05
Quarterly Report

Interim Financial Report Second Quarter 2005

SIX MONTHS ENDED JUNE 30, 2005

HIGHLIGHTS:

- Successful production acquisition in Argentina
- 54% increase in revenues over the comparable period in 2004
- 93% increase in production over the comparable period in 2004
- Acquisitions and strategic farm-outs in the UK North Sea
- Preparation for 2005 UK North Sea drilling program completed

Antrim is pleased to report a full quarter's operating results from its acquisition in the first quarter of 2005 of an interest in several oil and gas fields in Tierra del Fuego, Argentina. The acquisition, together with existing production from the Puesto Guardian field in Argentina, has provided the Company with a solid foundation from which it can develop and increase revenue from low risk properties while at the same time providing shareholders with well managed exposure to high impact exploration opportunities.

Through a series of acquisitions and farm-out transactions, the Company has now finalized plans for a four well exploration program in the UK North Sea in the second half of 2005 and first half of 2006. The Company expects to be carried at no cost through the drilling of the first two wells in the program. Drilling rigs for the first three wells in the program have been secured and drilling operations are to be conducted by well known and established UK North Sea operators.

FINANCIAL AND OPERATING RESULTS

Financial Results ($000's except per share amounts)

	Three Months Ended June 30,		*Six Months Ended June 30,*	
	2005	*2004*	***2005***	*2004*
Revenue	**2,812**	1,677	**5,034**	3,275
Cash flow from operations	**564**	215	**787**	654
Cash flow from operations per share	**0.01**	0.01	**0.02**	0.02
Net loss	**(597)**	(241)	**(947)**	(229)
Net loss per share	**(0.01)**	(0.01)	**(0.02)**	(0.01)
Working capital	**11,978**	14,921	**11,978**	14,921
Capital expenditures	**1,169**	718	**8,909**	1,177
Debt	–	–	–	–
Common Shares Outstanding (000's)				
End of period	**39,787**	31,403	**39,787**	31,403
Weighted average – basic	**39,619**	31,387	**39,553**	31,369
Weighted average – fully diluted	**40,612**	38,406	**40,546**	38,389
Production				
Oil, natural gas and NGL production (BOE per day)[1]	**1,038**	464	**902**	466

[1]The 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.

ANTRIM ENERGY INC.

Overview of Operations

Argentina – NorthWest Basin

Net oil production from the Puesto Guardian field in Argentina's NorthWest Basin in the first half of 2005 was 438 barrels of oil per day compared to 442 barrels of oil per day in the first half of 2004. In March 2005 Antrim commenced the first of a planned five well workover program on previously shut-in wells. Previous workover programs have been successful at increasing production at a modest capital cost. The success of Antrim's workover program in 2004 resulted in a 54% increase in proved producing reserves attributable to the Puesto Guardian field at the end of 2004.

In conjunction with its partners in the Puesto Guardian field and neighbouring Capricorn licence, Antrim is seeking to acquire additional seismic which would lead to the drilling of new wells on the blocks to add further production and reserves from the region.

Argentina – Tierra del Fuego

On February 14, 2005 Antrim completed the acquisition of a 25.78% working interest in three producing exploitation concessions and related processing facilities in the Tierra del Fuego region in southern Argentina. The concessions produce light crude oil, natural gas and natural gas liquids ("NGLs") and Antrim believes that the concessions have significant exploration and development potential. The cost of the acquisition was approximately $7.05 million (US$5.7 million) after closing adjustments, and was funded from existing working capital.

The concessions are located in a special economic zone to attract and secure economic activity. Fiscal terms include a 12% flat royalty and no corporate, export or value-added taxes apply. Oil and NGLs are sold at world market prices to domestic refineries or for export. Gas is sold to domestic buyers at low regulated prices ($0.50 – $0.80/mcf) which, as expected, have started to rise in the second half of 2005. Net oil production from the Tierra del Fuego concessions from February 14, 2005 to June 30, 2005 was 131 barrels of oil per day. Gas and NGL production was 2.4 million cubic feet per day and 51 barrels per day, respectively.

Immediately upon acquisition, Antrim and its partners commenced a comprehensive 3D seismic survey covering over 300 km^2 on the concessions. Information from the seismic survey is currently being reviewed.

