ANTRIM ENERGY INC. Q1 2012

INTERIM FINANCIAL REPORT – FIRST QUARTER 2012

Three Months Ended March 31, 2012

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

HIGHLIGHTS:

- **Agreement to sell Antrim Argentina to Crown Point Ventures Ltd.**
- **Causeway first production on schedule for third quarter 2012**
- **Antrim approves drilling of the Cyclone exploration well in second half of 2012**
- **Antrim to acquire Fyne Working Interests, Reserves and Operatorship (subject to DECC) and incurs Impairment charge**

Antrim entered into an arrangement agreement (the "Arrangement Agreement") on March 23, 2012 to sell all of its interest in its wholly owned subsidiary, Antrim Argentina S.A., to Crown Point Ventures Ltd. ("Crown Point"), an Argentine-focused oil and gas company (the "Arrangement") listed on the TSX Venture exchange. The consideration consists of approximately Cdn$10.3 million in cash (subject to certain adjustments) and 35,761,307 common shares of Crown Point ("Crown Point Shares") which have a combined estimated value of Cdn$32.8 million based on Crown Point's closing share price of Cdn $0.63 on May 14, 2012. The actual consideration will be based on the closing price of the Crown Point Shares on the closing date, which is expected to be on or about May 28, 2012.

Pursuant to the terms of the Arrangement, Antrim will distribute the Crown Point Shares to its shareholders by way of a reduction of stated capital. The Arrangement remains subject to certain conditions and regulatory approvals, including the approval of holders of at least two-thirds of the Antrim votes cast at a shareholders meeting to be held on May 24, 2012.

Antrim believes this arrangement affords shareholders a number of advantages including the opportunity for Antrim shareholders to continue to realize value for the Antrim Argentina assets through ownership of Crown Point shares or obtain liquidity, Antrim receiving a portion of the consideration in cash and, the opportunity for Antrim to focus on exploring and developing its assets in the UK and elsewhere.

As a result of the decision to divest, Antrim's Argentina segment assets and liabilities have been reclassified as held for sale and the operations have been accounted for as discontinued operations. Comparative figures have been reclassified to conform with this presentation (see Note 3 of the interim consolidated financial statements).

First oil production from Causeway remains on track for the third quarter of 2012 at approximately 3,000 barrels of oil per day ("bopd") net to Antrim. Fionn Field first production is anticipated in the middle of 2013. In December 2011, DECC assigned separate field designations to the Fionn Field and the Causeway Field, which allows for separate Small Field Allowance tax credits to be applied for each field.

Antrim and Valiant Petroleum plc ("Valiant") have agreed to proceed with the early installation of subsea facilities for the development of the Fionn Field in the UK Central North Sea Licence P201 South East Area Block 211/22a. A Field Development Plan ("FDP") for the Fionn Field was submitted to DECC for approval in March 2012. Fionn Field production will be combined with the Causeway Field production and transported for processing to the Cormorant North platform.

The joint venture partners have approved an exploration well on the Cyclone prospect, Licence P1784 Block 21/7b, and have signed a contract for use of a semi-submersible drilling rig, with drilling expected in the second half of 2012. The block contains the "Cyclone" and the "Typhoon" Tertiary Cromarty prospects at approximately 5,000 and 5,600 feet respectively. The licence was acquired jointly with Premier Oil UK Limited ("Premier") (70%, operator) with a firm well commitment.

TAQA Britani Limited ("TAQA") is proceeding with plans to drill an exploration well on the Contender prospect, Block 211/22a Contender Area (Antrim working interest 8.4%), with drilling expected in June 2012. Under the terms of the farm-out agreement with TAQA, drilling costs will be completely funded by TAQA.

In February 2012, Premier drilled the East Fyne appraisal well. The thickness of the oil bearing sand was at the lower end of Antrim's estimate. The well was subsequently plugged and abandoned. Antrim's share of drilling and abandonment costs for the East Fyne well was covered by Premier's carried contribution. Antrim is incorporating the results of the East Fyne well into its modeling of the reservoir. Although not finalized, Antrim's expectations are that gross Fyne Field reserves are likely to decrease by approximately 36% due to a reduction on oil in place and a lower anticipated recovery factor.

Antrim has announced that, under the terms of the Joint Operating Agreement (the "JOA") in respect of Fyne, Antrim will acquire the remaining working interests and reserves and anticipates regaining operatorship in UK Central North Sea Licence P077 Block 21/28a (the "Fyne Licence"). The change in working interest and operatorship is subject to approval from the UK Department of Energy and Climate Charge ("DECC") which may be withheld.

If approved, Antrim will acquire a 39.9% working interest and associated reserves from Premier and an additional 25% working interest and associated reserves from First Oil Expro Limited ("First Oil") at no cost. This follows notice from both Premier and First Oil of their intention to withdraw from the Fyne Licence. Antrim's increased ownership in Fyne will allow Antrim sole control over development; however, increased ownership could increase the risk that the development of the Fyne Licence will not proceed as expected.

Antrim is currently evaluating its options with respect to the Fyne Licence. If Antrim is to continue with the Fyne Licence an FDP for the Fyne Field would need to be submitted by June 25, 2012, which is a condition to the three year extension to the licence granted by the DECC in November 2011. Approval of the FDP by DECC is required for Antrim to proceed with the development and first oil production by November 2014. If the FDP is not submitted by June 25, 2012, or an extension is not obtained from DECC, the Fyne Licence could be revoked.

In accordance with International Financial Reporting Standards ("IFRS"), management performed an impairment assessment on the carrying value of the Fyne Licence cash-generating unit ("CGU") as there were indications that the recoverable value may be impaired. The facts and circumstances considered included the abandonment of the East Fyne appraisal well, the expectation that the gross Fyne Field reserves would likely decline by approximately 36%, the withdrawal of Premier and First Oil from the JOA, the risk that Antrim may not obtain approval of an FDP from DECC, the risk of Antrim not finding partners, and the challenge in securing funding for the project in a difficult market. In light of these events, management determined that the carrying value of the Fyne Licence CGU was impaired. The carrying value of the Fyne Licence was written down 100% to a $nil value with the Company incurring a $53.1 million impairment charge. If Antrim is able to proceed with developing the Fyne Licence, the impairment charge may be reversed.

