.) During the nine months ended September 30, 2014, a consulting company, to which a director of Anterra is related, charged the Company $23,500 (2013 - $36,000) for management and advisory services.

Subsequent Event

On October 14, 2014 the Company entered into a non-binding agreement with LandOcean Petroleum Corp., Limited ("LandOcean") for purposes of accelerating the development of Anterra's properties in Alberta. The proposed transaction contemplates LandOcean providing services, including third party expenditures, totalling $40.00 million by December 31, 2015. The services include development planning, oversight of recommended operations and procurement of development services. The proposed transaction is subject to the negotiation of definitive agreements, receipt of all required corporate and regulatory approvals, including the acceptance of the TSX Venture Exchange and receipt of shareholder consent.

Anterra intends to pay for the services by way of cash, the issuance of Class A common shares or the assignment of an interest in the property to which the services relate, or a combination of the foregoing.

Supplemental Quarterly Information

Three months ended	**Sep 30, 2014**	Jun 30, 2014	Mar. 31, 2014	Dec. 31, 2013
	($)	*($)*	*($)*	*($)*
Gross revenue	**5,504,798**	5,467,896	6,596,524	3,238,654
Net income (loss)	**(2,354,633)**	(132,443)	167,659	(6,284,168)
Per share – basic	**(0.005)**	(0.000)	0.000	(0.01)
Per share – diluted	**(0.005)**	(0.000)	0.000	(0.01)
Funds flow from operations (1)	**1,314,445**	1,105,934	1,392,653	178,186
Per share – basic	**0.0002**	0.0002	0.0002	0.001
Per share – diluted	**0.0002**	0.0002	0.0002	0.001
Capital expenditures	**2,283,374**	896,057	745,541	12,825,654
Total assets	**77,656,209**	76,361,804	77,067,630	76,869,554
Working capital (deficiency)	**(16,829,510)**	(13,198,433)	(13,189,723)	(13,685,841)
Shareholders' equity	**31,366,970**	33,717,995	33,854,036	33,684,625
Production				
Light crude oil *(bbls/d)*	**515**	585	610	298
NGLs *(bbls/d)*	**341**	397	24	15
Natural gas *(mcf/d)*	**25**	27	486	547
Total *(boe/d)*	**598**	679	715	405
Total (boe)	**55,044**	61,775	64,362	37,221

Three months ended	Sep. 30, 2013	Jun. 30, 2013	Mar. 31, 2013	Dec. 31, 2012
Gross revenue	3,509,081	3,139,512	2,527,899	1,710,464
Net income (loss)	(584,159)	(1,162,443)	927,989	(431,846)
Per share – basic	(0.001)	(0.003)	0.004	(0.002)
Per share – diluted	(0.001)	(0.003)	0.004	(0.002)
Funds flow from operations	330,505	(200,169)	518,888	(30,565)
Per share – basic	0.001	(0.001)	0.001	(0.001)
Per share – diluted	0.001	(0.001)	0.001	(0.001)
Capital expenditures	1,397,504	1,052,414	63,376	1,852,792
Total assets	58,716,438	58,298,059	57,568,625	48,035,625
Working capital (deficiency)	(958,148)	(6,407,002)	(11,639,857)	(7,929,584)
Shareholders' equity	39,945,832	34,222,795	28,349,392	24,648,814
Production				
Light crude oil *(bbls/d)*	283	290	200	132
NGLs *(bbls/d)*	14	16	22	8
Natural gas *(mcf/d)*	652	726	574	317
Total *(boe/d)*	403	427	314	197
Total *(boe)*	37,327	38,853	28,617	18,168

(1) Funds flow from operations and funds flow from operations per share are not recognized measures under International Financial Reporting Standards. Refer to the Non-IFRS measures for further discussion.

(2) The selected quarterly information has been prepared in accordance with the accounting principles as contained in the notes to the consolidated financial statements for the years ended December 31, 2013 and 2012.

(3) *Some amounts were restated for the corrections discussed in the Company's Management Discussion and Analysis for the year ended December 31, 2012, available at sedar.com.*

Factors That Have Caused Variations over the Quarters

Factors and trends that have impacted Company's results during the above periods include:

- Anterra's oil and gas revenue is directly impacted by the Company's ability to replace existing declining production and add incremental production through its on-going capital expenditure program. The increase in revenue in 2014 Q3 is mainly contributed by Nipisi acquisition.
- Midstream revenue was negatively impacted by scheduled and unscheduled third party shut downs and road bans due to poor weather experienced in northern Alberta.
- Anterra's petroleum and natural gas sales fluctuate from quarter-to-quarter as a result of changes in commodity prices and production volumes.

Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com and on the Company's website at www.anterraenergy.com.

CORPORATE INFORMATION

Directors

Gary Chang;	Vancouver BC Canada	(2)
Ross O. Drysdale;	Calgary AB Canada	(1)
Gang Fang;	Calgary AB Canada	(2)
Hong Lei;	Beijing P.R. China	
Owen C. Pinnell;	Calgary AB Canada	(1) (2)(3)
Zhen Xiang Huo;	Beijing P.R. China	(3)
Gengwen Sun	Beijing P.R. China	(3)
Chengfeng Tang	Beijing P.R. China	(1) (2)
Guangzhen Song	Beijing P.R. China	

Notes: (1) Member of the Audit and Reserves Committee
(2) Member of the Environment and Safety Committee
(3) Member of the Compensation and Governance Committee.

Officers

Gang Fang	– Chairman and Chief Executive Officer
Bob D. McCuaig	–Vice President
Norman G. Knecht	– VP Finance and Chief Financial Officer

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Securities fillings

Stock Exchange
TSXV Venture Exchange
Trading Symbol: AE.A
OTCQX International
Trading Symbol: ATERF

Auditors
KPMG LLP

Bankers
Canadian Western Bank

Legal Counsel
Norton Rose Fulbright Canada LLP

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