ANTRIM ENERGY INC.

INTERIM FINANCIAL REPORT – THIRD QUARTER 2007

Nine Months Ended September 30, 2007

HIGHLIGHTS:

- **Successful drilling results from 2007 UK Causeway drilling program**
- **Contracted rig to appraise UK North Sea Fyne field**
- **Drilling successes on Tierra del Fuego and Medianera licences in Argentina**
- **47% increase in production over the comparable period in 2006**

In the third quarter, Antrim successfully completed its planned three well Causeway drilling program on schedule and under budget. Cost savings on the initial program allowed Antrim to add a fourth well to the drilling program, accelerating Antrim's development of the Causeway property. The 2007 Causeway drilling program is now complete, with plans underway for submission of a Field Development Plan in the first quarter of 2008.

Other planned drilling activity in the UK North Sea remains on schedule. Drilling of the non-operated Kerloch prospect, on Block 211/22a North West, is scheduled to commence later this month. Following the acquisition of 3D seismic over the Fyne and Dandy oil fields in June 2007, Antrim has signed a drilling rig contract for a well to be drilled on the Fyne field early in the first quarter of 2008.

In Argentina, drilling has recommenced on the Tierra del Fuego licences. At least two years of additional drilling is planned on the licences following the Company's successful 2006 drilling program and acquisition of new 3D seismic completed in the first quarter of 2007. Initial drilling results show success on both the Tierra del Fuego and Medianera licences.

Cash flow from operations, excluding foreign exchange losses primarily attributed to deposits established for drilling operations in the UK North Sea, increased in the nine months ended September 30, 2007 to $4.6 million from $3.8 million in 2006 on higher oil and gas production in Argentina.

Financial and Operating Results (unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Financial Results ($000's except per share amounts)				
Revenue	3,182	3,862	10,129	9,470
Cash flow from operations	458	1,650	(519)	3,132
Cash flow from operations per share	0.00	0.02	(0.01)	0.05
Net income (loss)	(2,365)	644	(7,294)	2,100
Net income (loss) per share - basic	(0.02)	0.01	(0.07)	0.03
Working capital	48,553	16,267	48,553	16,267
Expenditures on petroleum and natural gas properties	57,390	23,600	85,951	47,482
Debt	-	-	-	-
Common Shares Outstanding (000's)				
End of period	107,882	71,736	107,882	71,736
Weighted average - basic	107,765	70,685	99,494	63,049
Weighted average - fully diluted	109,967	78,828	101,696	72,619

Production				
Oil , natural gas and NGL production (boe per day)[(1)]	1,536	1,330	1,542	1,047

[(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.

OVERVIEW OF OPERATIONS

United Kingdom – Block 211/22a South East and Block 211/23d ("Causeway")

In May 2007, Antrim began drilling the first of three wells designed to evaluate the potential of the central Causeway fault compartment and appraise a previous discovery on the southwestern flank of the structure. A fourth well, originally scheduled to be drilled in 2008 as part of a larger development program, was subsequently added to the 2007 drilling program to accelerate Antrim's development of the Causeway structure.

In October 2007, Antrim announced the completion of the 2007 Causeway drilling program. In total, Antrim drilled five wells on the Causeway structure in 2006 and 2007. A summary of Antrim's 2006-2007 Causeway drilling program follows:

211/23d-17z:	Tested 14,500 barrels of oil per day ("bopd") from the Tarbert and Ness formations
211/22a-6:	Tested 6,300 bopd from the Ness and Etive formations
211/22a-7a:	Not tested but similar rates are expected to those measured in 22a-6 (6,000 – 7,000 bopd)
211/22a-8:	Tested 1,180 bopd from the Ness formation
211/22a-9:	Pressure support well for central Causeway producers

Other wells on the Causeway structure have tested 8,100 bopd (suspended in 1992) and 5,500 bopd (abandoned in 1984). Cumulative test rates from the structure now exceed 35,000 bopd with an expected additional 6,000 – 7,000 bopd from the untested 22a-7a well. Antrim has operatorship and a 65.5% working interest in the Causeway Blocks 211/22a South East and 211/23d.

Antrim intends to submit a Field Development Plan ("FDP") to the Department of Business Enterprise and Regulatory Reform in the first quarter of 2008. Further Causeway development drilling is planned for 2008 to include at least one additional producer and a further two pressure support wells. Facility construction is also planned for 2008 on approval of the FDP.

United Kingdom – Block 211/22a North West ("Kerloch")

In November 2007, Antrim plans to participate in drilling the non-operated Kerloch prospect in Block 211/22a North West. The well will target the oil prone Jurassic Brent Sandstones adjacent to the Cormorant oil field and related infrastructure. The proposed location is approximately 10 km northwest of the Causeway 211/23d-17z well drilled by Antrim in mid-2006. Antrim holds a 21% working interest in Block 211/22a North West.

United Kingdom – Block 21/28a ("Fyne and Dandy")

On October 31, 2007, Antrim announced that it had signed a drilling rig contract for a well to be drilled on the Fyne field early in the first quarter of 2008. Antrim acquired a 75% working interest in Block 21/28a in the Central North Sea in November 2006. The block contains the undeveloped Fyne and Dandy oil fields, which have been delineated with eight wells drilled from 1971 to 1998. Antrim is operator of the licence and in June

2007 completed the acquisition of 70 km^2 3D seismic. The cost of the licence acquisition in 2006 was US$8 million. Antrim has agreed to pay the seller an additional US$10 million on approval of a FDP.

