

Q2/01



Six Months Ending June 30, 2001



ANTRIM
ENERGY INC.

TSE: AEN

www.antrimenergy.com

MESSAGE TO SHAREHOLDERS

HIGHLIGHTS OF FIRST SIX MONTHS

- Year to date capital expenditure program of \$2.3 million
- New Zealand drilling success with Kauri wildcat
- Working capital of \$2.0 million
- Successful \$5.9 million equity financing subsequent to end of second quarter

OVERVIEW OF ACTIVITIES

Antrim is pleased to report that during the second quarter of 2001, the Company continued its successful drilling program in New Zealand with the casing of the Kauri A-1 exploration well in preparation for later testing. Our New Zealand exploration and development program has continued beyond the end of the second quarter. These activities include the commencement of drilling in mid August of the seventh well (Rimu B-3) on the Rimu-Kauri structural trend, preparation for the anticipated drilling in September of the Kauri A-2 well to evaluate the shallow oil accumulation discovered by the Kauri A-1 well and the planned testing of the Tariki and Kauri sandstones in the Kauri A-1 well.

The Company's operations in Argentina also continued, but with slightly decreased oil volumes due to delay in capital expenditures during the second quarter. Subsequent to the end of the quarter, Antrim spudded a 3,500 metre development well (Puesto Guardian #1001) in the Puesto Guardian Field. This infill well is expected to reach total depth by the end of September 2001 and if successful will be immediately placed on production.

Our exploration program in North Africa is on hold waiting for drilling equipment, which is in high demand in the region.

New Zealand

One exploration well, Kauri A-1, was drilled to a total depth of 4,500 metres as a five kilometre step-out to the proven Rimu oil trend (PEP 38719 – Antrim 5% working interest). Four hydrocarbon-bearing intervals were encountered which have yet to be tested. A shallow oil-bearing zone of approximately 17 metres gross thickness encountered at a depth of 1,142 metres will be the subject of a shallow appraisal well (Kauri A-2) which is expected to spud September 2001. Kauri A-1 also penetrated a gross interval of approximately 266 metres of oil shows over the depth interval 2,888 to 3,154 metres in the Kauri sandstones. Shows were also reported in the Tariki Sandstone and Rimu Limestone intervals at depths of 3,397 metres and 3,441 metres respectively. Testing of these intervals will take place after the drilling of the shallow Kauri A-2 well.

On the Rimu "A" pad, additional testing of the Rimu A-1 well commenced in June and was ongoing throughout the remainder of the quarter with the well flowing at an average daily rate of approximately 825 bopd and 2.7 MMcfd of natural gas. Preliminary testing operations also commenced on the Rimu A-3 well. Additional completion operations were also conducted on the Rimu "B" pad wells (Rimu B-1 and Rimu B-2) in preparation for additional flow tests during the third quarter.

Construction of the Rimu Production Facilities continued during the second quarter and is currently on schedule and budget. These facilities are designed to process 3,500 bopd and 10 MMcfd of natural gas and are expected to be operational before year-end 2001.

ANTRIM ENERGY INC.
INTERIM FINANCIAL REPORT
SECOND QUARTER 2001
Six Months Ending June 30, 2001

Argentina

Oil production from the Puesto Guardian Field (Antrim 40% working interest) in the second quarter of 2001 continued at the rate of 333 bopd, equivalent to the comparable period in 2000. New field operations originally planned to commence in April 2001 were delayed due to the lack of timely joint venture approvals. However, subsequent to the reporting period end, the Puesto Guardian #1001 development well commenced drilling to a planned total depth of 3,500 metres. Its successful completion is expected to add additional oil production during the fourth quarter 2001.


Tunisia

The deepening of the Chott Fejaj #3 well (Antrim 34.286% working interest) remains delayed due to late receipt of drilling equipment. The Chott Fejaj #3

well was previously drilled, cased and suspended in December 1998 at a depth of 3,532 metres, which is 700 metres above the primary Paleozoic reservoir objectives. The Paleozoic reservoirs targeted by Chott Fejaj #3 are among the most prolific hydrocarbon-bearing reservoirs in North Africa.

Corporate

In August 2001 a successful private placement closed that resulted in the Company receiving gross proceeds of \$5.9 million.