Financial and Operating Results from Continuing Operations (unaudited)

	Three Months Ended March 31	
	2012	**2011**
Financial Results ($000's except per share amounts)		
Cash deficiency from operations (1)	1,601	805
Cash deficiency operations per share (1)	0.01	0.01
Net loss – continuing operations	56,091	1,445
Net loss	55,421	1,083
Net loss per share – basic, continuing operations	0.30	0.01
Total assets	171,125	286,784
Working capital, excluding assets held for sale	46,343	75,307
Assets held for sale, net of liabilities held for sale	27,907	-
Expenditures on petroleum & natural gas properties – continuing operations	6,043	445
Bank debt	-	-
Common shares outstanding (000's)		
End of period	184,116	183,982
Weighted average – basic	184,116	143,206
Weighted average – diluted	185,567	144,742

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

Overview of Continuing Operations

United Kingdom

Causeway Licences

First oil production from Causeway remains on track for the third quarter of 2012 at approximately 3,000 barrels of oil per day ("bopd") net to Antrim. The Causeway Field development plan includes a production well and a water injection well. Hydrocarbons will be transported to and processed at the Cormorant North production platform operated by TAQA before being exported to the Sullom Voe terminal for sale. Antrim's remaining development costs for its 35.5% working interest are estimated at $31.5 million, net of the carried contribution receivable from the sale of a 30% interest to Valiant.

Valiant awarded a contract for engineering, procurement, installation and commissioning of rigid and flexible pipelines, subsea equipment and umbilicals. Tree assembly and testing is in progress, with the majority of the controls equipment being complete and also undergoing testing. Preparations on the Cormorant North platform have been hampered by weather delays. Subsea pipe laying was completed in April, and a semi-submersible rig has been contracted for the producing well completion, scheduled to begin in the middle of June.

In December 2011, DECC assigned separate field designations to the Fionn Field (previously referred to as the Central Causeway fault block) in UK Northern North Sea Licence P1383 Block 211/23d and the Causeway Field (previously referred to as the East Causeway and Far East Causeway fault blocks) in UK Northern North Sea Licence P201 South East Area Block 211/22a. This allows for separate Small Field Allowance tax credits to be applied for each field.

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

Under the terms of the Fionn Agreement, Antrim has the option for three months following first oil production from the Causeway Field to opt out of participating in the Fionn Field development, or to confirm its participation by paying its 35.5% working interest share of the pre-investment cost plus interest in respect to the financing.

Cyclone Prospect

Licence P1784 Block 21/7b (Antrim 30%) is located in the Central North Sea, north of the Greater Fyne Area. The block contains the "Cyclone" and the "Typhoon" Tertiary Cromarty prospects at approximately 5,000 and 5,600 feet respectively. The licence was acquired jointly with Premier (70%, operator) with a firm well commitment. The joint venture partners have approved an exploration well on the Cyclone prospect and signed a contract for use of a semi-submersible drilling rig to drill the well. A site survey proceeded in late April 2012, with drilling anticipated in the second half of 2012.

Kerloch Licences

TAQA is proceeding with plans to drill an exploration well on the Contender prospect in Licence P201 Block 211/22a Contender Area (Antrim working interest 8.4%), in June 2012. Under the terms of the farm-out agreement with TAQA, drilling costs will be completely funded by TAQA. The well will be drilled from the TAQA-operated Cormorant North platform, targeting the Jurassic Brent sequence of sandstones at a depth of approximately 12,000 feet true vertical depth and approximately two kilometres east of the Cormorant North Field.

Fyne Licence

In February 2012, Premier (as operator) drilled the East Fyne appraisal well in the Fyne Field. The thickness of the oil bearing sand was at the lower end of Antrim's estimate. The well was plugged and abandoned. Antrim's share of drilling and abandonment costs was covered by Premier's carried contribution under the Earn-In Agreement ("EIA"). Antrim is incorporating the results of the East Fyne well into its modeling of the reservoir. Although not finalized, Antrim's expectations are that gross Fyne Field reserves are likely to decline by approximately 36%.

Antrim has announced that, under the terms of the JOA in respect of Fyne, Antrim will acquire the remaining working interests and reserves and anticipates regaining operatorship in the Fyne Licence. The change in working interests and operatorship is subject to approval from DECC. DECC is expected to make this determination in the coming weeks.

If approved, Antrim will acquire a 39.9% working interest and associated reserves from Premier and an additional 25% working interest and associated reserves from First Oil at no cost. This follows notice from both Premier and First Oil of their intention to withdraw from the Fyne Licence. Antrim's increased ownership in Fyne will allow Antrim sole control over development; however, increased ownership could increase the risk that the development of Fyne will not proceed as expected.

Antrim is currently evaluating its options with respect to the Fyne Licence. If Antrim is to continue with the Fyne Licence an FDP for the Fyne Field will need to be submitted by June 25, 2012, which is a condition to the three year extension to the licence granted by the DECC in November 2011. Approval of the FDP by DECC is required for Antrim to proceed with the development and first oil production by November 2014. If the FDP is not submitted by June 25, 2012, or an extension obtained from DECC, the Fyne Licence could be revoked.

If an FDP is submitted to DECC, the proposed production facility is likely to use a small floating mini-Spar facility ("Spar"). The Fyne development would be phased to minimize initial capital expenditures and allow early production revenue to fund additional development, including water injection and additional producing wells. The first phase of the Fyne development would include the re-completion of the existing wells in Northwest and Central Fyne for production. If approved, fabrication of the Spar would begin in 2013.

In accordance with IFRS, management performed an impairment assessment on the carrying value of the Fyne Licence CGU as there were indications that the recoverable value may be impaired. The facts and circumstances considered included the abandonment of the East Fyne appraisal well, the expectation that the gross Fyne Field reserves would likely decline by approximately 36%, the withdrawal of Premier and First Oil from the JOA, the risk that Antrim may not obtain approval of an FDP from DECC, the risk of Antrim not finding partners, and the challenge in securing funding for the project in a difficult market. In light of these events, management determined that the carrying value of the Fyne Licence CGU was impaired. The carrying value of the Fyne Licence was written down 100% to a $nil value with the Company incurring a $53.1 million impairment charge. If Antrim is able to proceed with developing the Fyne Licence, the impairment charge may be reversed.

Greater Fyne Area

In the fourth quarter of 2011, Antrim completed the drilling of the Erne discovery well 21/29d-11 and the sidetrack well 21/29d-11Z (Antrim 50%) in UK Central North Sea Licence P1875 Block 21/29d. Post-well analysis by Antrim's independent reserve evaluation engineers did not result in any reserves being assigned at this time. The Erne pilot and sidetrack wells have high-graded and de-risked other drilling prospects in the Upper Tay Formation near Erne and along the same trend on Antrim-interest licences.