United Kingdom – Other Developments

Antrim and its joint venture partners have relinquished their interests in Blocks 42/21 and 42/22 in the United Kingdom Southern Gas Basin based on a technical evaluation by the joint venture ownership group. Antrim held a 17.5% working interest in the two blocks.

Argentina – Tierra del Fuego

In September 2007, Antrim announced the start of its planned two-year drilling program in Tierra del Fuego. The initial phase of the drilling program, backed by a two-year drilling contract, is focusing on the Los Patos field. Nine drilling locations have already been built and the construction of additional locations continues.

To date, three wells have been drilled on the concessions confirming the extension of the Los Patos oil pool discovered in the 2006 drilling program. The first two wells, completed in September and October 2007, encountered net oil pay in the Springhill formation of 10 and 11 metres, respectively. Production rates up to 600 bopd were recorded during swab testing with stabilized rates at between 50 and 75 bopd. Fracture stimulation of the wells is planned. Logging of the third well, drilled in early November, is currently underway, to be followed by production testing.

An expansion of gas processing facilities and installation of a pipeline that will connect the Las Violetas licence to the San Martin pipeline is in progress. The expansion of gas processing facilities, including the installation of new dehydration and refrigeration equipment, is projected to be fully operational by December 2007. Completion of this work is expected to increase gross gas processing capacity to 33 million cubic feet per day (mmcf/d). Construction of a new pipeline and subsequent tie-in to the San Martin pipeline is expected to be completed by the end of the first quarter of 2008 at which time gross gas processing capacity is expected to increase to approximately 40 mmcf/d. Additional compression facilities required for the pipeline are also under construction. Antrim's working interest in the Tierra del Fuego licences is 25.78%.

Net production to Antrim from the Tierra del Fuego licences in the first three quarters of 2007 was 1,218 barrels of oil equivalent per day (boepd) compared to 701 boepd for the comparable period in 2006. Net oil production in the first three quarters of 2007 was 324 bopd compared to 185 bopd for the comparable period in 2006. Gas and natural gas liquids (“NGL”) production in the first three quarters of 2007 was 5.0 mmcf/d and 67 barrels per day, respectively. Gas and NGL production for the comparable periods in 2006 was 2.8 mmcf/d and 50 barrels per day, respectively.

Argentina – Medianera and Tres Nidos Sur

In August 2007, Antrim announced initial results from two wells drilled in May and June, 2007 on the Medianera licence. Pressure measurements indicate a new field discovery in the northern portion of the block. The M-3001 well was perforated in the upper Quintuco zone and swab tested 93 bopd with 30 barrels of water per day from 12 metres of net pay. An additional 5 metres of net pay was encountered in the Lower Quintuco formation, which tested gas at rates up to 3 mmcf/d. Additional completion work is planned at M-3001 to isolate the water-bearing zone.

The second well, M-3002, encountered 14 metres of net oil pay in virgin pressure reservoir in the Upper and Lower Quintuco formation. Following completion and fracture stimulation in October, M-3002 is producing 90 bopd with a watercut of 10%.

Antrim has a 70.0% working interest in the Medianera licence. Net production to Antrim from the Medianera licence in the first three quarters of 2007 was 31 bopd.

In October 2007, Antrim announced that it had been awarded an exploration licence for the Tres Nidos Sur block immediately adjacent to and north of the Medianera licence. The acquisition of this licence (Antrim 70%) will allow the Company to extend the geological trend proven successful by the recent M-3001 and M-3002 wells on the Medianera licence.

Argentina – North West Basin

In October 2007, drilling commenced on the first of two exploratory wells on the Capricorn licence in northern Argentina. The wells are expected to be drilled back-to-back in the fourth quarter. Antrim has a 50% working interest in the licence, subject to the terms of a farm-out agreement entered into in October 2006 with respect to a portion of its interest in the licence. Under the agreement, Antrim will retain a 37.5% working interest in the wells by paying 25% of the drilling costs.

In 2006, 330 km^2 of 3D seismic was acquired over the Puesto Guardian licence in northern Argentina. The new seismic has been processed and interpretative work is in progress. Antrim intends to use the newly acquired seismic to support a drilling program in 2008, subject to rig availability. Antrim has a 40% working interest in the Puesto Guardian licence.

Net production to Antrim from the Puesto Guardian licence in the first three quarters of 2007 was 293 bopd compared to 328 bopd for the comparable period in 2006.

Argentina – Other Developments

Effective October 17, 2007, the Argentina government announced an approximately eight-fold increase in the annual land rental or “canon” payable on exploitation and exploration licences. It is anticipated that after relinquishment of a portion of Antrim’s exploitation acreage, the annual rental on exploitation licences will increase from approximately $100,000 per annum to approximately $700,000 per annum. With respect to exploration acreage, after taking into account current drilling activity on the Capricorn licence and the relinquishment of approximately 75% of the licence, management believes that the increased rental cost to Antrim in 2007 will be approximately $100,000. Should drilling be unsuccessful, Antrim would relinquish its remaining interest in the Capricorn licence to avoid any further rental costs in 2008.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A"), dated November 12, 2007, should be read in conjunction with Antrim's unaudited consolidated financial statements for the three and nine month periods ended September 30, 2007 and Antrim's MD&A and audited consolidated financial statements for the year ended December 31, 2006. 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. The boe conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Unless otherwise stated, all dollar amounts are expressed in Canadian dollars.