United Kingdom – Southern Gas Basin

The Company expects drilling operations to commence in early September 2005, subject to regulatory and other approvals, on Antrim's UK North Sea Prometheus Prospect, Blocks 42/21 and 42/22 in the Southern Gas Basin. Centrica Resources Limited (Operator), a subsidiary of Centrica plc, has secured the Ensco 101 jackup rig to drill the exploratory well. The Prometheus Prospect will target the prolific Permian Leman Sandstone close to and on trend with the Ravenspurn gas fields that contain at least 1.6 Tcf initial recoverable gas reserves. The Prometheus well, which is expected to cost approximately £5.5 MM (Cdn. $12.0 MM), will be drilled to target depth at no cost to Antrim. Antrim's interest at the conclusion of the drilling operation will be 17.5%.

United Kingdom – Block 211/22a

Drilling operations on the Company's second well, "Clachnaben", in the northern sector of the UK North Sea are expected to commence in October 2005. The Clachnaben well will target the oil prone Jurassic Brent Sandstone in Block 211/22a adjacent to the Cormorant oil field and related export infrastructure. Dana Petroleum plc, the licence operator, has contracted the Bredford Dolphin semi-submersible drilling rig to drill the well. If drilling is successful, it is envisaged that a fast-track subsea tie-back development would be pursued jointly with the adjacent 211/22a-1 discovery which was drilled in 1977 and flowed 1,280 bpd of 31 degree API oil. At that time, the 211/22a-1 well was plugged and abandoned as being uneconomic. Under a farmout agreement with Dana, the Clachnaben well will be drilled to the target formation at no cost to the Company. Antrim's interest at the conclusion of the drilling operation will be 21%.

Under the agreement and following Dana's earning well, Antrim will increase its working interest from 75.79% to 79% in the southeast portion of the Block which includes the prospective Osprey Ridge area. A discovery well (211/22a-3) drilled in 1984 on this portion of the block tested oil at 5,512 barrels of oil per day from a Jurassic reservoir. Antrim intends to drill an exploration well on this portion of the Block in the first half of 2006.

United Kingdom – Block 21/15a

Antrim's third drilling operation in the UK North Sea, the "Bennachie" prospect, is also expected to commence in the 4th Quarter 2005. The Bennachie well, operated by Nexen Petroleum U.K. Limited, will target the Jurassic Fulmar Sandstone approximately 1.5 kms from the original Bennachie discovery well 21/15a-2 which tested high quality 39 degree API oil at a stabilized rate of 4,364 barrels per day and 2.67 MMcf/d of associated gas. Antrim will earn a 25% interest in the licence, including the original Bennachie discovery well. Gross drilling costs are expected to be approximately £7.7MM (Cdn. $16.7 MM).

United Kingdom – South Larne

In 2004, Antrim increased its working interest in the South Larne exploration licence in Northern Ireland from 37.5% to 42.86% at a nominal cost. In February 2005, Antrim farmed-out a portion of this licence reducing its interest in the licence to 33.33% in exchange for a cash payment of approximately $100,000.

Management's Discussion and Analysis

The following management discussion and analysis ("MD&A") should be read in conjunction with Antrim's unaudited consolidated financial statements for the six month period ended June 30, 2005 and Antrim's audited consolidated financial statements and MD&A for the year ended December 31, 2004. The calculations of barrels of oil equivalent ("BOE") are based on a conversion rate of six thousand cubic feet of natural gas to one barrel of oil. Unless otherwise stated, all dollar amounts are expressed in Canadian dollars.

This MD&A contains forward looking statements. Forward looking statements are based on current expectations that involve a number of risks, uncertainties and other factors which could cause actual events or results to differ materially from those reflected in the MD&A. Such risks, uncertainties and other factors include the uncertainties inherent in oil and gas exploration and development activities, the effect of actions by third parties, fluctuations in world oil prices and other risks detailed in the Company's Annual Report and Annual Information Form ("AIF"). Additional information relating to the Company including the Company's AIF is on SEDAR at www.sedar.com.

