ANTRIM ENERGY INC.

INTERIM FINANCIAL REPORT SECOND QUARTER 2002

SIX MONTHS ENDING JUNE 30, 2002

highlights of first six months

+ $10.2 million working capital at end of first-half
+ successful asset sale in New Zealand
+ increased production by 31% over corresponding period 2001
+ reactivated Pemba-Zanzibar licence in Tanzania
+ subcommittee of Board to examine future direction of Company

overview of activities

Antrim is pleased to report that the Company sold its interests in New Zealand during the first-half of 2002. The sale to Swift Energy Company for a share and cash consideration contributed over $6 million additional working capital to Antrim. The Company reports working capital of $10.2 million as at June 30, 2002.

First-half 2002 production averaged 458 boepd, an increase of 31% over the equivalent period in 2001. Current production is approximately 500 boepd.

In Tunisia, work continued to advance the drilling operations and a rig contract was signed to start the drilling program in the second-half of 2002.

New Zealand

The Company closed the sale of interests to Swift Energy Company in its two onshore Taranaki permits, which included the Rimu and Kauri oil discoveries (PEP 38719, Antrim 5% working interest) and the Huinga prospect (PEP 38716, Antrim 7.5% working interest). Total consideration comprised 220,000 common shares of Swift and a cash component of approximately $820,000. The 220,000 common shares of Swift were sold during the second-quarter for cash proceeds of $6.1 million.

Argentina

Oil production from the Puesto Guardian field (Antrim 40% working interest) in the first-half of 2002 was 438 bopd, an increase of 30% over the comparable period in 2001. The Puesto Guardian #1001 well has produced a cumulative 100,000 barrels of oil from completion in November 2001 to the end of July and is currently producing over 450 bopd (180 bopd net). Following field pressure surveys and a consequent short-term decline in production in May and June 2002, field production has increased and averaged 1,150 bopd (460 bopd net) during July and August.

Netbacks in Argentina have been positively impacted by reduced operating costs per barrel resulting from the devaluation of the Argentine currency and higher production levels.

Tunisia

A drilling rig, which was contracted to deepen the Chott Fejaj #3 well (Antrim 34.286% working interest), is expected to commence drilling operations during the fourth-quarter 2002. Site preparation will commence in September 2002. Antrim is a member of a drilling consortium which imported the rig into Tunisia. Mobilization costs have been paid and the rig is presently drilling for one of the consortium members.

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 well deepening will test a very large prospect located in the Melrhir basin of central Tunisia. The Paleozoic reservoirs targeted by Chott Fejaj #3 are among the most prolific hydrocarbon-bearing reservoirs in North Africa.

The Company has negotiated an option with a third party to farm out a portion of Antrim's interest in this prospect and, in this regard, has received a Cdn$150,000 non-refundable deposit.

Tanzania

Exploration activities commenced on the Pemba-Zanzibar Production Sharing Agreement (PSA), in which Antrim has a 100% working interest, after force majeure was lifted effective April 19, 2002. The PSA is now in its first year of a four-year term. The original PSA was awarded to Antrim on the basis that it would acquire seismic and drill a well during the four-year exploration period at a committed cost of US$7.5 million.

The licence area covered by the Pemba-Zanzibar PSA includes Pemba Island where Antrim has identified an active oil seep and previously drilled oil shows. The Company has mapped structural leads and prospects which can be accessed by onshore drilling.

Australia

A number of prospects and leads occur along an 80-kilometre trend over the area of Antrim's permits (WA-306-P and WA-307-P; Antrim 37.5% working interest and operatorship). Evidence of an active hydrocarbon system includes a down-dip oil source, natural oil slicks and oil shows in breached traps up-dip.

Galapagos (formerly Causeway) is a drillable prospect on WA-306-P that is defined by a grid of closely spaced seismic data. Galapagos is a 4,000-acre structural closure at the primary reservoir level (Jurassic sandstone). Additional prospects with similar reservoir objectives have also been defined at Galapagos South and Shark (WA-307-P).

Antrim will acquire 1,000 kilometres of new seismic before the end of the first-half 2003. This program is planned as soon as a suitable marine seismic survey vessel is available.

corporate

In June 2002, a special subcommittee of the Board was established to examine the various strategic options available to Antrim given the Company's financial strength and its ability to fund its future work commitments.

management's discussion and analysis

Financial Position

As at June 30, 2002 the Company had working capital of $10.2 million compared to $4.2 million at fiscal 2001 year-end. This $6.0 million increase in working capital is primarily attributable to the March 18, 2002 disposition of the Company's entire interest in its New Zealand assets to Swift Energy Company, a public company listed on the New York Stock Exchange. Total consideration for the sale was approximately $7.5 million, comprised of 220,000 common shares of Swift and a cash component of approximately $820,000. This transaction, including the second-quarter 100% monetization of the Swift share position, resulted in a net gain to Antrim of approximately $2.2 million. The profitable exit from New Zealand has considerably strengthened the financial position of the Company and provides increased financial flexibility to fund Antrim's existing expenditure commitments.