Stephen Greer

Chairman and CEO

August 23, 2001

MANAGEMENT'S DISCUSSION OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

Financial Position

As at June 30, 2001 the Company had working capital of approximately \$2.0 million as compared to \$4.0 million at fiscal 2000 year-end. This \$2.0 million decrease in working capital is primarily attributable to the Company's expanded drilling and completion program in New Zealand. On August 16, 2001 the Company closed a private placement financing whereby 4,715,000 Special Warrants were issued at a price of \$1.25 per Special Warrant for gross proceeds of \$5.9 million. Working capital after taking into consideration the net proceeds of this financing is expected to be approximately \$7.3 million and will be sufficient to fund the Company's expenditure requirements for the remainder of fiscal 2001.

Results of Operations

Cash flow from operations for the six months ended June 30, 2001 was \$223,352 as compared to \$516,776 for the comparable period in fiscal 2000. The Company had a net loss of \$262,537 compared to net earnings of \$73,169 for the six month period ended June 30, 2001 and June 30, 2000 respectively. Reductions in cash flow and earnings are primarily a result of increases to operating costs and current income taxes in Argentina. Operating cost increases occurred due to mechanical well problems in the Czech Republic and sole risk efforts in Argentina. On a consolidated basis, the Company experiences relatively high rates of income tax due to the inability to offset income from Argentina with costs incurred in other jurisdictions. Commencement of the August 2001 drilling program in Argentina will result in capital expenditures and provide some relief to this taxable situation.

The Company produced an average of 350 boepd for the six month period ended June 30, 2001 resulting in revenue of \$2.4 million. Anticipated oil production increases from New Zealand and Argentina should result in increased revenue during the last two quarters of fiscal 2001.

ANTRIM ENERGY INC.
INTERIM FINANCIAL REPORT
SECOND QUARTER 2001
Six Months Ending June 30, 2001

CONSOLIDATED BALANCE SHEETS

As at June 30, 2001 and December 31, 2000

	June 30 2001 <u>(Unaudited)</u>	December 31 2000 <u>(Audited)</u>
Assets		
Current assets		
Cash and short-term deposits	\$ 1,805,539	\$ 4,169,007
Accounts receivable	1,131,932	1,523,187
Inventories and other	<u>245,747</u>	<u>184,138</u>
	3,183,218	5,876,332
Petroleum and natural gas properties	14,771,039	12,998,824
Office equipment	<u>135,316</u>	<u>134,262</u>
	<u>\$ 18,089,573</u>	<u>\$ 19,009,418</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	<u>\$ 1,219,697</u>	<u>\$ 1,881,369</u>
Future income taxes	<u>2,440,726</u>	<u>2,473,353</u>
Site restoration liability	<u>68,417</u>	<u>36,826</u>
Shareholders' Equity		
Capital Stock	20,239,580	20,234,180
Deficit	<u>(5,878,847)</u>	<u>(5,616,310)</u>
	<u>14,360,733</u>	<u>14,617,870</u>
	<u>\$ 18,089,573</u>	<u>\$ 19,009,418</u>

ANTRIM ENERGY INC.
INTERIM FINANCIAL REPORT
SECOND QUARTER 2001
Six Months Ending June 30, 2001

CONSOLIDATED STATEMENTS OF INCOME AND DEFICIT

For the periods ended June 30, 2001 and 2000

(Unaudited)

	Three months ended June 30		Six months ended June 30	
	2001	2000	2001	2000
Revenue				
Oil and gas	\$ 1,131,636	\$ 1,246,981	\$ 2,428,155	\$ 2,593,580
Royalties	(129,283)	(147,679)	(308,753)	(301,554)
	<u>1,002,353</u>	<u>1,099,302</u>	<u>2,119,402</u>	<u>2,292,026</u>
Interest and other income	<u>74,624</u>	<u>22,545</u>	<u>103,668</u>	<u>46,968</u>
	<u>1,076,977</u>	<u>1,121,847</u>	<u>2,223,070</u>	<u>2,338,994</u>
Expenses				
Operating	318,623	267,462	704,617	551,427
General and administrative	548,987	570,109	946,987	909,457
Depletion and depreciation	246,014	214,171	518,516	472,412
Foreign exchange losses (gains)	59,549	-	(39,380)	-
	<u>1,173,173</u>	<u>1,051,742</u>	<u>2,130,740</u>	<u>1,933,296</u>
Earnings (loss) for the period before income taxes	<u>(96,196)</u>	<u>70,105</u>	<u>92,330</u>	<u>405,698</u>
Income taxes				
Current	207,999	180,723	387,494	361,334
Future (recovery)	(17,500)	(13,723)	(32,627)	(28,805)
	<u>190,499</u>	<u>167,000</u>	<u>354,867</u>	<u>332,529</u>
Earnings (loss) for the period	<u>(286,695)</u>	<u>(96,895)</u>	<u>(262,537)</u>	<u>73,169</u>
Deficit - beginning of period	<u>5,592,152</u>	<u>2,834,038</u>	<u>5,616,310</u>	<u>3,004,102</u>
Deficit - end of period	<u>\$ 5,878,847</u>	<u>\$ 2,930,933</u>	<u>\$ 5,878,847</u>	<u>\$ 2,930,933</u>
Earnings (loss) per common share	<u>\$ (0.02)</u>	<u>\$ -</u>	<u>\$ (0.02)</u>	<u>\$ 0.01</u>