Forward-Looking Statements

This MD&A contains forward-looking statements. Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking statements are based on current expectations that involve a number of risks and uncertainties. As a consequence, actual results might differ materially from results forecast or suggested in these forward looking statements. 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. Antrim assumes no obligation to update forward-looking statements should circumstances or management's estimates change except as may be required by applicable Canadian securities laws and AIM Rules in the UK.

In accordance with AIM guidelines, Mr. Terry Lederouse, P. Eng and Commercial Manager of Antrim, is the qualified person that has reviewed the technical information contained in this MD&A.

Non-GAAP Measures

Cash flow from operations, cash flow from operations per share and netback 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 from operations is a useful supplementary measure that may assist investors. Cash flow from operations is defined as cash flow from operating activities before changes in working capital.

Financial and Operating Review

Oil, Gas and NGL Revenue

Oil and gas revenue increased to $10,129,042 in the nine months ended September 30, 2007 compared to $9,469,772 in the nine months ended September 30, 2006. Revenues increased due to an increase in oil and gas production from the Tierra del Fuego licences.

Net production to Antrim in the first three quarters of 2007 was 1,542 boepd compared to 1,047 boepd for the comparable period in 2006. Average net oil production in the three and nine month periods ended September 30, 2007 was 598 and 648 bopd, respectively, compared to 583 and 523 bopd, respectively, for the comparable periods in 2006. Oil prices, after export taxes in Tierra del Fuego, averaged in the three and nine month periods ended September 30, 2007 $46.43 and $43.74 per barrel, respectively, compared to $58.47 and $54.53 per barrel, respectively, for the comparable periods in 2006. Oil production from both the Puesto Guardian and Tierra del Fuego licences is sold with reference to the price of West Texas Intermediate ("WTI") crude oil less a quality discount. Domestic oil sales are subject to a mandated discount which increases as the price of WTI crude oil increases. Oil exports are subject to an export tax introduced in the fourth quarter of 2006 and passed into law in January 2007.

Average net gas production in the three and nine month periods ended September 30, 2007 was 5.2 and 5.0 mmcf/d, respectively, compared to 4.2 and 2.8 mmcf/d, respectively, for the comparable periods in 2006. Gas volumes increased following completion in July 2006 of a 10 km high pressure gas pipeline. Sales gas prices in Argentina averaged $1.64 per mcf in the first three quarters of 2007 compared to $1.30 per mcf for the comparable period in 2006. Gas prices have increased as the price of gas sold to industrial consumers increased.

Average net NGL production in the three and nine month periods ended September 30, 2007 was 75 and 67 barrels per day, respectively, compared to 54 and 50 barrels per day, respectively, for the comparable periods in 2006. NGL prices, after export taxes in Tierra del Fuego, averaged $27.27 per barrel in the first three quarters of 2007 compared to $42.95 per barrel for the comparable period in 2006. NGL exports are subject to an export tax introduced in the fourth quarter of 2006 and passed into law in January 2007.

The export tax on oil, gas and NGL exports from Tierra del Fuego was initially introduced on October 11, 2006 when resolution 776/2006 was published by the Ministry of Economy and Production setting forth its position that export taxes initially announced as an emergency measure in January 2002 were applicable on exports from Tierra del Fuego. Antrim filed an appeal of the resolution introducing the export tax, a subsequent resolution deeming it retroactive to January 2002 and an injunction to prevent collection of the export tax on a retroactive basis. In February 2007, an Argentine Trial Court granted an injunction to prevent collection of the export tax on a retroactive basis and in March 2007 ruled both resolutions to be null and void. On March 30, 2007, the Customs Authority in Argentina appealed the ruling of the Trial Court to the Federal Court of Appeals. Subsequent court rulings including a ruling by the Federal Court of Appeals declared both resolutions to be null and void. While the rulings establish that export taxes are not applicable to exports prior to January 23, 2007, law 26,217, which became effective January 23, 2007, expressly established that from that date export taxes are applicable to exports from Tierra del Fuego. The export tax on crude oil exports is 45% if WTI is US$45 barrel or above. The export tax on NGL exports is 20%. The export tax is applied on the sales value after the tax.

At the time resolution 776/206 was published, substantially all oil and NGL production from the Tierra del Fuego licences was exported. In September 2007, Antrim and its partners in the licences reached agreement to sell oil from the licences to the domestic mainland market, eliminating application of the export tax. Oil production destined to the Argentina mainland must be accumulated and periodically transported by ship to refineries on the mainland. As a result, the joint venture accumulated in storage at September 30, 2007 6,439 barrels of oil net to Antrim. In accordance with Antrim's revenue recognition accounting policy, Antrim will record oil and gas revenue with respect to the oil in storage when it is delivered.

Netbacks

An increase in gas production, the imposition of export taxes on exports from Tierra del Fuego and a strengthening Canadian dollar resulted in a lower wellhead price and lower netback per boe. Antrim realized a per unit netback of $13.55/boe in the first three quarters of 2007 compared to a per unit netback of $19.55/boe for the comparable period in 2006. The following table provides a comparative analysis of field netbacks for the three and nine months ended September 30, 2007 and 2006.

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
	2007	**2006**	**2007**	**2006**
Wellhead price, ($/boe) (after export tax)	**23.58**	30.76	**24.50**	33.15
Royalties ($/boe)	**(3.42)**	(3.81)	**(3.53)**	(4.19)
Operating expenses ($/boe)	**(9.16)**	(8.33)	**(7.42)**	(9.41)
Netback ($/boe)	**11.00**	18.62	**13.55**	19.55
Oil, natural gas and NGL production (boe)	**141,331**	122,394	**420,896**	285,701
Oil , natural gas and NGL production (boe per day)	**1,536**	1,330	**1,542**	1,047

No corporate income tax is payable on net operating income from Tierra del Fuego.