FINANCIAL AND OPERATING REVIEW

Oil, Gas and NGL Revenue

Oil, gas and NGL revenue increased to $5,033,818 in the six months ended June 30, 2005 compared to $3,275,202 for the six months ended June 30, 2004. Revenues increased following the acquisition effective February 14, 2005 of a 25.78% working interest in three producing exploitation concessions in Tierra del Fuego, Argentina. Average oil production in the period was 536 barrels of oil per day compared to 442 barrels for the comparable period in 2004. Average oil production following the Tierra del Fuego acquisition was 569 barrels of oil per day.

Oil prices averaged $44.94 per barrel compared to $38.86 per barrel for the comparable period in 2004. Oil production from both the Puesto Guardian and Tierra del Fuego Concessions is sold with reference to the price of West Texas Intermediate ("WTI") crude oil less a quality discount in the current period of approximately US$2.65 and US$4.85 per barrel, respectively. With respect to Puesto Guardian oil production, the Argentine government mandated in May and August 2004 that a regulated 10% discount on domestic oil sales be increased to 20% when the price of WTI crude oil is equal to US$36.00 per barrel to a high of approximately 30% when the price of WTI crude oil is equal to or greater than US$46.00 per barrel. Should WTI be less than US$36.00 per barrel, the mandated discount is now 14%. This discount does not apply to oil production from Tierra del Fuego and no duties are charged on oil exported from the Tierra del Fuego Concessions.

Average gas production in the period increased significantly to 1,962 mcf per day compared to 139 mcf per day for the comparable period in 2004. Average gas production following the Tierra del Fuego acquisition was 2,423 mcf per day. Gas production from the Tierra del Fuego Concession is sold to domestic residential and industrial consumers under fixed price contracts. There are no specific volume delivery commitments under the contracts. The price of gas sold to industrial consumers is expected to increase in 2005 from approximately US$0.64/Mcf in the first quarter of 2005 to over US$1.00/Mcf in the second half of 2005. The price of gas sold to residential consumers is not anticipated to increase in 2005 above the current price of US$0.36/Mcf. At present, approximately 74% of gas production is currently sold to residential consumers. In the coming year it is anticipated that more gas will be sold to industrial versus residential consumers.

Antrim had no NGL (propane and butane) production prior to the Tierra del Fuego acquisition. Average NGL production following the acquisition was 51 barrels per day. NGL production from the Tierra del Fuego Concession is both exported and sold domestically. No duties are charged on NGLs exported from the Concession. The average price received for export and domestic NGL sales is calculated each month based on the posted Mont Belvieu, Texas butane and propane price less a market discount of approximately US$6.30 and US$3.40 per barrel, respectively.

Netbacks

A change in Antrim's production mix from primarily oil to oil, natural gas and NGLs resulted in Antrim realizing a lower per unit netback of $18.00/BOE in the six months ended June 30, 2005 compared to a per unit netback of $24.87/BOE for the comparable period in 2004. The table below provides a comparative analysis of field netbacks for the six months ended June 30, 2005 and 2004.

	Three Months Ended June 30,		*Six Months Ended June 30,*	
	2005	*2004*	***2005***	*2004*
Wellhead price ($/BOE)	**29.78**	39.69	**30.85**	38.65
Royalties ($/BOE)	**(3.90)**	(6.31)	**(4.02)**	(5.48)
Operating expenses ($/BOE)	**(9.52)**	(6.87)	**(8.82)**	(8.30)
Netback ($/BOE)	**16.36**	26.51	**18.00**	24.87
Oil, natural gas and NGL production (BOE)	**94,422**	42,244	**163,195**	84,746

General and Administrative

General and administrative costs ("G&A") increased in the six month period ended June 30, 2005 to $1,604,122 compared to $971,916 for the six months ended June 30, 2004. G&A increased primarily due to acquisitions and an increase in related activity in Argentina and United Kingdom and certain non-recurring costs with respect to corporate staff changes.

Write-off of Impaired Assets

In May 2005 the Company received notice from its partner in permit WA-307-P on the NorthWest Shelf of Australia that it intended to withdraw from the permit. After review of technical data and consideration of the requirement to drill a mandatory exploration well at Antrim's sole expense to maintain the permit, the Company has elected to surrender the permit and continue to focus on increasing production in Argentina and high impact exploration drilling in the UK North Sea. As a result, the Company has recorded a write-down of all costs associated with the permit in the amount of $578,662. The Company continues to hold a significant interest in permit WA-306-P.