Results of Operations

The Company had net income of $1,557,485 for the six-month period ended June 30, 2002 versus a net loss of $262,537 in the corresponding period in fiscal 2001. Net income in the first-half of 2002 included a first-quarter 2002 gain on disposition of petroleum and natural gas properties in the amount of $2,769,484 and a second-quarter 2002 $539,229 loss on disposition of marketable securities, both of which related to Antrim's exit from New Zealand and resulted in a cumulative transaction gain of $2,230,255.

Cash flow from operations for the six months ended June 30, 2002 produced a deficiency in the amount of $43,026 versus a surplus of $223,352 for the comparable period in fiscal 2001. Cash flow was negatively impacted by foreign exchange losses in the amount of $594,323, which resulted mainly from currency devaluation issues in Argentina combined with a weaker U.S. dollar relative to the Canadian dollar. General and administrative costs in the first-half of 2002 decreased by 22% to $740,478, compared to costs of $946,987 incurred in the corresponding period in 2001.

The Company produced an average of 458 boepd for the six-month period ended June 30, 2002 resulting in revenue of $2.6 million. This compares to 350 boepd and $2.4 million in the corresponding period in fiscal 2001.

Oil production in Argentina in the first-half of 2002 amounted to 438 bopd and resulted in revenue of $2,480,905 ($31.29 per barrel) versus the 2001 first-half amount of 336 bopd and $2,343,038 ($38.57 per barrel). Natural gas production from a gas well in the Czech Republic in the first six months of 2002 was 118 mcfd and resulted in revenue of $120,218 ($5.62 per mcf), compared to 89 mcfd and $85,117 ($5.28 per mcf) for the six-month period ended June 30, 2001.

Operating costs for the six-month period ended June 30, 2002 were $553,167 ($6.68 per boe) versus $704,617 ($11.11 per boe) for the comparable period in 2001. This 40% decrease in per boe operating costs is significant and was primarily caused by the devaluation of the Argentine currency. Antrim's pre-tax netback for the six months ended June 30, 2002 was $20.94 per boe compared to $22.31 per boe in the corresponding period in fiscal 2001.

Stephen Greer
Chairman and CEO

August 23, 2002

consolidated balance sheets

As at June 30, 2002 and December 31, 2001
(Unaudited)

	June 30, 2002 **$**	December 31, 2001 $
ASSETS		
Current assets		
Cash and short-term deposits	**9,895,736**	4,876,086
Accounts receivable	**1,017,291**	1,471,769
Inventories and other	**151,170**	235,349
	11,064,197	6,583,204
Petroleum and natural gas properties	**9,478,654**	13,807,184
Office equipment	**105,641**	116,063
	20,648,492	20,506,451
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**909,146**	2,401,949
Future income taxes	**1,371,669**	1,371,669
Site restoration provision	**144,900**	101,608
	2,425,715	3,875,226
SHAREHOLDERS' EQUITY		
Capital stock	**25,520,132**	25,486,065
Deficit	**(7,297,355)**	(8,854,840)
	18,222,777	16,631,225
	20,648,492	20,506,451

See accompanying notes to financial statements.

consolidated statements of income and deficit

For the periods ended June 30, 2002 and 2001
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2002	2001	**2002**	2001
	$	$	**$**	$
Revenue				
Oil and gas	**1,540,215**	1,131,636	**2,601,123**	2,428,155
Royalties	**(201,671)**	(129,283)	**(312,829)**	(308,753)
	1,338,544	1,002,353	**2,288,294**	2,119,402
Interest and other income	**30,789**	74,624	**57,261**	103,668
	1,369,333	1,076,977	**2,345,555**	2,223,070
Expenses				
Operating	**328,899**	318,623	**553,167**	704,617
General and administrative	**401,247**	548,987	**740,478**	946,987
Depletion and depreciation	**304,430**	246,014	**629,744**	518,516
Foreign exchange losses (gains)	**418,642**	59,549	**594,323**	(39,380)
	1,453,218	1,173,173	**2,517,712**	2,130,740
Income (loss) before below noted dispositions and income taxes	**(83,885)**	(96,196)	**(172,157)**	92,330
Gain on disposition of petroleum and natural gas properties	**–**	–	**2,769,484**	–
Loss on disposition of marketable securities	**(539,229)**	–	**(539,229)**	–
Income (loss) for the period before income taxes	**(623,114)**	(96,196)	**2,058,098**	92,330
Income taxes				
Current	**441,113**	207,999	**500,613**	387,494
Future (recovery)	**–**	(17,500)	**–**	(32,627)
	441,113	190,499	**500,613**	354,867
Net income (loss)	**(1,064,227)**	(286,695)	**1,557,485**	(262,537)
Deficit – Beginning of period	**(6,233,128)**	(5,592,152)	**(8,854,840)**	(5,616,310)
Deficit – End of period	**(7,297,355)**	(5,878,847)	**(7,297,355)**	(5,878,847)
Net income (loss) per common share	**(0.05)**	(0.02)	**0.08**	(0.02)

See accompanying notes to financial statements.

