05
Quarterly Report

Interim Financial Report Third Quarter 2005

NINE MONTHS ENDED SEPTEMBER 30, 2005

HIGHLIGHTS:

- 60% increase in revenues over the comparable period in 2004
- 97% increase in production over the comparable period in 2004
- Acquisitions and strategic farm-outs in the UK North Sea
- Commencement of 2005 UK North Sea and Argentina drilling program
- Completed $26 million financing

Antrim is pleased to report significant increases in revenue and production over the prior year and the commencement of its 2005 drilling program in the UK North Sea and Argentina.

In the UK North Sea, the Company has been carried through the cost of drilling the first well in its 2005 drilling program and expects to be carried for all or most of the cost of drilling of the second well in the program. Funds for drilling the Company's third well in the North Sea in 2005 and a planned fourth well in 2006 are in hand, following the completion in September 2005 of a $26 million equity financing.

Drilling in Argentina on the Tierra del Fuego concessions acquired in February 2005 has also commenced. This drilling program, undertaken in conjunction with the Company's partners in the concessions, is anticipated to provide the Company with consistent growth over the coming year.

FINANCIAL AND OPERATING RESULTS

	Three Months Ended September 30,		*Nine Months Ended September 30,*	
	2005	*2004*	***2005***	*2004*
Financial Results ($000's except per share amounts)				
Revenue	**2,989**	1,743	**8,023**	5,019
Cash flow from operations	**891**	170	**1,679**	824
Cash flow from operations per share	**0.02**	0.00	**0.04**	0.03
Net income (loss)	**188**	(1,045)	**(759)**	(1,273)
Net income (loss) per share	**0.00**	(0.03)	**(0.02)**	(0.04)
Working capital	**37,266**	23,536	**37,266**	23,536
Capital expenditures	**840**	1,365	**9,750**	2,541
Debt	**–**	–	**–**	–
Common Shares Outstanding (000's)				
End of period	**54,834**	38,573	**54,834**	38,573
Weighted average – basic	**41,191**	33,771	**40,105**	32,178
Weighted average – fully diluted	**43,563**	41,365	**42,478**	39,772
Production				
Oil, natural gas and NGL production (BOE per day)(1)	**1,007**	496	**937**	476

(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 nine months of 2005 was 433 barrels of oil per day compared to 453 barrels of oil per day in the first nine months of 2004.

In conjunction with its partners in the Puesto Guardian field and neighbouring Capricorn licence, Antrim plans to acquire additional seismic which would lead to the drilling of new wells 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 residential and industrial domestic buyers at low regulated prices. As expected, the price of gas sold to industrial buyers has increased during the year. This increase, combined with a change in sales mix towards industrial buyers, is expected to result in an increase in the average gas price received from the concessions to approximately US$1.00 Mcf by the end of the year. Net oil production to Antrim from the Tierra del Fuego concessions from February 14, 2005 to September 30, 2005 was 128 barrels of oil per day. Gas and NGL production was 2.4 million cubic feet per day and 48 barrels per day, respectively.

Immediately upon acquisition of the concessions, Antrim and its partners commenced a comprehensive 3D seismic survey covering over 300 km^2. In October 2005, based on the results of this survey, Antrim began drilling the first well of a planned 2005 four well drilling program. Additional drilling on the concessions is planned for 2006.

United Kingdom – Southern Gas Basin

In September 2005, drilling commenced on Antrim's UK North Sea Prometheus Prospect on Block 42/21 in the Southern Gas Basin. In October 2005, Antrim announced that hydrocarbons were not present in commercial quantities and that the well would be plugged and abandoned. The Prometheus well was drilled to target depth at no cost to Antrim. Antrim's interest in Blocks 42/21 and 42/22 is 17.5%.

United Kingdom – Block 211/22a and Block 211/23d

Drilling operations on the Company's second well, "Clachnaben", in the northern sector of the UK North Sea commenced in October 2005. The Clachnaben well is targeting 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.