Ireland

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

Tanzania

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

Overview of Discontinued Operations

Argentina

With the strategic decision to sell its Argentina business, the Company's Argentina operations have been accounted for as discontinued operations. Comparative figures have been reclassified to conform with this presentation. See Note 3 of the interim consolidated financial statements.

Argentina generated oil and gas revenue, net of royalties, of $2.6 million for the three month period ended March 31, 2012 which increased from $2.4 million in 2011. Revenue increased as a result of higher oil and gas prices received offset by lower oil and gas production. Production in Argentina decreased to 1,424 barrels of oil equivalent per day ("boepd") for the first quarter of 2012 from 1,640 boepd in 2011 due to a natural decline and temporary oil storage problems.

Antrim's average gas price for the first quarter of 2012 was $2.44 per thousand cubic feet ("mcf") compared to $2.08 per mcf for the same period in 2011, a 17% increase. In the first quarter of 2012, oil prices averaged $68.72 per barrel compared to $55.00 per barrel for the same period in 2011, a 25% increase.

Antrim sells all of its oil production and approximately 76% of its natural gas production from Tierra del Fuego to the Argentine mainland. These sales generate value-added tax ("VAT") of 21%, which is retained by Antrim due to favorable tax laws pertaining to Tierra del Fuego. VAT of $0.5 million (2011 - $0.5 million) is reported as other income and is not included in Antrim's per unit sales prices.

Antrim's field netbacks in Argentina, based on sales, were $9.97 (2011 - $8.96) per boe for the three month period ended March 31, 2012. The increase in the 2012 field netbacks, as compared to 2011, was due to higher product prices partially offset by higher production and operating expenses, royalties and export taxes.

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

Antrim and its partners in the Tierra del Fuego Concession are finalizing a ten year extension to the licences which currently expire in November 2016. Terms of the extension will include two upfront cash payments to the Province of Tierra del Fuego of $3.0 million (gross), an increase in royalties to 15% and a multi-well drilling commitment. The terms have been agreed to by the joint venture and government negotiating teams, and forwarded to the Governor of Tierra del Fuego for signature and subsequent approval by the Legislature of the province of Tierra del Fuego, which is expected in the second quarter of 2012.

The Tierra del Fuego joint venture intends to complete a five well fracture program designed to improve deliverability from the eastern region of the Los Flamencos gas pool. After confirmation of the licence extensions of the Tierra del Fuego Concessions, a six well development drilling program is planned. The six well program will focus on increasing proven reserves and production from the Los Flamencos gas pool.

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

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 months ended March 31, 2012 compared to the same period ended March 31, 2011 and should be read in conjunction with the audited consolidated financial statements of Antrim. This MD&A has been prepared using information available up to May 14, 2012. 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 dollars.

Non-IFRS Measures

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

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

Calculation of Cash Flow from Operations

	Three Months Ended March 31	
	2012	**2011**
($000's)		
Cash flow (used in) provided by operating activities	(10,314)	620
Less: changes in non-cash working capital	8,713	(1,425)
Cash deficiency from operations	1,601	805

Financial and Operating Discussion from Continuing Operations

Revenue

With the classification of the Argentina segment to discontinued operations the Company did not have any revenue for the three month periods ended 2012 and 2011.

General and Administrative

General and administrative ("G&A") costs increased to $1.5 million for the first quarter of 2012 compared to $1.0 million for the same period in 2011. The increase in G&A is due to additional costs incurred relating to the sale of Antrim Argentina, and an increase in salaries. During the first quarter of 2012, Antrim capitalized $0.3 million (2011 – $0.1 million) of G&A costs related to exploration and development activity in the United Kingdom.

Impairment

For the three month period ended March 31, 2012, the Company recorded impairment charges of $61.7 million, consisting of $60.1 million for the Fyne Licence and $1.6 million on the drilling of the Erne discovery well and sidetrack. The impaired costs relating to the Erne well and sidetrack are in addition to the $10.3 million impaired for the year ended December 31, 2011.

Management performed an impairment assessment on the carrying value of the Fyne Licence CGU as there were indications that the recoverable value may be impaired. The facts and circumstances considered included the abandonment of the East Fyne appraisal well, the expectation that the gross Fyne Field reserves would likely decline by approximately 36%, the withdrawal of Premier and First Oil from the JOA, the risk that Antrim may not obtain approval of an FDP from DECC, the risk of Antrim not finding partners, and the challenge in securing funding for the project in a difficult market. In light of these events, management determined that the carrying value of the Fyne Licence CGU was impaired. The carrying value of the Fyne Licence was written down 100% to a $nil value with the Company incurring a $53.1 million impairment charge. If Antrim is able to proceed with developing the Fyne Licence, the impairment charge may be reversed.

Finance Income

Finance income relates to interest income on short-term deposits and was $0.1 million (2011 - $0.1 million) for the three month period ended March 31, 2012.

Finance Costs

Finance costs were $0.1 million for the three month period ended March 31, 2012 (2011 - $0.1 million) and relate to accretion of asset retirement obligations, interest expense and bank charges.

Income Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Company did not pay or recover any taxes during the three months ended March 31, 2012 (2011 – nil).

The Company follows the liability method of accounting for income taxes. As at March 31, 2012, no deferred income tax assets were recorded due to uncertainty with respect to the ability of Antrim to generate sufficient taxable income to utilize the unrecognized losses.

Cash Flow and Net Loss

In the three month period ended March 31, 2012, Antrim had a cash deficiency from operations of $1.6 million (($0.01) per share) compared to cash deficiency from operations of $0.8 million (($0.01) per share) in the same period in 2011. The cash deficiency increased in 2012, as compared to 2011, due to higher G&A and foreign exchange.

In the first quarter of 2012, Antrim incurred a net loss of $56.1 million compared to a net loss of $1.4 million in 2011. The net loss increased because of impairment charges.

Capital Expenditures

Antrim incurred capital expenditures related to petroleum and natural gas properties of $6.0 million and $0.4 million relating to continuing operations for the three month period ended March 31, 2012 and 2011, respectively. Capital expenditures in 2012 primarily relate to ongoing development of the Causeway Licence of $2.8 million and Fyne Licence of $1.1 million, and exploration costs related to the drilling of the Erne well of $1.6 million.

Foreign Exchange Gain and Comprehensive Income

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

The Company incurred a foreign exchange gain of $5.3 million for the three month period ended March 31, 2012, compared to a gain of $6.8 million in the same period in 2011.

Financial Resources and Liquidity

As at March 31, 2012, Antrim had working capital of $40.7 million excluding $27.9 million relating to assets and liabilities held for sale, and restricted cash of $5.6 million. Accounts payable and accrued liabilities decreased to $4.7 million at March 31, 2012 from $17.2 million as at December 31, 2011 due to the Erne drilling program. The Company has no bank debt.

