

## Message to Shareholders

### Highlights for the Quarter:

- Production increased 300 % to 390 boep/d net.
- Net revenues increased 621% to \$1,217,147
- Net cashflow increased 1156% to \$428,305
- Sale of remaining Canadian production for a net realized \$965,000.
- Drilling of Antrim operated slim-hole well (Antrim 50% W.I.) in Northern Ireland, UK (Cairncastle #2).
- Completion of Antrim operated 3D seismic program in East Midlands , UK (Antrim 75% W.I.).
- Seismic operations (land and marine) commenced on structures adjacent to the Rimu #1A oil discovery, New Zealand (Antrim 5% W.I.)

### Operations

Antrim's production of oil and gas amounted to 390 boep/d, a 300% increase over the equivalent period last year. Following the sale of the company's remaining production in Canada, all of Antrim's present production is from Argentina (oil) and the Czech Republic (gas). In Argentina during the quarter, oil production averaged a net daily rate of 307 bopd. Gas production in the Czech Republic was maintained at net 455 Mcf/d.

The company participated in the drilling of two wells. In January, Antrim drilled and abandoned the slim-hole Cairncastle #2 well in Northern Ireland.

Seismic operations were conducted in UK, East Midlands and in New Zealand.

Antrim's working interest in the Chott Fejaj Permit, Tunisia, increased from 20% to 30%.

Antrim plans to deepen the Chott Fejaj #3 well to 4,250 metres in the 2000 fourth quarter.

In the Czech Republic the planning process to tie in two more gas wells continued. In New Zealand plans were advanced to commence drilling the first appraisal well on the Rimu oil discovery commencing in July. Rimu #1A tested at rates up to 1525 bbls of crude oil and 4.8 MMcf of natural gas per day in December 1999. In Argentina, modifications to surface facilities and minor downhole work were conducted in preparation for a more extensive workover program.

### Financial

Antrim sold its remaining Canadian producing interests, consisting of 51 boep/d near Swan Hills and Peco for a net consideration of \$965,000. The effective date of the transaction was March 1 and as a consequence only the first two months of production and cashflow are incorporated in the balance sheets.

Higher prices for crude oil sold in Argentina, combined with higher volumes, resulted in improved netbacks of \$18.53 per boe (after royalty and operating costs). Operating costs were \$8.02 per barrel, a reduction of 17% from costs experienced during 1999.

As at March 31, 2000 Antrim has no debt and working capital of \$4.1 million.

Stephen Greer  
Chairman and CEO

## Consolidated Balance Sheets As at March 31, 2000 and December 31, 1999

(Unaudited)

	March 31, 2000	December 31, 1999
<b>Assets</b>		
Current assets		
Cash and short-term deposits	\$ 3,290,711	\$ 2,380,082
Accounts receivable	1,634,163	1,052,095
Inventories and other	438,878	212,308
	<u>5,363,752</u>	3,644,485
Petroleum and natural gas properties	11,101,153	12,222,034
Office equipment	161,293	149,300
	<u>\$ 16,626,198</u>	<u>\$ 16,015,819</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,226,144	\$ 793,818
Site restoration liability	41,346	33,357
Shareholders' Equity		
Capital Stock	18,192,746	18,192,746
Deficit	(2,834,038)	(3,004,102)
	<u>15,358,708</u>	<u>15,188,644</u>
	<u>\$ 16,626,198</u>	<u>\$ 16,015,819</u>

**Consolidated Statements  
of Income and Deficit**  
For the three month period ended  
March 31, 2000 and 1999

(Unaudited)

	2000	1999
<b>Revenue</b>		
Oil and gas	\$ 1,346,599	\$ 166,635
Royalties	(153,875)	(19,113)
	<u>1,192,724</u>	<u>147,522</u>
<b>Interest and other income</b>	<u>24,423</u>	<u>48,357</u>
	<u>1,217,147</u>	<u>195,879</u>
<b>Expenses</b>		
Operating	283,965	47,046
General and administrative	339,348	193,657
Depletion, depreciation and amortization	258,241	75,316
Petroleum and natural gas properties written off	-	19,461
	<u>881,554</u>	<u>335,480</u>
<b>Income (loss) for the period before income taxes</b>	335,593	(139,601)
Income taxes	165,529	-
<b>Income (loss) for the period</b>	170,064	(139,601)
<b>Deficit - Beginning of period</b>	3,004,102	1,805,510
<b>Deficit - End of period</b>	<u>\$ 2,834,038</u>	<u>\$ 1,945,111</u>
Income (loss) per common share	<u>\$ 0.01</u>	<u>\$ (0.01)</u>

**Consolidated Statements of  
Changes in Financial Position**  
For the three month period ended  
March 31, 2000 and 1999

(Unaudited)

	2000	1999
<b>Cash flows from operating activities</b>		
Income (loss) for the period	\$ 170,064	\$ (139,601)
Items not involving cash		
Depreciation, depletion and amortization	258,241	75,316
Petroleum and natural gas properties written off	-	19,461
	<u>428,305</u>	<u>(44,824)</u>
Changes in non-cash working capital	<u>(376,312)</u>	<u>(511,172)</u>
	<u>51,993</u>	<u>(555,996)</u>
<b>Cash flows from investing activities</b>		
Office equipment	(27,896)	(15,997)
Petroleum and natural gas properties	(78,468)	(688,734)
Proceeds from sale of producing properties	965,000	-
	<u>858,636</u>	<u>(704,731)</u>
<b>Increase (decrease) in cash and short-term deposits for the period</b>	910,629	(1,260,727)
<b>Cash and short-term deposits - Beginning of period</b>	2,380,082	5,103,293
<b>Cash and short term deposits - End of period</b>	<u>\$ 3,290,711</u>	<u>\$ 3,842,566</u>



**ANTRIM**  
Energy Inc.

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**First Quarter Report  
for the 3 months ended  
March 31, 2000**

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