Antrim has entered into a contractual arrangement to farm-out 100% of the cost of the well up to a gross cost of £5.75 million. Gross drilling costs are expected to be approximately £6.40 million. Antrim would only bear 21% of the cost above £5.75 million. 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 (to be renamed Block 211/22c), 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. On September 6, 2005, Antrim was advised that it is to be awarded Block 211/23d, adjacent to and immediately east of Block 211/22c as part of the United Kingdom 23rd Seaward Licensing Bid Round. A discovery well (211/23b -11) was drilled in 1992 on this Block and tested oil at a rate of 8,100 bopd from the Jurassic Brent Interval.

Antrim intends to drill an exploration well (the "Causeway Prospect") on the trend which it believes extends from Block 211/22c to Block 211/23d in the first half of 2006, subject to rig availability and the receipt of all necessary approvals.

United Kingdom – Block 21/15a

Antrim's third drilling operation in the UK North Sea, the "Bennachie" prospect, is expected to commence in late November or early December 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 £7.7 million (Cdn. $16.7 million) of which Antrim's share is expected to be approximately £2.5 million (Cdn. $5.5 million).

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. In May 2005, Antrim acquired additional seismic data on the licence which is currently under review.

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 nine month period ended September 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 $8,022,578 in the nine months ended September 30, 2005 compared to $5,018,653 for the nine months ended September 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 540 barrels of oil per day compared to 453 barrels for the comparable period in 2004. Average oil production following the Tierra del Fuego acquisition was 561 barrels of oil per day.

Oil prices averaged $46.85 per barrel compared to $38.70 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 2,139 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 2,382 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. As expected, the price of gas sold to industrial consumers has increased 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. A change in sales mix towards industrial buyers is expected to result in an increase in the average gas price received from the concessions to approximately US$1.00 Mcf by the end of the year.

Antrim had no NGL (propane and butane) production prior to the Tierra del Fuego acquisition. Average NGL production following the acquisition was 48 barrels per day. NGL prices averaged $36.28 per barrel for the nine months ended September 30, 2005. 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 $18.86/BOE in the nine months ended September 30, 2005 compared to a per unit netback of $25.73/BOE for the comparable period in 2004. The table below provides a comparative analysis of field netbacks for the three and nine month periods ended September 30, 2005 and 2004.

	Three Months Ended September 30,		*Nine Months Ended September 30,*	
	2005	*2004*	***2005***	*2004*
Wellhead price ($/BOE)	**32.25**	38.18	**31.36**	38.49
Royalties ($/BOE)	**(4.08)**	(5.04)	**(4.04)**	(5.32)
Operating expenses ($/BOE)	**(7.82)**	(5.82)	**(8.46)**	(7.43)
Netback ($/BOE)	**20.35**	27.32	**18.86**	25.73
Oil, natural gas and NGL production (BOE)	**92,662**	45,659	**255,857**	130,405

General and Administrative

General and administrative costs (“G&A”) increased in the nine month period ended September 30, 2005 to $2,223,441 compared to $1,715,428 for the nine months ended September 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.

Foreign Exchange Loss

The Company incurred foreign exchange losses in the nine month period ended September 30, 2005 of $402,915 (2004 - $95,264) due to continued strengthening of the Canadian dollar against the US dollar. Substantially all of the Company’s operating and exploration and development activities are denominated in currencies other than the Canadian dollar. Substantially all revenues are denominated in US dollars. The Company has not entered into any foreign exchange contracts and benefits from a strengthening Canadian dollar when Canadian dollars are required for capital and other expenditures outside of Canada.

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 and residual costs relating to drilling South Galapagos #1 in 2004 in the amount of $629,391. 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 nine month period ended September 30, 2005 of $1,678,669 ($0.04 per share) compared to cash flow from operations of $824,278 ($0.03 per share) in the comparable period in 2004. Net loss in the first nine months of 2005 was $758,707 ($0.02 per share) compared to a net loss of $1,273,202 ($0.04 per share) in 2004. Net loss decreased due to higher revenues on increased oil and gas production and related prices.

Financial Resources and Liquidity

At September 30, 2005, Antrim had working capital of $37,265,512 (December 31, 2004 - $20,324,848) including cash of $34,349,672 (December 31, 2004 - $21,477,705) and no debt. Working capital increased following completion of an $11 million private placement and $15 million public offering in September 2005, partially offset by the acquisition of the Tierra del Fuego concessions in February 2005 and the acquisition of additional working interests in the UK North Sea. A total of 14,444,444 Units were issued at $1.80 per Unit under the terms of the private placement and public offering. Each Unit consisted of one common share and one-half common share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share at a price of $3.00 per common share for a period of 18 months from the date of issuance.

