ANTRIM ENERGY INC.

INTERIM FINANCIAL REPORT – SECOND QUARTER 2008

Three and Six Months Ended June 30, 2008

HIGHLIGHTS:

- **Continued drilling success in the UK North Sea**
- **Completed Cdn $50 million equity offering in July 2008**
- **Finalized US $50 million working capital facility in July 2008**
- **Continued drilling success and infrastructure development in Argentina**

In the first half of 2008, Antrim drilled several successful wells on its UK North Sea properties the Fyne and Causeway Fields. In April 2008, the Antrim-operated multi-lateral drilling program on the Fyne Field in the UK Central North Sea encountered significant oil columns in each leg, with the final sidetrack 21/28a-9y well now cased to be used as a future production well. In the Northern North Sea, the Antrim operated 23d-18 well on the Causeway Field drilled a significant oil column, including a new oil accumulation in the Etive Formation. This well has been cased for use as a development well to provide pressure support to the 23d-17z discovery well, which previously tested at a combined rate of up to 14,500 barrels of oil per day (bopd).

In July 2008, appraisal drilling of the western lobe of the Fyne Field encountered 32 feet of net oil pay in the Eocene Tay Sandstone. The results from the 21/28a-10 well, combined with the results of the successful 21/28a-9 well and sidetracks and the previously drilled 21/28a-2 well, demonstrated reservoir and structural continuity across the field and the significant extent of the oil accumulation.

In August 2008, further appraisal of the Fyne Field by well 21/28a-10z (a sidetrack to 21/28a-10) encountered 60 feet of net oil pay in the Tay Sandstone. At the time of this report the well had been successfully completed and tested at rates up to 4,000 bopd. An additional 45 feet of gas pay was drilled in the Upper Tay Sandstone and remains untested. No oil/water contacts or gas/oil contacts were observed in either well. These test results are indicative of the very high reservoir quality Tay Sandstones drilled in this area.

Antrim plans to fund much of its growth in the UK with debt facilities. In July 2008, Antrim completed a Cdn $50 million equity financing and signed a US $50 million working capital facility with the Bank of Scotland. This working capital facility is available, subject to certain conditions, for pre-development costs associated with the Causeway, Fyne and Dandy Fields.

In Argentina, Antrim drilled eleven wells resulting in four oil and six gas wells. Quarterly production from Argentina declined slightly to 1,394 barrels of oil equivalent per day (boepd) from 1,503 boepd in the first quarter mainly due to a reduction in Tierra del Fuego gas sales and related liquid volumes. Sales were reduced in anticipation of the commissioning in September of the pipeline linking the Company's gas producing fields with the San Martin gas sales line across the Straits of Magellan. In the first quarter of 2008, Antrim changed its reporting currency from Canadian to US dollars. All comparative financial information has been translated and restated as if the US dollar had been used as the Company’s reporting currency.

Financial and Operating Results (unaudited)	Three Months Ended June 30, 2008	Three Months Ended June 30, 2007	Six Months Ended June 30, 2008	Six Months Ended June 30, 2007
Financial Results (US$000's except per share amounts)				
Revenue	2,321	3,872	6,045	7,230
Cash flow from operations	(986)	1,720	453	2,516
Cash flow from operations per share	(0.01)	0.02	0.00	0.03
Net income (loss)	(3,564)	(3,330)	(4,372)	(4,414)
Net income (loss) per share - basic	(0.03)	(0.01)	(0.04)	(0.05)
Working capital	34,063	99,841	34,063	99,841
Expenditures on petroleum and natural gas properties	35,605	22,748	52,252	25,791
Debt	-	-	-	-
Common Shares Outstanding (000's)				
End of period	117,815	107,712	117,815	107,712
Weighted average - basic	117,708	102,245	117,645	95,290
Weighted average - fully diluted	120,344	104,604	120,281	97,650
Production				
Oil , natural gas and NGL production (boe per day)[1]	1,394	1,586	1,448	1,545

[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 July 2008, Antrim completed drilling of the Causeway well 211/23d-18 (Antrim 65.5% and operator) in the UK Northern North Sea. The 23d-18 well drilled a significant oil column, including a new oil accumulation in the Etive Formation. The well was drilled directionally, 93 feet structurally below well 23d-17z, and penetrated an oil column of 50 feet with 25 feet TVD net oil pay in the Ness Formation and an oil column of 15 feet with 8 feet TVD net oil pay in the underlying Etive Formation. Porosity and permeability measurements indicate high quality reservoirs with average porosity of 20% and permeability measured up to approximately 800 mD.

Modular Dynamics Testing over the oil bearing sandstones in both formations flowed light oil with no water. The equivalent Ness section in the discovery well tested light oil (32 degrees API) at rates up to 7,000 bopd with no water. The Etive section in 23d-18 represents a new oil accumulation not previously reported from this area of the Causeway structure.

The 23d-18 well has been cased and will be retained as a development well to provide pressure support to the 23d-17z discovery well, which tested at a combined rate of up to 14,500 bopd.