General and Administrative

General and administrative ("G&A") costs increased in the first three quarters of 2007 to $4,046,550 compared to $2,334,369 for the comparable period in 2006. During the period, Antrim also capitalized $1,635,066 (2006 - $938,356) of G&A costs related to exploration and development activity in Argentina and the United Kingdom. G&A costs increased in 2007 due to greater corporate activity, increased project costs including costs involved in preparing to bring the Causeway discovery to production, a 60% increase in full-time employees and rising salary and other personnel costs within the oil and gas industry.

Foreign Exchange Loss

The Company incurred a foreign exchange loss in the three and nine month periods ended September 30, 2007 of $1,035,716 and $5,140,376, respectively, compared to $173,473 and $659,536, respectively, for the comparable periods in 2006. The Company's reporting is in Canadian dollars whereas a significant amount of the Company's activities are transacted in or referenced to US dollars or Pounds Sterling. As previously reported, the Company was required to purchase in 2007 US dollars to secure a drilling rig in the UK North Sea and Pound Sterling for drilling operations in the UK North Sea. Despite the recorded foreign exchange loss, the Company benefits from a strengthening Canadian dollar by reducing the cost, in Canadian dollars, of capital expenditures.

Write-off of Petroleum and Natural Gas Properties

In 2007, the Company wrote-off costs of $654,691 following the relinquishment of its interests in the United Kingdom Southern Gas Basin.

Cash Flow and Net Income (Loss)

Antrim had cash flow from operations, excluding foreign exchange losses primarily related to drilling activity in the UK North Sea, of $4,621,041 ($0.05 per share) in the first three quarters of 2007 compared to $3,792,009 ($0.06 per share) for the comparable period in 2006. Cash outflow from operations, after foreign exchange losses, in the first three quarters of 2007 was $519,335 ($0.01 per share) compared to cash flow from operations of $3,132,473 ($0.05 per share) for the comparable period in 2006. Net loss in the first three quarters of 2007 was $7,293,700 ($0.07 per share) compared to a net income of $2,100,193 ($0.03 per share) for the comparable period in 2006. Net loss increased due to foreign exchange losses related to the Company's 2007 capital expenditure program and to a lesser degree increased general and administrative costs, stock based compensation expense and higher depletion costs.

Financial Resources and Liquidity

At September 30, 2007, Antrim had working capital of $48,552,512 (December 31, 2006 - $55,391,981) including cash and restricted cash of $97,118,283 (December 31, 2006 - $53,714,443) and no debt. Restricted cash at September 30, 2007 of $46,876,586 relates to US dollar and Pound Sterling denominated standby letters of credit issued with respect to the Company's 2007 drilling program in the UK North Sea. Accounts payable and accrued liabilities increased to $54,246,648 at September 30, 2007 primarily as a result of the UK drilling program.

At September 30, 2007 the Company had completed its planned three well Causeway drilling program. Following cost savings on the initial drilling program, a fourth well, originally scheduled to be drilled in 2008 as part of a larger development program, was subsequently added to the 2007 drilling program to accelerate Antrim's development of the Causeway structure. To fund appraisal drilling in 2008 of Antrim's UK North Sea properties, Antrim announced in October 2007 an offering on a bought deal basis of 8,300,000 common shares at a price of $6.05 per common share for gross proceeds of $50,215,000. An over-allotment option was also granted to the underwriters to issue an additional 1,245,000 common shares at a price of $6.05 per share. The financing is expected to close on November 15, 2007.

Cash flow from operations in Argentina continues to be reinvested in Argentina. Additional corporate investment in Argentina will also be required in 2007 and 2008 to complete all of the planned drilling and infrastructure development. The majority of funds for the continued development of the Company's projects are expected to be sourced from a combination of existing working capital, cash flow and debt instruments.

Summary of Quarterly Results

($000's, except per share amounts)	**Oil and Gas Net Revenue, Net of Royalties**	**Cash Flow from Operations**	**Net Income (Loss)**	**Net Income (Loss) Per Share – Basic**
2007				
Third quarter	2,721	458	(2,365)	(0.02)
Second quarter	3,110	(1,585)	(3,659)	(0.04)
First quarter	2,837	608	(1,269)	(0.01)
Total	8,668	(519)	(7,293)	(0.07)
2006				
Fourth quarter	2,824	601	(758)	(0.01)
Third quarter	3,396	1,650	644	0.01

Second quarter	2,398	239	910	0.01
First quarter	2,479	1,243	546	0.01
Total	11,097	3,733	1,342	0.02
2005				
Fourth quarter	2,427	851	(2,431)	(0.05)
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	9,416	2,530	(3,190)	(0.07)

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Preparing financial statements in accordance with Canadian GAAP requires management to make certain judgments and estimates. Changes to these judgments and estimates could have a material effect on the Company's financial statements and financial position. The estimates of proved and probable reserves is critical to many aspects of the Company's financial statements, including net income and the carrying amount of petroleum and natural properties and future asset retirement obligations.

The Company also incurs costs related to properties for which no proved reserves may be attributable. These costs must also be assessed to ascertain whether impairment has occurred. In certain instances, the Company may be required under Canadian GAAP to record an impairment charge against these costs even though the Company has and intends to maintain the underlying licence or agreement pertaining to the properties.