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

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

Antrim's planned capital program for 2012 includes ongoing development of the Causeway Field, Cyclone exploration well, and Fyne Licence, if FDP approval from DECC is obtained. The capital expenditures for the development of Causeway will be funded by the remaining carried contribution from Valiant and existing cash resources.

Financial and Operating Discussion from Discontinued Argentina Operations

Oil, Natural Gas and NGL Revenue and Production

Revenue

Revenue, net of royalties, from the sale of oil, natural gas and natural gas liquids ("NGL") for the three month periods ended March 31, 2012 and 2011 consisted of the following:

	Three Months Ended March 31	
	2012	**2011**
($000's)		
Oil	1,379	1,160
Natural gas	1,572	1,542
NGL's	111	136
Total Oil, Natural Gas and NGL Revenue	3,062	2,838
Less: Royalties	(473)	(454)
Net Oil, Natural Gas and NGL Revenue	2,589	2,384

Net revenue after royalties of $2.6 million for the three month period ended March 31, 2012 increased from $2.4 million in 2011 as a result of higher product prices offset by lower production.

The sale of crude oil from Tierra del Fuego can be impacted by intermittent shipments. Oil production from Tierra del Fuego is stored and periodically transported by ship to a refinery on the mainland. As at March 31, 2012, Antrim held 21,000 (2011 - 14,600) barrels of oil in inventory in Tierra del Fuego.

Oil prices averaged $68.72 per barrel in the three month period ended March 31, 2012 compared to $55.00 per barrel in 2011.

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

Antrim's gas sales prices in Argentina averaged $2.44 per mcf in the three month period ended March 31, 2012 compared to $2.08 per mcf for the same period in 2011. Average gas prices increased due to the negotiation of higher priced contracts.

NGL prices, before export taxes, averaged $18.39 per barrel in the three month period ended March 31, 2012 compared to $36.01 per barrel for the comparable period in 2011. NGL prices decreased in 2012 as compared to 2011 due to restrictions exporting to the higher-priced Chilean market.

Royalty expenses as a percentage of total revenue for the three month period ended March 31, 2012 decreased in 2012 compared to 2011 due to an adjustment in 2011 on royalties paid in prior years and a reduction of deductible expenses in the Tierra del Fuego Concession. Export taxes as a percentage of NGL revenue increased for the three month period ended March 31, 2012, compared to 2011, as exports to the higher-priced Chilean market were curtailed in January and March due to restrictions in obtaining export permits.

Production

The following table provides a comparative analysis of average daily production of oil, natural gas and NGL for the three month periods March 31, 2012 and 2011:

	Three Months Ended March 31	
	2012	**2011**
Oil (bbl/day)	225	277
Natural gas (mmcf/day)	6.8	7.8
NGL (bbl/day)	66	57
Total Production (boe/day)	1,424	1,640

Gas production decreased for the three months period ended March 31, 2012, as compared to the same period in 2011, due to natural decline. Oil production decreased during the same periods as a result of short term shut-in of some oil production due to temporary storage problems at the Cruz del Sur tank farm and natural decline.

Netbacks

The following table provides a comparative analysis of field netbacks, based on sales, for the three month periods ended March 31, 2012 and 2011:

	Three Months Ended March 31	
	2012	**2011**
$/boe		
Wellhead price	23.69	19.93
Royalties	(3.66)	(3.19)
Export tax	(0.36)	(0.26)
Production and operating expenses	(9.70)	(7.52)
Netback	9.97	8.96
Oil, Natural gas and NGL sales (boe)	129,252	142,386
Oil, Natural gas and NGL sales (boepd)	1,420	1,582

Field netbacks increased in 2012, as compared to 2011, due to higher wellhead prices received offset by higher production and operating expenses, royalties and export taxes.

General and Administrative

G&A costs for discontinued operations increased to $0.5 million for the three month period ended March 31, 2012 compared to $0.3 million for 2011 due to additional costs relating to the sale of Antrim Argentina.

Depletion and Depreciation

Depletion and depreciation expense for discontinued operations was $0.1 million for 2012 compared to $1.1 million in 2011. In the first quarter of 2012, the Company did not recognize any depletion related to assets classified as held for sale.

Impairment

For the three month period ended March 31, 2012, the Company recorded a write down on non-current assets of $0.6 million relating to the renegotiated settlement amount for a non-interest bearing promissory note receivable.

Income Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Company did not pay or recover any taxes during the three month period ended March 31, 2012 (2011 – nil).

The Company follows the liability method of accounting for income taxes. As at March 31, 2012, no deferred income tax assets were recorded due to uncertainty with respect to the ability of Antrim to generate sufficient taxable income to utilize the unrecognized losses. Income generated in Tierra del Fuego is tax exempt.

Cash Flow and Net Income

Antrim had cash flow provided by operating activities from discontinued operations of $0.7 million in 2012 compared to cash flow provided by operating activities from discontinued operations of $1.4 million in 2011.

For the three month period ended March 31, 2012, the Company recognized net income from discontinued operations of $1.2 million compared to $0.4 million in the same period in 2011.

Contractual Obligations, Commitments and Contingencies

Antrim has several commitments in respect of its petroleum and natural gas properties and operating leases as at March 31, 2012 as follows:

	2012	**2013**	**2014**	**2015**	**2016**	**Thereafter**
United Kingdom						
• Fyne and Dandy(1)	12	10,012	12	12	12	12
• Causeway(2)	32,007	121	147	172	198	223
• 25th Bid Round(3)	3,035	38,000	-	-	-	-
• 26th Bid Round(4)	6,223	26	26	-	-	-
Ireland	35	461	-	-	-	-
Office leases	179	113	113	113	113	142
Continuing operations	41,491	48,733	298	297	323	377
Discontinued Operations – Argentina						
• Tierra del Fuego	158	650	650	650	650	1,300
• Cerro de Los Leones(5)	3,006	2,029	1,904	-	-	-
Office leases	22	-	-	-	-	-
Total	**44,677**	**51,412**	**2,852**	**947**	**973**	**1,677**

(1) The Company agreed to pay an additional $10 million as part of the acquisition of the Fyne Licence, upon approval of a FDP by DECC. This amount has been recorded at estimated fair value of $nil on the consolidated balance sheet as contingent consideration (See Note 8 to the interim consolidated financial statements).

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

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

(4) The Company acquired two licences in the 26th bid round which include a firm drilling commitment estimated at $6.2 million in 2012 for the Cyclone prospect.