Cash Flow and Net Income

Antrim generated cash flow from operations in the six month period ended June 30, 2005 of $787,205 ($0.02 per share) compared to cash flow from operations of $653,924 ($0.02 per share) in the comparable period in 2004. Net loss in the first six months of 2005 was $946,515 ($0.02 per share) compared to a net loss of $228,637 ($0.01 per share) in 2004. Net loss increased due to the write-down in the second quarter of 2005 of costs related to permit WA-307-P in Australia.

Financial Resources and Liquidity

At June 30, 2005, Antrim had working capital of $11,977,706 (December 31, 2004 – $20,324,848) including cash of $8,476,200 (December 31, 2004 – $21,477,705) and no debt. Working capital decreased following the acquisition of the Tierra del Fuego concessions in February 2005 and the acquisition of additional working interests in the UK North Sea.

In 2005, the Company expects to participate in three wells to be drilled on its UK North Sea acreage, two of which are to be drilled at no additional cost to the Company. The success of these wells will determine the pace at which the Company and its joint venture partners drill additional wells on the Company's UK licences. In both Argentina and the United Kingdom the Company seeks to participate in additional exploration and development opportunities which offer significant working interests with low entry costs and established infrastructure. A significant acquisition of this nature or expanded drilling program would likely require raising additional equity and or debt financing.

Summary of Quarterly Results

($000's, except per share amounts)	*Oil, Gas and NGL Sales, Net of Royalties*	*Cash Flow from Operations*	*Net Income (Loss)*	*Net Income (Loss) Per Share – Basic and Diluted*
2005				
Second quarter	**2,444**	**564**	**(597)**	**(0.01)**
First quarter	**1,934**	**223**	**(350)**	**(0.01)**
Total	**4,378**	**787**	**(947)**	**(0.02)**
2004				
Fourth quarter	1,604	(424)	(4,313)	(0.12)
Third quarter	1,513	170	(1,044)	(0.03)
Second quarter	1,410	215	(241)	(0.01)
First quarter	1,401	439	12	0.00
Total	5,928	400	(5,586)	(0.16)
2003				
Fourth quarter	1,204	(84)	(978)	(0.05)
Third quarter	1,097	(6)	(201)	(0.01)
Second quarter	845	(468)	(681)	(0.03)
First quarter	1,311	346	(1,127)	(0.06)
Total	4,456	(211)	(2,987)	(0.14)

Cash flow from operations and cash flow from operations per share does not have a standard meaning under generally accepted accounting principles ("GAAP") and may not be comparable to that reported by other companies. Management believes that cash flow is a useful supplementary measure that may assist investors.

CRITICAL ACCOUNTING ESTIMATES

Preparing financial statements in accordance with GAAP requires management to make certain judgments and estimates. These estimates, which include the carrying amount of undeveloped petroleum and natural gas properties, are critical to many aspects of the Company's financial statements.

RELATED PARTY TRANSACTIONS

In the six months ended June 30, 2005, the Company incurred fees of $9,660 payable to a company controlled by a director of the Company for services related to acquisition activities in the United Kingdom, fees of $13,000 payable to a company controlled by a director of the Company for services related to acquisition activities in Argentina and fees of $36,664 payable to a law firm in which a director of the Company is a partner.

RECENTLY ISSUED CANADIAN ACCOUNTING STANDARDS

Effective January 1, 2005, CICA Accounting Guideline AcG-15 "Consolidation of Variable Interest Entities" was adopted by the Company. AcG-15 defines a variable interest entity ("VIE") as a legal entity in which either the total equity at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support provided by other parties or the equity owners lack a controlling financial interest. The guideline requires the enterprise which absorbs the majority of a VIE's expected gains or losses, the primary beneficiary, to consolidate the VIE.

The adoption of AcG-15 had no effect on the Company's financial position or results of operations.