Antrim intends to use proceeds from the private placement and equity offering to drill an exploration well in the UK North Sea, the “Causeway Prospect", in the second quarter of 2006.

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				
Third quarter	**2,611**	**892**	**188**	**0.00**
Second quarter	**2,444**	**564**	**(597)**	**(0.01)**
First quarter	**1,934**	**223**	**(350)**	**(0.01)**
Total	**6,989**	**1,679**	**(759)**	**(0.02)**
2004				
Fourth quarter	1,604	(424)	(4,313)	(0.12)
Third quarter	1,513	170	(1,045)	(0.03)
Second quarter	1,410	215	(241)	(0.01)
First quarter	1,401	439	13	0.00
Total	5,928	400	(5,586)	(0.16)
2003				
Fourth quarter	1,203	(83)	(979)	(0.05)
Third quarter	1,097	(6)	(202)	(0.01)
Second quarter	845	(468)	(681)	(0.03)
First quarter	1,311	346	(1,125)	(0.06)
Total	4,456	(211)	(2,987)	(0.15)

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 Policies and Estimates

Preparing financial statements in accordance with GAAP requires management to make certain judgments and estimates. There have been no material changes to the Company's accounting policies or estimates.

Related Party Transactions

In the nine months ended September 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 $182,640 payable to a law firm in which a director of the Company is a partner.

[signed]

Stephen Greer
President and CEO
November 10, 2005

Consolidated Balance Sheets

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

	2005	2004
ASSETS		
Current assets		
Cash and cash equivalents	$ 34,349,672	$ 21,477,705
Accounts receivable	2,559,062	3,489,087
Inventory and other *(note 3)*	2,099,365	199,445
	39,008,099	25,166,237
Petroleum and natural gas properties *(note 2)*	17,874,562	9,791,904
Office equipment – net of accumulated amortization of $578,949 (2004 - $503,949)	107,196	165,767
Other assets *(note 3)*	352,840	–
Total Assets	$ 57,342,697	$ 35,123,908
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	1,598,791	4,163,522
Income taxes payable	143,796	677,867
	1,742,587	4,841,389
Future income taxes	31,403	33,838
Asset retirement obligation	618,858	284,882
	$ 2,392,848	$ 5,160,109
SHAREHOLDERS' EQUITY		
Share capital *(note 4)*	70,363,051	45,553,339
Contributed surplus	1,690,556	755,511
Deficit	(17,103,758)	(16,345,051)
	54,949,849	29,963,799
Total Liabilities and Shareholders' Equity	$ 57,342,697	$ 35,123,908

Consolidated Statements of Income (Loss) and Deficit

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

	Three months ended September 30, 2005	Three months ended September 30, 2004	Nine months ended September 30, 2005	Nine months ended September 30, 2004
REVENUE				
Oil and gas sales	$ 2,988,760	$ 1,743,451	$ 8,022,578	$ 5,018,653
Royalties	(378,340)	(230,022)	(1,033,582)	(694,330)
	2,610,420	1,513,429	6,988,996	4,324,323
Interest and other income	89,932	81,741	262,418	201,741
	2,700,352	1,595,170	7,251,414	4,526,064
EXPENSES				
Operating	724,227	265,808	2,163,533	969,184
General and administrative	619,319	743,512	2,223,441	1,715,428
Stock-based compensation	141,178	105,399	380,208	266,317
Depletion and depreciation	498,884	401,889	1,384,490	1,106,732
Accretion of asset retirement obligations	15,300	9,500	45,722	26,300
Foreign exchange loss (gain)	294,973	110,553	402,915	95,264
Write-off of impaired assets	50,729	698,131	629,391	698,131
	2,344,610	2,334,792	7,229,700	4,877,356
Income (loss) for the year before income taxes	355,742	(739,622)	21,714	(351,292)
Income taxes (recovery)				
Current	170,369	304,943	782,856	921,910
Future	(2,435)	–	(2,435)	–
	167,934	304,943	780,421	921,910
Net Income (Loss) for the Period	187,808	(1,044,565)	(758,707)	(1,273,202)
Deficit – Beginning of Period	(17,291,566)	(10,987,549)	(16,345,051)	(10,758,912)
Deficit – End of Period	(17,103,758)	(12,032,114)	(17,103,758)	(12,032,114)
Net Income (Loss) Per Common Share – Basic	0.00	(0.03)	(0.02)	(0.04)
Net Income (Loss) Per Common Share – Diluted	0.00	(0.03)	(0.02)	(0.04)