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

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

Subsequent Events

On April 12, 2012, Antrim announced that, under the terms of the JOA, Antrim would regain Premier's 39.9% working interest and associated reserves, subject to the approval by DECC.

On May 9, 2012, Antrim announced that, under the terms of the JOA, Antrim would acquire First Oil's working interest and associated reserves, subject to the approval by DECC.

Outlook

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

A well will be drilled in the second half of 2012 to test the Cyclone prospect. In addition, Antrim will participate in the drilling of an exploration well in the Contender prospect in the Northern North Sea in the second quarter of 2012.

The withdrawal of Premier and First Oil from the Fyne License has prompted a review of Antrim's development plan for this property to determine the feasibility of advancing the Spar concept to the point where it can be incorporated into an FDP that is acceptable to DECC. The review includes an evaluation of the costs and time requirements for the engineering design process, fabrication, deployment and hook up, the ability to attract additional partners into the license including a recognized production operator, the availability of third party financing to fund the company's share of the project costs, and probability of delivering first production before the November 2014 extension deadline.

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

Summary of Quarterly Results

($000, except per share amounts)	Oil, Natural Gas and NGL Revenue, Net of Royalties	Cash Flow from Operations (Deficiency)	Net Loss	Net Loss Per Share – Basic
2012				
First quarter	2,589	(1,601) [1]	56,091[1]	0.30[1]
2011				
Fourth quarter	2,679	(4,890) [1]	14,792[1]	0.08[1]
Third quarter	2,403	666	36,326	0.20
Second quarter	2,730	(134)	768	0.00
First quarter	2,384	608	1,083	0.01
2010				
Fourth quarter	2,260	(1,767)	2,112	0.02
Third quarter	3,545	1,925	190	0.00
Second quarter	2,295	(141)	1,423	0.01

1. Cash flow from operations (deficiency), net loss, and net loss per share - basic reflect continuing operations only

Antrim's net revenue and cash flow from operations has fluctuated over the quarters due to intermittent shipments of crude oil from Tierra del Fuego, increasing gas sales and lower oil production due to decline rates and property sales in early 2011. First quarter cash from the operations in 2012 was negatively impacted due to higher general and administrative expenses and first quarter net loss was negatively impacted by $54.7 million in impairment costs related to the Fyne Licence and the Erne well and sidetrack. Fourth quarter cash from the operations in 2011 was negatively impacted by lower production and higher general and administrative expenses.

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

Antrim has established disclosure controls, procedures and corporate policies so that its consolidated financial results are presented accurately, fairly and on a timely basis. The Chief Executive Officer and Chief Financial Officer have designed or have caused such internal controls over financial reporting to be designed under their supervision to provide reasonable assurance regarding the reliability of financial reporting and preparation of the Company's financial statements in accordance with IFRS. The Company tested and evaluated the effectiveness of its disclosure controls and procedures and internal controls over financial reporting as at December 31, 2011. During this evaluation the Corporation identified weaknesses due to the limited number of finance and accounting personnel at the Corporation dealing with complex and non-routine accounting transactions that may arise. This material weakness also existed during the three month period ended March 31, 2012.

There were no changes in the Company's internal controls over financial reporting that occurred during the first quarter of 2012 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

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

Risks and Uncertainties

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

The completion of the Arrangement in the form contemplated by the plan of arrangement is subject to a number of conditions precedent, some of which are outside the control of Antrim, including, without limitation, receipt of Antrim shareholder approval and regulatory approvals (including approval of the TSX Venture Exchange for the listing of the Crown Point Shares issued as part of the Arrangement) and approval from the Alberta Court of Queen's Bench. There can be no certainty, nor can Antrim provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. The failure to obtain any such approvals would prevent Antrim from completing the Arrangement and may have a material adverse effect on the business and affairs of Antrim or the trading price of the Common Shares. Additionally, the Arrangement Agreement may be terminated in certain circumstances, including upon the occurrence of a material adverse change in respect of Antrim Argentina S.A.

Antrim and Crown Point are proposing to complete the Arrangement to strengthen the position of each entity in its respective core businesses and to realize certain benefits including, among other things, those set forth in the management information circular of Antrim dated April 27, 2012, which is available on SEDAR under Antrim's profile at www.sedar.com. There can be no assurances that Antrim or Crown Point will realize the anticipated benefits of the Arrangement.

In any event, the business of Antrim Argentina S.A. will remain subject to certain Argentina-specific risk factors, including the risk of nationalization of Argentina oil and gas assets. The federal government of Argentina recently announced its intention to expropriate and nationalize the largest oil producing company in Argentina, YPF S.A. Although Antrim has not received any notice that the federal government or any provincial government of Argentina has any intention of expropriating or nationalizing any of Antrim Argentina S.A.'s assets or properties, if such expropriation or nationalization were to occur there is no certainty that Antrim (or if the Arrangement is completed, Crown Point) would receive the fair market value of such properties or assets from such government body.

The original Fyne Licence expired on November 25, 2011. DECC agreed to a three-year extension to November 25, 2014 on the condition that an FDP for the Fyne Field is submitted by June 25,

2012. No assurance can be given that DECC approval will be obtained to the changes of working interest and operatorship for the Fyne Licence. If DECC approval is not obtained and if an FDP for the Fyne Field is not submitted by June 25, 2012, or if an extension is not obtained from DECC, potential consequences to Antrim could include the expiry of the Fyne Licence in accordance with its terms.

First production must be achieved from any of the three identified Prospective Areas (Fyne Field, Dandy Field and Area 4 Field) within the three year licence extension period in order for that Prospective Area to become a Producing Area and the licence to continue. If first production is not achieved in a Prospective Area by November 25, 2014, the licence relative to that Prospective Area will expire. Although the Company plans to submit a Fyne Field FDP by June 25, 2012 and to achieve first production by 2014, there is no assurance that the Company will be successful in doing so. Additionally, Antrim's increased ownership in Fyne will allow Antrim sole control over development and seeking partners for development; however, increased ownership could increase the risk that the development of Fyne will not proceed as expected. Successful development of the Fyne Field to first oil production will require capital expenditures which may be obtained through additional debt or equity financing (as discussed below) or through the entering into of new agreements with one or more joint venture partners. There can be no assurance that the Company will obtain debt or equity financing for development of the Fyne Field or that the Company will enter into new agreements with one or more joint venture partners to develop the Fyne Field.