[signed]

Stephen Greer
President and CEO

August 12, 2005

Review of Interim Financial Statements

National Instrument 51-102 Continuous Disclosure Requirements ("NI 51-102") sets out certain requirements for the financial statements of reporting issuers such as the Company. Under NI 51-102, the Company's interim financial statements need not be reviewed by an auditor. However, NI 51-102 does require that if the Company's interim financial statements have not been reviewed by an auditor, the interim financial statements be accompanied by notice to that effect.

As a result, the reader is advised that the accompanying interim financials statements of the Company have not been reviewed by an auditor. These financial statements have been prepared by and are the responsibility of the Company's management.

CONSOLIDATED BALANCE SHEETS

As at June 30, 2005 and December 31, 2004 (unaudited)

	2005	*2004*
ASSETS		
Current assets		
Cash and cash equivalents	$ 8,476,200	$ 21,477,705
Accounts receivable	3,504,287	3,489,087
Inventory and other	1,610,084	199,445
	13,590,571	25,166,237
Petroleum and natural gas properties *(note 2)*	17,562,433	9,791,904
Office equipment – net of accumulated amortization of $553,949 (2004 – $503,949)	128,633	165,767
Other assets *(note 3)*	737,113	–
Total Assets	$ 32,018,750	$ 35,123,908
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	1,345,014	4,163,522
Income taxes payable	267,851	677,867
	1,612,865	4,841,389
Future income taxes	33,838	33,838
Asset retirement obligation	603,558	284,882
	2,250,261	5,160,109
SHAREHOLDERS' EQUITY		
Share capital *(note 4)*	46,325,307	45,813,132
Contributed surplus	734,748	495,718
Deficit	(17,291,566)	(16,345,051)
	29,768,489	29,963,799
Total Liabilities and Shareholders' Equity	$ 32,018,750	$ 35,123,908

CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND DEFICIT

For the periods ended June 30, 2005 and 2004 (unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2005	2004	**2005**	2004
REVENUE				
Oil and gas sales	**$ 2,812,134**	$ 1,676,537	**$ 5,033,818**	$ 3,275,202
Royalties	**(367,908)**	(266,656)	**(655,242)**	(464,308)
	2,444,226	1,409,881	**4,378,576**	2,810,894
Interest and other income	**103,230**	51,273	**172,486**	120,000
	2,547,456	1,461,154	**4,551,062**	2,930,894
EXPENSES				
Operating	**898,539**	290,076	**1,439,306**	703,376
General and administrative	**817,367**	579,372	**1,604,122**	971,916
Stock based compensation	**105,820**	89,598	**239,030**	160,918
Depletion and depreciation	**460,960**	357,843	**885,606**	704,843
Accretion of asset retirement obligations	**15,300**	8,300	**30,422**	16,800
Foreign exchange loss (gain)	**95,784**	29,176	**107,942**	(15,289)
Write-off of impaired assets	**578,662**	–	**578,662**	–
	2,972,432	1,354,365	**4,885,090**	2,542,564
Income (loss) for the year before income taxes	**(424,976)**	106,789	**(334,028)**	388,330
Income taxes (recovery)				
Current	**171,652**	347,680	**612,487**	616,967
Future	**–**	–	**–**	–
	171,652	347,680	**612,487**	616,967
Net Income (Loss) for the Period	**(596,628)**	(240,891)	**(946,515)**	(228,637)
Deficit - Beginning of Period	**(16,694,938)**	(10,746,658)	**(16,345,051)**	(10,758,912)
Deficit - End of Period	**$ (17,291,566)**	$ (10,987,549)	**$ (17,291,566)**	$ (10,987,549)
Net Income (Loss) Per Common Share – Basic	**(0.01)**	(0.01)	**(0.02)**	(0.01)
Net Income (Loss) Per Common Share – Diluted	**(0.01)**	(0.01)	**(0.02)**	(0.01)

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the periods ended June 30, 2005 and 2004 (unaudited)