NEW ACCOUNTING STANDARDS AND RECENT ACCOUNTING PRONOUNCEMENTS

Effective January 1, 2007, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Section 1530 "Comprehensive Income", Section 3251 "Equity" , Section 3855 "Financial Instruments Recognition and Measurement", and Section 3865 "Hedges", which were issued in January 2005. These standards have been adopted prospectively. See Note 2 to the consolidated financial statements.

Effective January 1, 2007, the Company adopted the revised CICA section 1506, "Accounting Changes." Under the revised section, voluntary changes in accounting policy are permitted only if they result in financial statements that provide more reliable and relevant information to the reader. Changes in accounting policy must be applied retrospectively, while changes in accounting estimates are to be applied prospectively. The revised section also outlines additional disclosure required when accounting changes are applied, including the justification for the change, a complete description of the policy, the primary source of GAAP and the detailed effect on financial statement line items.

As of October 1, 2007, the Company will be required to adopt new CICA Section 1535, "Capital Disclosures", which requires companies to disclose their objectives, policies and procedures for managing capital, as well as whether externally imposed capital requirements have been complied with.

RELATED PARTY AND OFF-BALANCE SHEET TRANSACTIONS

Antrim may from time to time enter into arrangements with related parties. In the first three quarters of 2007, the Company incurred fees of $175,258 (2006 - $199,873) payable to Burstall Winger LLP, a law firm in which Mr. Jay Zammit, a director of the Company, is a partner. The Company had no off-balance sheet transactions in the first three quarters of 2007.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Antrim has established disclosure controls, procedures and corporate policies so that its consolidated financial results are presented accurately, fairly and on a timely basis. The Chief Executive Officer and Chief Financial Officer have designed or have caused such internal controls over financial reporting to be designed under their supervision to provide reasonable assurance regarding the reliability of financial reporting and preparation of the Company's financial statements in accordance with Canadian GAAP. In the second and third quarter of 2007, the Company implemented a new accounting system at its corporate office in Calgary, Alberta and in Buenos Aires, Argentina, respectively. Other than changes related to implementation of the new accounting system, there were no changes in the Company's internal controls over financial reporting that occurred during the third quarter that have materially affected, or are reasonably likely to materially affect the Company's internal controls over financial reporting.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, these systems provide reasonable, but not absolute assurance, that financial information is accurate and complete.

Stephen Greer
President and Chief Executive Officer
November 12, 2007

Antrim Energy Inc.
Consolidated Balance Sheets
As at September 30, 2007 and December 31, 2006 (unaudited)

	2007 Cdn $	2006 Cdn $
Assets		
Current assets		
Cash and cash equivalents	**50,241,697**	53,714,443
Restricted cash (note 3)	**46,876,586**	-
Accounts receivable	**4,749,115**	4,111,105
Inventory and prepaid expenses	**931,762**	498,298
Other current assets	**-**	577,367
	102,799,160	58,901,213
Petroleum and natural gas properties (note 4)	**166,296,866**	82,084,916
Office equipment	**547,906**	252,693
Future income taxes	**318,973**	263,263
Other non-current assets (note 5)	**4,357,758**	3,649,215
Total Assets	**274,320,663**	145,151,300
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**54,246,648**	3,207,383
Income taxes payable	**-**	301,849
	54,246,648	3,509,232
Asset retirement obligation	**4,571,829**	2,308,327
	58,818,477	5,817,559
Commitments and contingencies (note 9)		
Shareholders' Equity		
Share capital (note 6)	**234,496,498**	153,176,930
Contributed surplus	**6,491,992**	4,349,415
Deficit	**(25,486,304)**	(18,192,604)
	215,502,186	139,333,741
Total Liabilities and Shareholders’ Equity	**274,320,663**	145,151,300

Antrim Energy Inc.
Consolidated Statements of Income (Loss), Comprehensive Income (Loss) and Deficit
For the periods ended September 30, 2007 and 2006 (unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007 Cdn $	**2006 Cdn $**	**2007 Cdn $**	**2006 Cdn $**
Revenue				
Oil and gas sales	**3,182,205**	3,862,264	**10,129,042**	9,469,772
Royalties	**(461,127)**	(466,134)	**(1,460,686)**	(1,197,002)
	2,721,078	3,396,130	**8,668,356**	8,272,770
Interest and other income	**1,245,161**	268,879	**3,190,973**	857,814
Gain on sale of petroleum and natural gas properties	**-**	-	**-**	1,466,864
	3,966,239	3,665,009	**11,859,329**	10,597,448
Expenses				
Operating	**1,236,912**	1,019,469	**3,067,372**	2,688,678
General and administrative	**1,204,476**	820,199	**4,046,550**	2,334,369
Stock-based compensation	**970,072**	335,516	**2,726,693**	902,049
Depletion and depreciation	**1,133,120**	643,481	**3,260,770**	1,540,923
Accretion of asset retirement obligations	**82,920**	41,538	**187,920**	65,669
Foreign exchange loss	**1,035,716**	173,473	**5,140,376**	659,536
Write-off of petroleum and natural gas properties	**654,691**	-	**654,691**	-
	6,317,907	3,033,676	**19,084,372**	8,191,224
Income (loss) for the period before income taxes	**(2,351,668)**	631,333	**(7,225,043)**	2,406,224
Income tax expense (recovery)				
Current	**31,396**	1,644	**124,366**	315,528
Future	**(18,035)**	(14,537)	**(55,709)**	(9,497)
	13,361	(12,893)	**68,657**	306,031
Net Income (Loss) and Comprehensive Income (Loss)	**(2,365,029)**	644,226	**(7,293,700)**	2,100,193
Deficit - Beginning of Period	**(23,121,275)**	(18,078,653)	**(18,192,604)**	(19,534,620)
Deficit - End of Period	**(25,486,304)**	(17,434,427)	**(25,486,304)**	(17,434,427)
Net Income (Loss) Per Common Share – Basic	**(0.02)**	0.01	**(0.07)**	0.03
Net Income (Loss) Per Common Share – Diluted	**(0.02)**	0.01	**(0.07)**	0.03

Antrim Energy Inc.