consolidated statements of cash flows

For the periods ended June 30, 2002 and 2001
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2002	2001	**2002**	2001
	$	$	**$**	$
Cash provided by (used) in:				
Operating activities				
Income (loss) for the period	**(1,064,227)**	(286,695)	**1,557,485**	(262,537)
Items not involving cash				
Depletion and depreciation	**304,430**	246,014	**629,744**	518,516
Future income taxes	**–**	(17,500)	**–**	(32,627)
Gain on disposition of petroleum and natural gas properties	–	–	**(2,769,484)**	–
Loss on disposition of marketable securities	**539,229**	–	**539,229**	–
	(220,568)	(58,181)	**(43,026)**	223,352
Change in non-cash working capital items	**235,009**	(580,790)	**(937,113)**	(332,026)
	14,441	(638,971)	**(980,139)**	(108,674)
Financing activities				
Issue of common shares	**7,684**	5,400	**17,034**	205,400
Loan receivable	**–**	–	**–**	(200,000)
	7,684	5,400	**17,034**	5,400
Investing activities				
Office equipment	**(4,522)**	(2,687)	**(6,679)**	(21,444)
Petroleum and natural gas properties	**(278,294)**	(936,359)	**(908,749)**	(2,284,801)
Proceeds from sale of properties	**–**	46,051	**822,844**	46,051
Proceeds from disposition of marketable securities	**6,075,339**	–	**6,075,339**	–
	5,792,523	(892,995)	**5,982,755**	(2,260,194)
Increase (decrease) in cash and short-term deposits for the period	**5,814,648**	(1,526,566)	**5,019,650**	(2,363,468)
Cash and short-term deposits – Beginning of period	**4,081,088**	3,332,105	**4,876,086**	4,169,007
Cash and short term deposits – End of period	**9,895,736**	1,805,539	**9,895,736**	1,805,539

See accompanying notes to financial statements.

notes to interim consolidated financial statements

June 30, 2002
(Unaudited)

1 Basis of presentation

These unaudited interim financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and are consistent with those used in the audited financial statements as at and for the year ended December 31, 2001. The unaudited interim financial statements should be read in conjunction with the audited financial statements as at and for the year ended December 31, 2001.

2 Petroleum and natural gas properties

	June 30, 2002 **$**	December 31, 2001 $
Australia	**391,081**	339,965
Tanzania	**968,316**	948,674
New Zealand	–	4,667,928
Argentina	**9,631,730**	8,995,217
Tunisia	**1,647,263**	1,550,846
United Kingdom	**1,781,493**	1,770,547
Czech Republic	**1,935,771**	1,841,656
	16,355,654	20,114,833
Accumulated depletion and depreciation	**(6,877,000)**	(6,307,649)
	9,478,654	13,807,184

3 Capital stock

Authorized

Unlimited number of common shares and preferred shares

Common shares issued

	Number of shares	Amount $
Balance – December 31, 2001	19,965,283	25,486,065
Issued pursuant to employee share ownership plan	47,689	34,067
Balance – June 30, 2002	**20,012,972**	**25,520,132**

Options

Pursuant to the Company's stock option plan as at June 30, 2002 there were 1,281,000 options outstanding to purchase common shares at prices ranging from $0.72 to $1.30 per share.

Warrants

Pursuant to the Company's August 16, 2002 special warrants issue as at June 30, 2002 there were 2,357,500 common share purchase warrants ("Warrants") and 471,500 compensation warrants outstanding. Each Warrant expires on August 16, 2002 and entitles the holder thereof to acquire one common share at a price of $1.50 per share. 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. Subsequent to June 30, 2002 no such Warrants or compensation options were exercised and all expired on August 16, 2002.

4 Segmented information

	Argentina $	Czech Republic $	Other $	Total $
Revenue				
Three months ended June 30, 2002	1,469,048	71,167	–	1,540,215
Three months ended June 30, 2001	1,131,636	–	–	1,131,636
Six months ended June 30, 2002	2,480,905	120,218	–	2,601,123
Six months ended June 30, 2001	2,343,038	85,117	–	2,428,155
Identifiable Assets				
At June 30, 2002	4,759,695	2,206,366	13,682,431	20,648,492
At December 31, 2001	5,253,249	1,969,753	13,283,449	20,506,451

5 Gain on disposition of petroleum and natural gas properties

On March 18, 2002 the Company disposed of the entire interest in its New Zealand assets to Swift Energy Company (“Swift“), a public company listed on the New York Stock Exchange, for total consideration of approximately $7.5 million comprised of 220,000 common shares of Swift and a cash component of approximately $820,000. This resulted in a gain to the Company of approximately $2.8 million.

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]
President and Chief Executive Officer
Crispin Energy Inc.

Dick Walls [1, 3]
President, Fairborne Energy Inc.

(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 J. Matkaluk, C.A.
Chief Financial Officer

Dwayne Warkentin
Vice President, Operations

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INTERNATIONAL SUBSIDIARIES

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Antrim Oil and Gas Limited
Antrim Resources (Tanzania) Limited
Beheer-en Beleggingsmaatschappij Beklazo B.V.
Unimaster s.r.o
Netherfield Corporation
Netherfield Resources Limited
Antrim Energy Australia Pty Limited

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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"