	Three months ended June 30, 2005	Three months ended June 30, 2004	Six months ended June 30, 2005	Six months ended June 30, 2004
OPERATING ACTIVITIES				
Net income (loss) for the period	$ **(596,628)**	$ (240,891)	$ **(946,515)**	$ (228,637)
Items not involving cash				
Depletion and depreciation	**460,960**	357,843	**885,606**	704,843
Write-off of impaired assets	**578,662**	–	**578,662**	–
Accretion of asset retirement obligations	**15,300**	8,300	**30,422**	16,800
Stock based compensation expense	**105,820**	89,598	**239,030**	160,918
Future income taxes	**–**	–	**–**	–
	564,114	214,850	**787,205**	653,924
Change in non-cash working capital items	**(3,085,623)**	(18,231)	**(4,568,194)**	(158,488)
	(2,521,509)	196,619	**(3,780,989)**	495,436
FINANCING ACTIVITIES				
Issue of common shares	**280,034**	11,000	**490,538**	79,054
Share issue costs	**–**	–	**–**	–
	280,034	11,000	**490,538**	79,054
INVESTING ACTIVITIES				
Office equipment	**(1,310)**	(8,343)	**(12,866)**	(22,958)
Petroleum and natural gas properties	**(1,167,372)**	(709,492)	**(8,896,543)**	(1,153,661)
Funds held in escrow	**–**	(4,318,523)	**–**	(4,318,523)
Other investments	**485,998**		**(737,113)**	–
Change in non-cash working capital items	**–**	53,296	**(64,532)**	56,559
	(682,684)	(4,983,062)	**(9,711,054)**	(5,438,583)
Net increase (decrease) in cash and cash equivalents	**(2,924,159)**	(4,775,443)	**(13,001,505)**	(4,864,093)
Cash and Short-term Deposits – Beginning of Period	**11,400,359**	15,047,425	**21,477,705**	15,136,075
Cash and Short-term Deposits – End of Period	$ **8,476,200**	$ 10,271,982	$ **8,476,200**	$ 10,271,982

Notes to Consolidated Financial Statements (unaudited)

(1) Basis of presentation

These unaudited interim financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. The unaudited interim financial statements should be read in conjunction with the audited financial statements as at and for the year ended December 31, 2004.

Certain prior period comparative figures have been reclassified to conform to the current period presentation.

(2) Petroleum and natural gas properties

			June 30, 2005
	Cost	Accumulated depletion and depreciation	Net book value
Australia	$ 4,111,145	$ 3,595,776	$ 515,369
Tanzania	1,204,255	1,204,255	–
Argentina	20,466,935	8,949,327	11,517,608
United Kingdom	5,447,966	761,561	4,686,405
Czech Republic	2,005,468	1,162,417	843,051
	$ 33,235,769	$ 15,673,336	$ 17,562,433

			December 31, 2004
	Cost	Accumulated depletion and depreciation	Net book value
Australia	$ 4,251,789	$ 3,017,114	$ 1,234,675
Tanzania	1,190,649	1,190,649	–
Argentina	12,212,945	8,174,327	4,038,618
United Kingdom	4,398,045	761,561	3,636,484
Czech Republic	1,997,544	1,115,417	882,127
	$ 24,050,972	$ 14,259,068	$ 9,791,904

In the period, the Company capitalized $651,813 (2004 - $436,715) of general and administrative costs related to exploration and development activity primarily in Argentina and United Kingdom.

(3) Other assets

In 2005, the Company provided a US$1.5 million interest bearing loan to the operator of Tierra del Fuego concessions secured by and to be repaid from production from the concessions. Monthly loan repayments by the operator are scheduled to commence in September 2005. The current portion of the loan is included in current assets under inventory and other assets.

(4) Capital stock

Authorized

Unlimited number of common voting shares
Unlimited number of preferred shares

Common Shares Issued

	Number of Shares	Amount $
Balance – December 31, 2004	39,486,863	45,813,132
Employee share ownership plan	32,654	43,275
Exercise of stock options	291,000	268,900
Repayment of share purchase loan	–	200,000
Shares returned to treasury	(23,750)	–
Balance – June 30, 2005	39,786,767	46,325,307

Options

Pursuant to the Company's stock option plan, as at June 30, 2005 there were 2,494,667 options outstanding to purchase Common Shares at prices ranging from $0.76 to $1.65 per share.