ANTRIM ENERGY INC.
INTERIM FINANCIAL REPORT
SECOND QUARTER 2001
Six Months Ending June 30, 2001

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

For the periods ended June 30, 2001 and 2000

(Unaudited)

	Three months ended June 30		Six months ended June 30	
	2001	2000	2001	2000
Cash flows from operating activities				
Earnings (loss) for the period	\$ (286,695)	\$ (96,895)	\$ (262,537)	\$ 73,169
Items not involving cash				
Depletion and depreciation	246,014	214,171	518,516	472,412
Future income taxes	(17,500)	(15,082)	(32,627)	(28,805)
	<u>(58,181)</u>	<u>102,194</u>	<u>223,352</u>	<u>516,776</u>
Changes in non-cash working capital	<u>(580,790)</u>	<u>(33,708)</u>	<u>(332,026)</u>	<u>(396,297)</u>
	<u>(638,971)</u>	<u>68,486</u>	<u>(108,674)</u>	<u>120,479</u>
Cash flows from financing activities				
Issue of common shares	5,400	14,400	205,400	14,400
Loan receivable	-	-	(200,000)	-
	<u>5,400</u>	<u>14,400</u>	<u>5,400</u>	<u>14,400</u>
Cash flows from investing activities				
Office equipment	(2,687)	(2,769)	(21,444)	(30,665)
Petroleum and natural gas properties	(936,359)	(667,906)	(2,284,801)	(746,374)
Proceeds from sale of petroleum and natural gas properties	46,051	-	46,051	965,000
	<u>(892,995)</u>	<u>(670,675)</u>	<u>(2,260,194)</u>	<u>187,961</u>
Increase (decrease) in cash and short-term deposits for the period	<u>(1,526,566)</u>	<u>(587,789)</u>	<u>(2,363,468)</u>	<u>322,840</u>
Cash and short-term deposits - beginning of period	<u>3,332,105</u>	<u>3,290,711</u>	<u>4,169,007</u>	<u>2,380,082</u>
Cash and short term deposits - end of period	<u>\$ 1,805,539</u>	<u>\$ 2,702,922</u>	<u>\$ 1,805,539</u>	<u>\$ 2,702,922</u>

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(1) Basis of presentation

These unaudited interim financial statements have been prepared by management in accordance with generally accepted accounting principles and are consistent with those used in the audited financial statements as at and for the year ended December 31, 2000, except as outlined in note (2). The unaudited interim financial statements should be read in conjunction with the audited financial statements as at and for the year ended December 31, 2000.

(2) Changes in accounting policies

The Company has adopted the CICA Handbook Section 3500 recommendations that require the application of the treasury stock method for calculation of earnings per share. The application of these new recommendations has no significant impact on comparative earnings per share.

(3) Share capital

Authorized

Unlimited number of Common Shares and Preferred Shares.

<i>Common Shares Issued</i>	<u>Number</u>	<u>Amount</u>
Balance December 31, 2000	14,972,700	\$ 20,234,180
Issued pursuant to employee purchase	222,222	200,000
Employee share purchase loan receivable	-	(200,000)
Issued pursuant to stock options	<u>7,500</u>	<u>5,400</u>
	<u>15,202,422</u>	<u>\$ 20,239,580</u>

Options

Pursuant to the Company's stock option plan as at June 30, 2001 there are 1,172,000 options outstanding to purchase Common Shares at prices ranging from \$0.62 to \$1.30 per share. Subsequent to June 30, 2001 the Company issued an additional 159,000 options with exercise prices ranging from \$1.22 to \$1.26 per share.