Consolidated Statements of Cash Flows

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

	Three months ended September 30,		Nine months ended September 30,	
	2005	*2004*	**2005**	*2004*
OPERATING ACTIVITIES				
Net income (loss) for the period	$ **187,808**	$ (1,044,565)	$ **(758,707)**	$ (1,273,202)
Items not involving cash				
Depletion and depreciation	**498,884**	401,889	**1,384,490**	1,106,732
Write-off of impaired assets	**50,729**	698,131	**629,391**	698,131
Accretion of asset retirement obligations	**15,300**	9,500	**45,722**	26,300
Stock based compensation expense	**141,178**	105,399	**380,208**	266,317
Future income taxes	**(2,435)**	–	**(2,435)**	–
	891,464	170,354	**1,678,669**	824,278
Change in non-cash working capital items	**808,564**	1,004,352	**(2,634,343)**	845,864
	1,700,028	1,174,706	**(955,674)**	1,670,142
FINANCING ACTIVITIES				
Issue of common shares	**26,918,033**	9,798,961	**27,408,571**	9,878,015
Share issue costs	**(2,083,239)**	–	**(2,083,239)**	–
	24,834,794	9,798,961	**25,325,332**	9,878,015
INVESTING ACTIVITIES				
Office equipment	**(3,563)**	(24,368)	**(16,429)**	(47,326)
Petroleum and natural gas properties	**(836,742)**	(1,340,242)	**(9,733,285)**	(2,493,903)
Funds held in escrow	–	(8,152)	–	(4,326,675)
Other investments	**399,910**	–	**(1,462,490)**	–
Change in non-cash working capital items	**(220,955)**	695,086	**(285,487)**	751,645
	(661,350)	(677,676)	**(11,497,691)**	(6,116,259)
Net increase (decrease) in cash and cash equivalents	**25,873,472**	10,295,991	**12,871,967**	5,431,898
Cash and Short-term Deposits – Beginning of Period	**8,476,200**	10,271,982	**21,477,705**	15,136,075
Cash and Short-term Deposits – End of Period	**34,349,672**	20,567,973	**34,349,672**	20,567,973

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

	September 30, 2005		
	Cost	***Accumulated depletion and depreciation***	***Net book value***
Australia	$ 4,114,213	$ 3,646,505	$ 467,708
Tanzania	1,204,139	1,204,139	–
Argentina	21,043,323	9,400,327	11,642,996
United Kingdom	5,701,415	761,561	4,939,854
Czech Republic	2,009,421	1,185,417	824,004
	$ 34,072,511	$ 16,197,949	$ 17,874,562

	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 $924,278 (2004 – $649,028) 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 commenced 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	44,920,311
Employee share ownership plan	51,120	78,972
Exercise of stock options	389,166	382,066
Exercise of broker warrants	468,750	633,899
Exercise of common share purchase warrants	17,500	41,477
Private placement for cash	6,111,111	9,990,339
Public offering	8,333,333	13,696,480
Repayment of share purchase loan	–	200,000
Shares returned to treasury	(23,750)	–
Share issue costs	–	(2,638,076)
Balance – September 30, 2005	54,834,093	67,305,468

Common Share Purchase Warrants

	Number of Warrants	*Weighted Average Price $*	*Amount $*
Balance – December 31, 2004	2,343,751	2.10	633,028
Exercise of broker warrants	234,376	2.10	116,101
Exercised for common shares	(17,500)	2.10	(4,727)
Private placement for cash	3,055,555	3.00	1,009,661
Public offering	4,166,666	3.00	1,303,520
Balance – September 30, 2005	9,782,848	2.70	3,057,583

Total Common Shares and Common Share Purchase Warrants – September 30, 2005	70,363,051

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 September 30, 2005 there were 2,560,627 warrants outstanding. The Company also issued pursuant to the private placement 468,750 Broker Warrants. Each Broker Warrant entitled the holder thereof to acquire one Unit at a price of $1.60 per Unit prior to August 25, 2005. In August 2005 all of the $1.60 Broker Warrants were exercised.