Warrants

In August 2004 the Company completed a private placement of 4,687,500 Units at a price of $1.60 per unit. Each Unit consisted of one common share and one-half common share purchase warrant. Each whole warrant entitled the holder thereof to acquire one common share at a price of $2.10 per common share prior to August 25, 2005. In July 2005, the Company announced that the expiry time of the warrants was to be extended to the earlier of January 24, 2006 and a triggered expiry date which is 30 days immediately following a period in which the ten day volume weighted average price of the Company's common shares on the TSX exceeds $2.50 per share. At June, 30, 2005 there were 2,343,751 warrants outstanding. The Company also issued pursuant to the private placement 468,750 Broker Warrants. Each Broker Warrant entitles the holder thereof to acquire one Unit at a price of $1.60 per Unit prior to August 25, 2005.

Stock-based Compensation Costs

On January 1, 2004 the Company adopted CICA Handbook Section 3870 "Stock Based Compensation and Other-Stock Based Payments". The standard requires the Company to measure all stock-based compensation using the fair value method of accounting and recognize the result as compensation expense in the financial statements. Stock-based compensation costs are recognized over the vesting period of the stock options granted. Stock-based compensation costs for the six month periods ended June 30, 2005 and 2004 was $239,030 and $160,918, respectively.

The fair value of each stock option granted during the quarter is estimated on the date of grant using the Black-Scholes option pricing model based on the following:

	Three Months Ended June 30,		*Six Months Ended June 30,*	
	2005	*2004*	***2005***	*2004*
Risk free interest rate	**4.5%**	4.5%	**4.5%**	4.5%
Expected life (years)	**4.75**	5.00	**5.00**	5.00
Expected volatility	**60.00%**	65.0%	**60.00%**	65.0%
Expected dividend yield	–	–	–	–

Per Share Information

The weighted average number of common shares outstanding during the six month period was 39,553,396 (2004 – 31,368,946). The fully diluted weighted average number of common shares outstanding during the six month period was 40,546,394 (2004 – 38,388,712).

(5) Segmented information

	Six Months Ended June 30, 2005		As at June 30, 2005
	Revenue	*Earnings (loss)*	*Identifiable assets*
Canada	–	(1,182,231)	8,502,691
Argentina	4,869,433	1,053,600	14,992,843
Australia	–	(583,267)	2,083,025
Czech Republic	164,385	(29,598)	1,359,197
New Zealand	–	(81)	5,452
Tanzania	–	(13,594)	647
United Kingdom	–	(191,344)	5,074,895
Total	5,033,818	(946,515)	32,018,750

	Six Months Ended June 30, 2004		As at June 30, 2004
	Revenue	*Earnings (loss)*	*Identifiable assets*
Canada	–	(899,994)	13,578,664
Argentina	3,128,856	667,881	5,958,662
Australia	–	(18,347)	2,164,892
Czech Republic	146,346	11,232	1,271,156
New Zealand	–	5,206	15,072
Tanzania	–	(182)	1,189,470
United Kingdom	–	5,567	1,647,533
Total	3,275,202	(228,637)	25,825,449

(6) Related party transactions

In the six months ended June 30, 2005, the Company incurred fees of $9,660 payable to a company controlled by a director of the Company for services related to acquisition activities in the United Kingdom, fees of $13,000 payable to a company controlled by a director of the Company for services related to acquisition activities in Argentina and fees of $36,664 payable to a law firm in which a director of the Company is a partner.

DIRECTORS

Stephen Greer
President and Chief Executive Officer,
Antrim Energy Inc.

V. Neill Martin [1,2,3]
Senior Partner,
D&S International Consultants Ltd.

Gerry Orbell
Chairman,
Antrim Energy Inc.

Jay Zammit [1,2]
Partner,
Burstall Winger LLP

Jim Perry[1,2,3]
President, CEO and Director,
Alternative Fuel Systems (2004) 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

Anthony J. Potter, C.A.
Chief Financial Officer and Corporate Secretary

Dwayne Warkentin
Chief Operating Officer

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INTERNATIONAL SUBSIDIARIES

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

LEGAL COUNSEL

Burstall Winger LLP
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"
The London Stock Exchange – Alternative Investment Market (AIM), Trading Symbol: "AEY"