Warrants

Pursuant to the Company's December 1, 2000 rights issue as at June 30, 2001 there are 1,069,476 share purchase warrants outstanding. Each share purchase warrant expires on November 30, 2001 and entitles the holder thereof to purchase one Common Share at a price of \$1.50 per share.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
 (Unaudited)

(4) Segmented information

	Argentina	New Zealand	Other	Total
<i>Revenue</i>				
Three months ended June 30, 2001	\$ 1,131,636	\$ -	-	\$ 1,131,636
Three months ended June 30, 2000	\$ 1,143,069	\$ -	\$ 103,912	\$ 1,246,981
Six months ended June 30, 2001	\$ 2,343,038	\$ -	\$ 85,117	\$ 2,428,155
Six months ended June 30, 2000	\$ 2,226,724	\$ -	\$ 366,856	\$ 2,593,580
<i>Identifiable Assets</i>				
At June 30, 2001	\$ 6,346,534	\$ 4,081,812	\$ 7,661,226	\$ 18,089,572
At December 31, 2000	\$ 6,774,107	\$ 2,929,872	\$ 9,305,439	\$ 19,009,418

(5) Subsequent event

On August 16, 2001 the Company issued 4,715,000 Special Warrants at a price of \$1.25 per Special Warrant for gross proceeds of \$5,893,750. Each Special Warrant entitles the holder thereof to acquire for no additional consideration one Common Share and one-half of one common share purchase warrant ("Warrant"). Each whole Warrant expires on August 16, 2002 and entitles the holder thereof to acquire one Common Share at a price of \$1.50 per Common Share. On August 16, 2001 the Company also issued 471,500 Compensation Warrants. Each Compensation Warrant entitles the holder thereof to acquire for no additional consideration one Compensation Option. Each Compensation Option expires on August 16, 2002 and is exercisable upon payment of \$1.25 which will entitle the holder thereof to acquire one Common Share and one-half of one Warrant.

CORPORATE INFORMATION

DIRECTORS

John Brussa 1

Partner, Burnet, Duckworth & Palmer

Stephen Greer 2

Chairman and Chief Executive Officer
Antrim Energy Inc.

V. Neill Martin 2,3

Principal, D&S International Consultants Ltd.

Murray Nunns 1,2,3

Executive Vice President and Chief Operating
Officer, Rio Alto Exploration Ltd.

Dick Walls 1,3

President, Canadian Midstream Services Ltd.

(1) *Member of the Audit Committee*

(2) *Member of the Compensation Committee*

(3) *Member of Reserves Committee*

OFFICERS

Stephen Greer, M.Sc. (Geology)
Chief Executive Officer

Keith Skipper, M.Sc. (Geology)
Executive Vice President

Randal Matkaluk, C.A.
Chief Financial Officer

Dwayne Warkentin
Vice President, Operations

INTERNATIONAL SUBSIDIARIES

Antrim Energy Ltd.

Antrim Resources (N.I.) Limited

Antrim Oil and Gas Limited

Antrim Resources (Tanzania) Limited

Beheer-en Beleggingsmaatschappij Beklazo b.v.

Unimaster s.r.o.

Spartan Resources (Ireland) Ltd.

Netherfield Corporation

Netherfield Resources Limited

Antrim Energy Australia Pty Limited

ARGENTINA OFFICE

Av. Rivadavia 1523, Piso 10 "E"

1033 Buenos Aires, Argentina

Tel: 54 11 4384-6162

Fax: 54 11 4384-6119

LEGAL COUNSEL

Burnet, Duckworth & Palmer

Calgary, Alberta

BANKERS

Toronto-Dominion Bank of Canada

AUDITORS

PricewaterhouseCoopers LLP

Calgary, Alberta

INDEPENDENT ENGINEERS

McDaniel & Associates Consultants Ltd.

REGISTRAR AND TRANSFER AGENT

Inquiries regarding change of address, registered
shareholdings, stock transfers or lost certificates
should be directed to:

CIBC Mellon Trust Company

Calgary, Alberta

STOCK EXCHANGE LISTING

The Toronto Stock Exchange

Trading Symbol: "aen" & "aen.wt"

CORPORATE HEADQUARTERS

ANTRIM ENERGY INC.

Suite 600, 603 - 7th Avenue S.W.

Calgary, Alberta T2P 2T5

Canada

Tel: 1 403 264-5111

Fax: 1 403 264-5113

Information: info@antrimenergy.com

Website: www.antrimenergy.com