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

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

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

Forward-Looking and Cautionary Statements

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

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

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

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

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

The calculation of barrels of oil equivalent ("boe") is based on a conversion rate of six thousand cubic feet of natural gas ("mcf") to one barrel of crude oil ("bbl"). Boe's may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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

Antrim Energy Inc.
Consolidated Balance Sheet
As at March 31, 2012 (unaudited)
(Amounts in US$ thousands)

	Note	March 31, 2012	December 31, 2011
Assets			
Current assets			
Cash and cash equivalents		43,698	47,105
Restricted cash	4	5,611	17,249
Accounts receivable		1,203	5,294
Inventory and prepaid expenses		509	240
Assets held for sale	3	32,145	31,651
		83,166	101,539
Property, plant and equipment	5	19,095	15,207
Exploration and evaluation assets	6	68,864	122,431
		171,125	239,177
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		4,678	17,214
Liabilities held for sale	3	4,238	4,180
		8,916	21,394
Asset retirement obligations	7	4,932	3,595
Contingent consideration	8	-	7,000
		13,848	31,989
Commitments and contingencies	13		
Subsequent events	15		
Shareholders' equity			
Share capital		361,587	361,587
Contributed surplus		19,740	19,579
Deficit		(223,428)	(168,007)
Accumulated other comprehensive loss		(622)	(5,971)
		157,277	207,188
		171,125	239,177

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

Antrim Energy Inc.

Consolidated Statement of Comprehensive Income (Loss)
For the three months ended March 31, 2012 and 2011 (unaudited)
(Amounts in US$ thousands, except per share data)

	Note	2012 $	2011 $
Revenue		-	-
Expenses			
Depreciation		24	40
General and administrative expenses		1,471	1,049
Share-based payments	9	112	260
Exploration and evaluation expenditures		-	94
Impairment	6, 8	54,700	-
		56,307	1,443
Finance income		(85)	(111)
Finance costs		52	110
Foreign exchange (gain) loss		(183)	3
Loss from continuing operations before income taxes		56,091	1,445
Income tax expense		-	-
Loss from continuing operations after income taxes		56,091	1,445
Income from discontinued operations	3	670	362
Net loss for the period		55,421	1,083
Other comprehensive income			
Foreign currency translation adjustment		5,349	6,777
Other comprehensive income for the period		5,349	6,777
Comprehensive (loss) income for the period		(50,072)	5,694
Net income (loss) per common share			
Basic – continuing operations	10	(0.30)	(0.01)
Basic – discontinued operations	10	0.00	0.00
Diluted – continuing operations	10	(0.30)	(0.01)
Diluted – discontinued operations	10	0.00	0.00

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

Antrim Energy Inc.
Consolidated Statement of Cash Flows
For the three months ended March 31, 2012 and 2011 (unaudited)
(Amounts in US$ thousands)

	Note	2012 $	2011 $
Operating Activities			
Loss from continuing operations after income taxes		56,091	1,445
Items not involving cash:			
Depreciation		24	40
Accretion of asset retirement obligations		35	57
Share-based payments	9	112	260
Foreign exchange (gain) loss		(381)	283
Impairment	6, 8	54,700	-
		(1,601)	(805)
Changes in non-cash working capital items – continuing operations	11	(8,713)	1,425
Cash (used in) provided by operating activities – continuing operations		(10,314)	620
Cash provided by operating activities – discontinued operations	3	1,232	1,413
Cash (used in) provided by operating activities		(9,082)	2,033
Financing Activities			
Issue of common shares		-	52,370
Share issue expenses		-	(2,977)
Cash provided by financing activities		-	49,393
Investing Activities			
Capital expenditures		(6,043)	(445)
Restricted cash	4	11,638	-
Cash provided by (used in) investing activities – continuing operations		5,595	(445)
Cash used in investing activities – discontinued operations	3	(668)	(1,285)
Cash provided by (used in) investing activities		4,927	(1,730)
Effects of foreign exchange on cash and cash equivalents		748	859
Net (decrease) increase in cash and cash equivalents		(3,407)	50,555
Cash and cash equivalents – beginning of period		47,105	25,650
Cash and cash equivalents – end of period	11	43,698	76,205
Interest received		85	94
Interest paid		5	77

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

Antrim Energy Inc.
Consolidated Statement of Changes in Equity
For the three months ended March 31, 2012 and 2011 (unaudited)
(Amounts in US$ thousands)

	Note	Number of common shares #	Share capital $	Contributed surplus $	Accumulated other comprehensive income $	Deficit $	Total $
Balance, January 1, 2011		**135,571,542**	**312,062**	**18,377**	**(4,119)**	**(115,037)**	**211,283**
Net loss for the period		-	-	-	-	(1,083)	(1,083)
Other comprehensive income		-	-	-	6,777	-	6,777
Issuance of common shares		48,191,700	52,297	-	-	-	52,297
Share issuance costs		-	(2,998)	-	-	-	(2,998)
Share-based compensation	9	-	-	389	-	-	389
Stock options exercised		218,302	124	(51)	-	-	73
Balance, March 31, 2011		**183,981,544**	**361,485**	**18,715**	**2,658**	**(116,120)**	**266,738**
Balance, January 1, 2012		**184,116,078**	**361,587**	**19,579**	**(5,971)**	**(168,007)**	**207,188**
Net loss for the period		-	-	-	-	(55,421)	(55,421)
Other comprehensive income		-	-	-	5,349	-	5,349
Share-based compensation	9	-	-	161	-	-	161
Balance, March 31, 2012		**184,116,078**	**361,587**	**19,740**	**(622)**	**(223,428)**	**157,277**

The accompanying notes are an integral part of the 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, development and production activities in Argentina and exploration activities in the United Kingdom. Antrim Energy Inc. is incorporated and domiciled in Canada. The Company's common shares are listed on the Toronto Stock Exchange ("TSX") and the London Alternative Investment 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.

On March 23, 2012, the Company entered into an arrangement agreement to dispose of its exploration, development and production activities in Argentina. As a result, the Argentine operations have been classified as assets held for sale and discontinued operations (See Note 3 for further information).

2) Basis of presentation

a) Statement of compliance

These interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), specifically International Accounting Standard ("IAS") 34 *Interim Financial Reporting* within Part 1 of the Canadian Institute of Chartered Accountants ("CICA") Handbook. The unaudited interim consolidated financial statements were prepared using the same accounting policies and methods of computation as disclosed in the audited consolidated financial statements as at and for the year ended December 31, 2011. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended December 31, 2011.

The policies applied in these interim consolidated financial statements are based on IFRS issued and outstanding as at May 14, 2012, the date the Board of Directors approved the interim consolidated financial statements.

b) Presentation currency

In these interim consolidated financial statements, unless otherwise indicated, all dollar amounts are expressed in United States (US) dollars. Antrim's functional currency is Canadian dollars, however, 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.