In September 2005, the Company completed a private placement of 6,111,111 Units at a price of $1.80 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 $3.00 per common share prior to March 15, 2007. The Company also issued pursuant to the private placement 611,111 Broker Warrants. Each Broker Warrant entitles the holder thereof to acquire one Unit at a price of $1.80 per Unit prior to September 15, 2006. As at September 30, 2005, none of the $1.80 Broker Warrants were exercised.

In September 2005, the Company completed a public offering of 8,333,333 Units at a price of $1.80 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 $3.00 per common share prior to March 29, 2007. The Company also issued pursuant to the private placement 833,333 Agents Warrants. Each Agent Warrant entitles the holder thereof to acquire one Unit at a price of $1.80 per Unit prior to September 29, 2006. As at September 30, 2005, none of the Agents Warrants were exercised.

Included in share issue expense is $554,837 (2004 - $259,793) with respect to the Broker Warrants and Agents Warrants. The fair value of the common share purchase warrants, Broker Warrants and Agents Warrants at the issue date was estimated using the Black Scholes option pricing model with the following assumptions: Risk free interest rate – 3.32% (2004 - 3.00%); expected life – 12 to 18 months; expected volatility – 60% (2004 - 65%); expected dividend yield – nil (2004 - nil).

Stock Options

Pursuant to the Company's stock option plan, as at September 30, 2005 there were 2,476,501 options outstanding to purchase Common Shares at prices ranging from $0.76 to $1.98 per share.

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 nine month periods ended September 30, 2005 and 2004 was $380,208 and $266,317, 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 September 30,		*Nine Months Ended September 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 nine month period ended September 30, 2005 was 40,105,138 (2004 - 32,178,542). The fully diluted weighted average number of common shares outstanding during the period was 42,477,747 (2004 - 39,772,299).

(5) Segmented information

	Nine Months Ended September 30, 2005		As at September 30, 2005
	Revenue	***Earnings (loss)***	***Identifiable assets***
Canada	$ –	$ (1,647,512)	$ 33,300,344
Argentina	7,775,734	1,875,338	15,836,523
Australia	–	(652,917)	1,398,857
Czech Republic	246,844	(19,378)	1,399,851
New Zealand	–	(1,179)	4,153
Tanzania	–	(15,098)	–
United Kingdom	–	(297,961)	5,402,969
Total	8,022,578	(758,707)	57,342,697

	Nine Months Ended September 30, 2004		As at September 30, 2004
	Revenue	*Earnings (loss)*	*Identifiable assets*
Canada	–	(1,554,922)	22,044,613
Argentina	4,800,412	1,153,255	6,397,552
Australia	–	(866,775)	3,559,619
Czech Republic	218,241	(6,571)	1,346,509
New Zealand	–	(3,804)	11,813
Tanzania	–	(2,384)	1,205,052
United Kingdom	–	7,999	2,433,856
Total	5,018,653	(1,273,202)	36,999,014

(6) Related party transactions

In the nine months ended September 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 $182,640 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

HEAD OFFICE LOCATION

Suite 4050 Bankers Hall West
888 – Third Street S.W.
Calgary, Alberta
Canada T2P 5C5

Tel: +1 403 264 5111
Fax: +1 403 264 5113

info@antrimenergy.com
www.antrimenergy.com

LONDON OFFICE

Suite 310, Fetcham Park House,
Lower Road, Fetcham,
Leatherhead, Surrey
United Kingdom, KT22 9HD

Main: 44 1372 371 100
Direct: 44 1372 371 056

ARGENTINA OFFICE

Cervino 4449 – 4th Floor
C1425AHB Buenos Aires
Argentina
Tel: 54 11 4779 1030
Fax: 54 11 4779 1040

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”