Consolidated Statements of Cash Flows

For the periods ended September 30, 2007 and 2006 (unaudited)

	Three months Ended September 30,		Nine months Ended September 30,	
	2007	**2006**	**2007**	**2006**
	Cdn $	**Cdn $**	**Cdn $**	**Cdn $**
Operating Activities				
Net income (loss) for the period	**(2,365,029)**	644,226	**(7,293,700)**	2,100,193
Items not involving cash:				
Gain on sale of petroleum and natural gas properties	**-**	-	**-**	(1,466,864)
Depletion and depreciation	**1,133,120**	643,481	**3,260,770**	1,540,923
Write-off of petroleum and natural gas properties (note 4)	**654,691**	-	**654,691**	-
Accretion of asset retirement obligations	**82,920**	41,538	**187,920**	65,669
Stock based compensation expense	**970,072**	335,516	**2,726,693**	902,049
Future income taxes	**(18,035)**	(14,537)	**(55,709)**	(9,497)
	457,739	1,650,224	**(519,335)**	3,132,473
Change in non-cash working capital items	**(3,142,355)**	(3,056,608)	**(2,451,715)**	591,935
	(2,684,616)	(1,406,384)	**(2,971,050)**	3,724,408
Financing Activities				
Issue of common shares	**418,550**	3,263,067	**83,549,567**	32,401,314
Share issue expenses	**(45,883)**	-	**(2,898,880)**	(1,845,759)
	372,667	3,263,067	**80,650,687**	30,555,555
Investing Activities				
Office equipment	**(227,859)**	(40,739)	**(395,983)**	(86,084)
Petroleum and natural gas properties	**(57,389,888)**	(23,599,859)	**(85,951,059)**	(47,482,033)
Proceeds on sale of petroleum and natural gas properties	**-**	-	**-**	1,300,801
Restricted cash	**1,576,133**	28,704,807	**(46,876,586)**	-
Other current assets	**72,430**	119,106	**577,367**	509,509
Other non-current assets	**(395,462)**	(67,441)	**(708,543)**	(1,197,332)
Change in non-cash working capital items	**14,589,508**	(21,395,007)	**52,202,421**	(3,611,659)
	(41,775,138)	(16,279,133)	**(81,152,383)**	(50,566,798)
Net increase (decrease) in cash and cash equivalents	**(44,087,087)**	(14,422,450)	**(3,472,746)**	(16,286,835)
Cash and Cash Equivalents - Beginning of Period	**94,328,784**	31,345,093	**53,714,443**	33,209,478
Cash and Cash Equivalents - End of Period	**50,241,697**	16,922,643	**50,241,697**	16,922,643
Supplemental Cash Flow Information				
Interest received	**2,298,636**	213,300	2,873,439	763,727
Taxes paid	**254,925**	177,987	426,215	177,987

(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 were prepared using the same accounting policies and should be read in conjunction with the audited financial statements as at and for the year ended December 31, 2006, except as disclosed in note 2.

(2) Changes in Accounting Policies

Effective January 1, 2007, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Section 1530 "Comprehensive Income", Section 3251 "Equity" , Section 3855 "Financial Instruments Recognition and Measurement", and Section 3865 "Hedges". These standards have been adopted prospectively.

(a) Financial Instruments

Under the new standards, financial assets and financial liabilities are initially recognized at fair value and are subsequently accounted for based on their classification as described below. The classification depends on the purpose for which the financial instruments were acquired and their characteristics. Except in very limited circumstances, the classification is not changed subsequent to initial recognition. The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

Held-for-trading

Financial assets that are purchased and incurred with the intention of generating profits in the near term are classified as held-for-trading. These instruments are accounted for at fair value with the change in the fair value recognized in net income during the period. Cash is classified as held-for-trading as at January 1, 2007.

Available-for-sale

Financial assets classified as available-for-sale are carried at fair value with the changes in fair value recorded in other comprehensive income. When a decline in fair value is determined to be other than temporary, the cumulative loss included in accumulated other comprehensive income is removed and recognized in net income. Gains and losses realized on disposal of available-for sale securities are recognized in other income. There are no financial assets classified as available-for-sale.

Held-to-maturity

Financial assets that have a fixed maturity date and which the Company has the intention and the ability to hold to maturity are classified as held-to-maturity and accounted for at amortized cost using the effective interest rate method.

Loans and receivables

Loans and receivables are accounted for at amortized cost. This classification is consistent with the classification under the prior accounting standards. Loans included in other current assets and other non-current assets and accounts receivable are classified as loans and receivables as at January 1, 2007.

Investments

Portfolio equity investments not quoted in an active market are accounted for at cost. Investments included in other non-current assets are classified as portfolio equity investments not quoted in an active market as at January 1, 2007.