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

c) Critical accounting judgments and key sources of estimation uncertainty

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

Significant estimates and judgment used in the preparation of the financial statements are described in the Company's consolidated annual financial statements for the year ended December 31, 2011.

3) Discontinued operations

As a result of a strategic decision by the Company's Board of Directors, the Company entered into an agreement on March 23, 2012 to sell all of its interest in its wholly owned subsidiary Antrim Argentina S.A. to Crown Point Ventures Ltd. ("Crown Point") by way of a plan of arrangement (the "Arrangement"). The consideration consists of Cdn$10.3 million in cash (subject to certain adjustments) and 35,761,307 common shares of Crown Point. Pursuant to the Arrangement, Antrim will distribute the Crown Point Shares to its shareholders by way of a reduction of stated capital of the Antrim common share. The net assets of $27.9 million represent a disposal group of the Company's Argentina operating segment and therefore are presented as held for sale as at March 31, 2012. The consideration in the Arrangement exceeds the book value of the related net assets based on the March 31, 2012 market price of the Crown Point shares.

This divestiture remains subject to certain approvals and closing conditions which are expected to be completed in the second quarter of 2012.

The major classes of assets and liabilities comprising the operations classified as held for sale at the balance sheet date are as follows:

	March 31 2012	December 31 2011
Assets held for sale		
Cash and cash equivalents	7,537	6,995
Accounts receivable	1,728	1,799
Inventory and prepaid expenses	797	601
Exploration and evaluation assets	670	608
Property, plant and equipment	19,788	19,536
Other non-current assets	1,625	2,112
	32,145	31,651

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

	March 31 2012	December 31 2011
Liabilities held for sale		
Accounts payable	1,695	1,651
Asset retirement obligations	2,543	2,529
	4,238	4,180

The combined results of the discontinued operations which have been included in the consolidated statement of loss and comprehensive loss are as follows. The comparative period income and cash flows from discontinued operations have been reclassified to include those operations classified as discontinued in the current period:

	March 31 2012	March 31 2011
Discontinued operations		
Revenue, net of royalties	2,589	2,384
Direct production and operating expenditures	1,268	1,004
Depletion and depreciation	146	1,055
General and administrative expenses	489	313
Exploration and evaluation expenditures	-	68
Other income	(533)	(499)
Export taxes	46	37
Write down on non-current asset	568	-
Finance income	(77)	(83)
Finance costs	13	129
Foreign exchange gain	(1)	(2)
Income from discontinued operations	670	362

	March 31 2012	March 31 2011
Cash flow from discontinued operations		
Net cash flow provided by operating activities	1,232	1,413
Net cash flow used in investing activities	(668)	(1,285)
Net cash flow from discontinued operations	564	128

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

4) Restricted cash

Restricted cash at March 31, 2012 relates to US dollar and British pounds sterling standby letters of credit issued with respect to the Company's drilling program in the UK North Sea.

5) Property, plant and equipment

	March 31 2012	December 31 2011
Opening balance	15,207	26,129
Additions	3,334	2,161
Depreciation	(24)	(199)
Depletion and depreciation relating to assets held for sale	-	(4,004)
Changes in ARO estimate	-	370
Impairment	-	(3,184)
Transferred from exploration and evaluation	-	15,005
Reclassified to assets held for sale	-	(19,536)
Foreign currency translation	578	(1,535)
Ending balance	19,095	15,207

During the period, the Company capitalized $6 (2011 - $10) of general and administrative and $3 (2011 - $10) of share-based payments related to development activity.

6) Exploration and evaluation assets

	March 31 2012	December 31 2011
Opening balance	122,431	171,850
Additions	3,604	38,494
Changes in ARO estimate	272	(288)
Disposals	-	(22,035)
Impairment	(61,700)	(45,917)
Transferred to property, plant and equipment	-	(15,005)
Reclassified to assets held for sale	-	(608)
Foreign currency translation	4,257	(4,060)
Ending balance	68,864	122,431

During the period, the Company capitalized $247 (2011 - $119) of general and administrative costs and $46 (2011 - $119) of share-based payments related to exploration and evaluation activity.

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

In accordance with IFRS, management performed an impairment assessment on the carrying value of the Fyne Licence cash-generating unit ("CGU") as there were indications that the recoverable value may be impaired. The facts and circumstances considered included the abandonment of the East Fyne appraisal well, the expectation that the gross Fyne Field reserves would likely decline by approximately 36%, the withdrawal of Premier Oil UK Limited ("Premier") and First Oil Expro Limited ("First Oil") from the Joint Operating Agreement ("JOA"), the risk that Antrim may not obtain approval of a Field Development Plan ("FDP") from the UK Department of Energy and Climate Change ("DECC"), the risk of Antrim not finding partners, and the challenge in securing funding for the project in a difficult market. In light of these events, management determined that the carrying value of the Fyne Licence CGU was impaired. The carrying value of the Fyne Licence was written down 100% to a $nil value with the Company incurring a $60,112 impairment charge. If Antrim is able to proceed with developing the Fyne Licence, the impairment charge may be reversed.

During the quarter, the Company recognized an impairment charge of $1,588 relating to its Erne discovery well 21/29d-11 and the sidetrack well, 21/29d-11Z. Post-well analysis of these two wells by the Company's independent reserve evaluation engineers did not result in any reserves being assigned at this time. As the carrying value of the asset is not expected to be recovered from future production, an impairment charge was recognized. The impairment charge is in addition to the impairment of $10,312 recognized in the fourth quarter of 2011.

7) Asset retirement obligations

	March 31 2012	December 31 2011
Opening balance	3,595	7,380
Additions	883	579
Accretion	35	209
Accretion relating to assets held for sale	-	30
Change in estimate	272	82
Dispositions	-	(1,561)
Reclassified to liabilities held for sale	-	(2,529)
Foreign currency translation	147	(595)
Balance carried forward	4,932	3,595

At March 31, 2012, the estimated undiscounted asset retirement obligations are $5,994 (2011 - $9,970). The Company expects the undiscounted obligations to be payable between 2014 and 2022. The present value of the asset retirement obligations has been calculated using a risk-free interest rate of 3.8% (2011 – 3.8%) and an inflation rate of 2.0% (2011 – 2.0%).