Other liabilities

Other liabilities are accounted for at amortized cost and include all liabilities, other than derivatives. This classification is consistent with the classification under the prior accounting standards. Accounts payable and accrued liabilities are classified as other liabilities.

Derivative instruments and hedging activities

Gains and losses on these instruments are charged to income in the period that they occur. The Company did not have any outstanding derivative or hedging contracts as at January 1, 2007 and September 30, 2007.

Embedded derivatives

An embedded derivative is a component of a financial instrument or other contract that has a feature similar to a derivative. New accounting section 3855 requires these instruments to be identified and recorded separately from the host contract if the economic characteristics and risks of the embedded derivative are not closely related to that of the host contract, the terms of the embedded derivatives are the same as the terms of a freestanding derivative, and the hybrid instrument is not re-measured at fair value. As at January 1, 2007 and September 30, 2007, the Company did not have any outstanding contracts or financial instruments with embedded derivatives.

(b) Comprehensive Income

Comprehensive income consists of net earnings and other comprehensive income. Other comprehensive income comprises the change in fair value of the effective portion of the derivatives used as hedging items in a cash flow or net investment hedge and the change in fair value of any available-for-sale financial instruments. Amounts recognized in other comprehensive income must eventually be reclassified to income when the related gains or losses are realized.

(c) Accounting Changes

Effective January 1, 2007, the Company adopted the revised CICA section 1506, “Accounting Changes.” Under the revised section, voluntary changes in accounting policy are permitted only if they result in financial statements that provide more reliable and relevant information to the reader. Changes in accounting policy must be applied retrospectively, while changes in accounting estimates are to be applied prospectively. The revised section also outlines additional disclosure required when accounting changes are applied, including the justification for the change, a complete description of the policy, the primary source of GAAP and the detailed effect on financial statement line items. This change in policy did not have any effect on the Company’s financial statements.

(3) Restricted cash

Restricted cash at September 30, 2007 relates to US dollar and Pound Sterling denominated standby letters of credit issued with respect to the Company’s drilling program in the UK North Sea.

(4) Petroleum and natural gas properties

			September 30, 2007
	Cost	**Accumulated depletion and depreciation**	**Net book value**
	$	**$**	**$**
Argentina	41,959,987	15,319,012	26,640,975
United Kingdom	143,095,244	3,439,353	139,655,891
	185,055,231	18,758,365	166,296,866

			December 31, 2006
	Cost	**Accumulated depletion and depreciation**	**Net book value**
	$	**$**	**$**
Argentina	35,555,395	12,159,012	23,396,383
United Kingdom	62,127,886	3,439,353	58,688,533
	97,683,281	15,598,365	82,084,916

In the period, the Company capitalized $1,635,066 (2006 - $938,356) of general and administrative costs related to exploration and development activity in Argentina and United Kingdom. At September 30, 2007, petroleum and natural gas properties include $139,655,891 (2006 - $58,688,533) relating to unproven properties that have been excluded from the depletion calculation.

In 2007, the Company wrote-off costs of $654,691 following the relinquishment of its interests in the United Kingdom Southern Gas Basin.

(5) Other non-current assets

In 2006, the Company sold certain non-core assets in Tanzania, the Czech Republic and Australia to NOR Energy AS (“NOR”), a private Norwegian company, in return for a cash payment and common shares of NOR. At June 30, 2007 and December 31, 2006, the Company held 1,175,000 common shares of NOR representing less than 10% of the common shares of NOR outstanding. The Company also held warrants to acquire 700,000 common shares of NOR at a price of US$1.00 per share exercisable until May 26, 2009.

	September 30, 2007	**December 31, 2006**
	$	**$**
Investment in NOR	2,459,774	2,459,774
Other non-current assets	1,897,984	1,189,441
	4,357,758	3,649,215

(6) Capital stock

Authorized

Unlimited number of common voting shares
Unlimited number of preferred shares

Common Shares Issued

	Number of Shares	Amount $
Balance – December 31, 2006	87,059,159	150,700,339
Employee share ownership plan	29,679	169,527
Exercise of stock options	846,935	1,773,118
Exercise of agents options	737,500	1,652,000
Exercise of common share purchase warrants	7,708,293	25,600,394
Public offering	11,500,000	57,500,000
Share issue costs	-	(2,898,880)
Balance – September 30, 2007	107,881,566	234,496,498

Common Share Purchase Warrants

	Weighted Average Price $	Number of Warrants	Amount $
Balance – December 31, 2006	3.00	7,711,543	2,476,591
Expired	3.00	(3,250)	(1,073)
Issued	-	-	-
Exercised	3.00	(7,708,293)	(2,475,518)
Balance – September 30, 2007	-	-	-
Total Common Shares and Common Share Purchase Warrants – September 30, 2007		$	234,496,498

Between January 1, 2007 and March 29, 2007, 7,708,293 warrants were exercised at $3.00 per share. On March 29, 2007, 3,250 warrants expired unexercised.

In May 2006, the Company completed a public offering of 14,750,000 Common Shares at a price of $1.95 per Common Share for gross proceeds of $28,762,500. The Company also issued pursuant to the public offering 737,500 Agents Options. Each Agents Option entitled the holder thereof to acquire one Common Share at a price of $2.24 per Common Share until May 8, 2007. As at September 30, 2007, all of the Agents Options had been exercised.

On May 11, 2007, the Company completed a public offering of 10,000,000 common shares at a price of $5.00 per common share for gross proceeds of $50,000,000. An over-allotment option to issue an additional 1,500,000 common shares at a price of $5.00 per share was also exercised. Total gross proceeds from the financing, including over-allotment option, were $57,500,000.

Stock Options

Pursuant to the Company's stock option plan, as at September 30, 2007 there were 7,318,898 options outstanding to purchase Common Shares at prices ranging from $0.76 to $6.95 per share.

Stock-Based Compensation Costs

The Company measures all stock-based compensation using the fair value method of accounting and recognizes 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 months ended September 30, 2007 and 2006 was $2,726,693 and $902,049, respectively.

The fair value of each stock option granted during the period is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: Risk free interest rate – 4.00% (2006 – 4.00%); expected life – 4.5 years (2006 – 4.5 years); expected volatility – 60.0% (2006 – 60.0%); expected dividend yield – nil (2006 – nil).

Per Share Information

The weighted average number of common shares outstanding during the nine months ended September 30, 2007 was 99,494,297 (2006 – 63,049,056). The fully diluted weighted average number of common shares outstanding during the period was 101,695,540 (2006 – 72,619,271). For 2007, 2,201,243 stock options (2006 – 1,034,172), nil warrants (2006 – 7,798,543) and nil broker warrants (2006 – 737,500) were included in the calculation of fully diluted weighted average number of common shares.

(7) Segmented information

September 30, 2007	Revenue		Earnings (Loss)		Identifiable assets
	Three Months Ended $	Nine Months Ended $	Three Months Ended $	Nine Months Ended $	As at $
Canada	-	-	(2,839,907)	(8,820,723)	62,874,579
Argentina	3,182,205	10,129,042	1,092,256	2,594,828	32,865,183
New Zealand	-	-	246	(11,707)	241
United Kingdom	-	-	(617,624)	(1,056,098)	178,580,660
Total	3,182,205	10,129,042	(2,365,029)	(7,293,700)	274,320,663

September 30, 2006	Revenue		Earnings (Loss)		Identifiable assets
	Three Months Ended $	Nine Months Ended $	Three Months Ended $	Nine Months Ended $	As at $
Canada	-	-	(828,824)	(236,478)	18,909,462
Argentina	3,862,264	9,362,718	1,410,069	2,620,504	25,755,609
Australia	-	-	-	(25,128)	-
Czech Republic	-	107,054	-	65,023	-
New Zealand	-	-	(1,622)	(4,901)	1,222
Tanzania	-	-	-	(9,440)	-
United Kingdom	-	-	64,603	(309,387)	48,707,580
Total	3,862,264	9,469,772	644,226	2,100,193	93,373,873

(8) Related party transactions

The Company may from time to time enter into arrangements with related parties. In the first three quarters of 2007, the Company incurred fees of $175,258 (2006 - $199,873) payable to Burstall Winger LLP, a law firm in which Mr. Jay Zammit, a director of the Company, is a partner.

(9) Commitments and contingencies

United Kingdom

In 2006, the Company acquired a 75% working interest in Block 21/28a for US$8 million. On October 31, 2007, Antrim announced that it had signed a drilling rig contract for a well to be drilled on the Fyne field early in the first quarter of 2008. On approval of a Field Development Plan, the Company has agreed to pay an additional US$10 million as part of the acquisition cost of the block.

Argentina

On October 11, 2006, resolution 776/2006 was published in Argentina by the Ministry of Economy and Production setting forth its position that export taxes initially announced as an emergency measure in January 2002 were applicable on oil, gas and natural gas liquids exports from Tierra del Fuego. Antrim filed an appeal of the resolution introducing the export tax, a subsequent resolution deeming it retroactive to January 2002 and an injunction to prevent collection of the export tax on a retroactive basis In February 2007, an Argentine Trial Court granted an injunction to prevent collection of the export tax on a retroactive basis and in March 2007 ruled both resolutions to be null and void. On March 30, 2007, the Customs Authority appealed the ruling of the Trial Court to the Federal Court of Appeals. Subsequent court rulings including a ruling by the Federal Court of Appeals declared both resolutions to be null and void.

(10) Subsequent event

On November 8, 2007, the Company filed a short form prospectus for the distribution of up to 8,300,000 common shares at a price of $6.05 per common share for gross proceeds of $50,215,000. The Company also granted an over-allotment option to issue an additional 1,245,000 common shares at a price of $6.05 per share exercisable in whole or in part for a period of 30 days following the close of the offering. The financing is expected to close on November 15, 2007.

DIRECTORS

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

Dr. Brian Moss (1) (,3)
Chief Operating Officer
Compass Petroleum Partnership

Dr. Gerry Orbell (1) (2)
Chairman and CEO,
Sound Oil plc

Jim Perry (1) (3)
President, CEO and Director,
Alternative Fuel Systems (2004) Inc.

Jay Zammit (2)
Partner,
Burstall Winger LLP

(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

Kerry Fulton, P. Eng.
Chief Operating Officer

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The Company's website is not incorporated by reference in and does not form a part of this Interim Report.

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Antrim Oil and Gas Limited
Antrim Resources (N.I.) Limited
Netherfield Corporation

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Calgary, Alberta

BANKERS

Toronto-Dominion Bank of Canada

AUDITORS

PricewaterhouseCoopers LLP
Calgary, Alberta

INDEPENDENT ENGINEERS

Ryder Scott Company

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

Toronto Stock Exchange: Trading Symbol "AEN"
London Stock Exchange (AIM): Trading Symbol "AEY"

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