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

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

8) Contingent consideration

	March 31 2012	December 31 2011
Opening balance	7,000	8,000
Revision to estimate	(7,000)	(1,000)
Balance carried forward	-	7,000

The contingent consideration to the acquisition of the Fyne Field and is payable to the seller upon approval of an FDP by DECC. The amount of the future payment that the Company could be required to make under this arrangement is $10,000. A fair value of $nil for the contingent consideration was determined. This is based on the impairment assessment performed with respect to the Fyne Licence (See Note 6). The change to the fair value has been netted against the impairment balance on the consolidated statement of comprehensive income (loss).

9) Share-based payments

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.

Pursuant to the Company's stock option plan, as at March 31, 2012 there were 7,920,063 (2011 – 11,759,262) options outstanding to purchase common shares at prices ranging from $0.31 Cdn to $6.95 Cdn.

Options totaling nil (2011 - nil) were granted, options totaling nil (2011 – 218,302) were exercised, and options totaling 1,248,000 (2011 – 1,270,334) were forfeited or expired during the three month period ended March 31, 2012.

Share-based payments for the period were $161 (2011 – $389) of which $112 (2011 – $260) was expensed and $49 (2011 – $129) was capitalized.

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

10) Earnings per share

	2012	2011
Basic loss (earnings) per common share		
From continuing operations	0.30	0.01
From discontinued operations	(0.00)	(0.00)
Total basic loss per share	0.30	0.01
Diluted loss (earnings) per common share		
From continuing operations	0.30	0.01
From discontinued operations	(0.00)	(0.00)
Total diluted loss per share	0.30	0.01

	2012	2011
Loss used in the calculation from continuing operations	56,091	1,445
Income used in the calculation from discontinued operations	670	362
Net loss for the period	55,421	1,083

Basic earnings per share was calculated as follows:

Weighted average number of common shares:		
Issued common shares at January 1	184,116,078	135,571,542
Effects of share options exercised	-	138,451
Effects of shares issued	-	7,496,487
Weighted average number of common shares – basic	184,116,078	143,206,480

Diluted earnings per share was calculated as follows:

	2012	2011
Weighted average number of common shares:		
Weighted average number of common shares – basic	184,116,078	143,206,480
Effect of outstanding options	1,451,134	1,535,083
Weighted average number of common shares – diluted	185,567,212	144,741,563

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

11) Supplemental cash flow information

	2012	2011
(Increase) / decrease of assets:		
Trade and other receivables	4,091	1,521
Inventory and prepaid expenses	(268)	(241)
Increase / (decrease) of liabilities:		
Trade and other payables	(12,536)	145
	(8,713)	1,425

	2012	2011
Cash and cash equivalents are comprised of:		
Cash in bank	14,569	5,155
Short-term deposits	29,129	71,050
	43,698	76,205

12) Segmented information

The Company operates predominately in one business, namely the exploration, development and production of hydrocarbons and the sale of hydrocarbons and related activities. The Company also operates within two geographical markets, United Kingdom and Argentina. The Argentine segment has been presented as a discontinued operation (See Note 3).

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

Three months ended March 31, 2012

	Continuing operations			Discontinued operations
	United Kingdom	Corporate	Total	Argentina
Segment revenue	-	-	-	2,589
Segment (loss) earnings	(54,948)	(1,359)	(56,307)	605
Finance income			85	77
Finance costs			(52)	(13)
Foreign exchange gain			183	1
(Loss) income before tax			(56,091)	670
Total assets	108,384	30,596	138,980	32,145
Other segment information				
Capital expenditures	6,038	5	6,043	668
Depletion and depreciation	6	18	24	146

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

Three months ended March 31, 2011

	Continuing operations			Discontinued operations
	United Kingdom	Corporate	Total	Argentina
Segment revenue	-	-	-	2,384
Segment (loss) earnings	(438)	(1,005)	(1,443)	406
Finance income			111	83
Finance costs			(110)	(129)
Foreign exchange (loss) gain			(3)	2
(Loss) income before tax			(1,445)	362
Total assets	180,666	73,103	253,769	33,015
Other segment information				
Capital expenditures	(376)	151	(225)	1,178
Depletion and depreciation	11	28	39	1,173

13) Commitments and contingencies

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

	2012	2013	2014	2015	2016	Thereafter
United Kingdom						
• Fyne and Dandy[(1)]	12	10,012	12	12	12	12
• Causeway[(2)]	32,007	121	147	172	198	223
• 25th Bid Round[(3)]	3,035	38,000	-	-	-	-
• 26th Bid Round[(4)]	6,223	26	26	-	-	-
Ireland	35	461	-	-	-	-
Office leases	179	113	113	113	113	142
Continuing operations	41,491	48,733	298	297	323	377
Discontinued operations – Argentina						
• Tierra del Fuego	158	650	650	650	650	1,300
• Cerro de Los Leones[(5)]	3,006	2,029	1,904	-	-	-
Office leases	22	-	-	-	-	-
Total	**44,677**	**51,412**	**2,852**	**947**	**973**	**1,677**

(1) The Company agreed to pay an additional $10 million as part of the acquisition of the Fyne Licence, upon approval of a FDP by DECC. This amount has been recorded at estimated fair value of $nil on the consolidated balance sheet as contingent consideration (See Note 8).

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

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

(4) The Company acquired two licences in the 26th bid round which include a firm drilling commitment estimated at $6.2 million in 2012 for the Cyclone prospect.

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

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

14) Capital risk management

The Company's objective when managing its capital is to 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. Historically the Company raised all of its capital requirements from internally generated cash flow and the issuance of common shares and securities exchangeable for common shares.

Current restrictions on availability of credit may limit the Company's ability to access debt or equity financing for its development 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. The Company has reduced the time frame in projecting its future expenditures from an annual budget to a quarterly and, where applicable, monthly forecast process. This reduction in the time horizon allows the Company to better adapt to changing market conditions. 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 maintains flexibility to manage financial commitments on these assets.

15) Subsequent events

On April 12, 2012, Antrim announced that, under the terms of the JOA, Antrim would regain Premier's working interest and associated reserves, subject to the approval by DECC.

On May 9, 2012, Antrim announced that, under the terms of the JOA, Antrim would acquire First Oil's working interest and associated reserves, subject to the approval by DECC.

DIRECTORS

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Antrim Energy Inc.

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

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

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

Jim Perry (1) (3) (4) (5) (6)
President and CEO,
Alternative Fuel Systems (2004) Inc.

Jim Smith (1) (2) (5) (6)
Independent Director

Jay Zammit (2) (5) (6)
Partner,
Burstall Winger LLP

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

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Douglas Olson
Chief Financial Officer

Kerry Fulton
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Terry Lederhouse
Vice President, Commercial

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Adrian Harvey
Corporate Secretary

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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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Calgary, Alberta