There are no additional wells planned before oil is produced under the proposed phase of the development. Preparation of a Field Development Plan (FDP) to be submitted to the Department for Business Enterprise and Regulatory Reform (DBERR) is proceeding. Facility construction is planned once approval of the FDP is obtained.

United Kingdom – Block 21/28a (“Fyne”)

In April 2008, Antrim completed drilling operations on the Antrim-operated (Antrim 75%) well 21/28a-9 on the Fyne Field in the UK Central North Sea. The multilateral 21/28a-9 well was drilled as planned with three legs, one pilot hole and two sidetracks into the Eocene Tay Sandstone. All three holes encountered significant oil columns. As originally designed, the final sidetrack 21/28a-9y has been cased to be used as a future production well.

Full analysis of the log and test data from 21/28a-9y indicated 65 feet net oil pay and 30 feet net gas pay. As designed, the well was drilled at a 60 degree angle resulting in wellbore measured thicknesses of 120 feet net oil pay and 47 feet net gas pay. The oil and gas pay intervals in Fyne are separate with the gas pay confined to the Upper Tay Formation and the oil pay contained within several sandstones in the Middle and Lower Tay Formations.

In July 2008, appraisal drilling of the western lobe of the Fyne Field encountered 32 feet of net oil pay in the Eocene Tay Sandstone. The results from the 21/28a-10 well were similar to the Fyne discovery well 21/28a-2, which tested up to 3,600 bopd from 30 feet of reservoir section.

In August 2008, a sidetrack to well 21/28a-10 (21/28a-10z) was drilled to the southeast of this location. At the time of this report the well had been successfully completed and tested at rates up to 4,000 bopd. An additional 45 feet of gas pay was drilled in the Upper Tay Sandstone and remains untested. No oil/water contacts or gas/oil contacts were observed in either well. These test results are indicative of the very high reservoir quality Tay Sandstones drilled in this area. It is anticipated that the sidetrack would be the final drilling operation before the Fyne partnership would apply for FDP approval from DBERR.

The Fyne Field is on trend with several other Tay fields in the area, including the Guillemot, Pict and Saxon developments. Oil from the Fyne Field, similar to adjacent fields, is likely to be produced through a Floating Production Storage and Offloading (FPSO) system and Antrim is actively searching for a suitable vessel. Fyne is situated approximately 20 kilometres from existing infrastructure which provides production services for several fields in the area.

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

In late 2007, Antrim participated in drilling the non-operated Kerloch prospect in Block 211/22a North West. The well, approximately 10 km northwest of Causeway, discovered a net 116 foot thick oil section in the Ness Formation. The Kerloch well was not tested and was retained to allow for potential re-entry and future use. Further technical evaluation of the prospect will be undertaken in 2008. Antrim holds a 21% working interest in Block 211/22a North West.

Argentina – Tierra del Fuego, Austral Basin

In September 2007, Antrim announced the start of its planned two-year drilling program in Tierra del Fuego. To date, Antrim is drilling the 17th well on the concessions. Well completions are slightly behind the number of discoveries as the proprietary completion and workover rig is undergoing a programmed general maintenance and inspection. The completion and workover rig will be back in service shortly. As reported in the previous quarterly, six wells have targeted the Los Patos oil pool discovered in 2006. Of these wells, four wells have been completed and placed on production and a further well is awaiting completion. One well had mechanical problems and could not be salvaged. The Las Violetas oil pool has had three wells drilled of which two are in production and the third is also waiting on completion. An additional six wells have been drilled targeting gas in the Los Patos (1), Los Flamencos (4), and San Luis (1) fields, of which four have been tested and the remaining two are waiting on completion. The remaining well, Angostura Sur x-1001, targeted a new four way structural closure approximately 15 kilometres to the North West of the Las Violetas pool. The well has been recently cased and has been completed in the Tobífera reservoir which, on swab, tested 270 bls/day of 26º API oil. There are 10 metres of additional potential pay to be tested in the Springhill reservoir, but it was decided to postpone the Springhill completion and put the Tobífera reservoirs on pump to further evaluate this new discovery in the basin. Gas development, including the installation of additional treatment and compression facilities, is being undertaken in anticipation of the completion later this year of improved gas transportation capacity from the Tierra del Fuego concessions.

In June 2008, Antrim commenced a 3-D seismic program totaling over 137 square kilometres (km^2) over the Gaviotas prospect in the Angostura concession and the Puesto Quince prospect in the Las Violetas concession. The acquisition of seismic has been completed and the data is now being processed. Delivery of the final data set for interpretation is anticipated for September.

First stage commissioning of the pipeline linking the Company's gas producing fields with the San Martin gas sales line across the Straits of Magellan is expected to be completed in September. Completion of this pipeline will enable the Company to redirect and deliver gas to the continent where higher prices are available. Expansion of gas processing facilities and installation of additional compression facilities is in progress and is expected to be completed by the third quarter of 2008. Upon completion, gross gas processing capacity is expected to increase to approximately 40 million cubic feet per day (mmcf/d) at which time previous gas discoveries can be placed on production. 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 half of 2008 was 1,121 boepd compared to 1,210 boepd for the comparable period in 2007. Net oil production in the first half of 2008 was 307 bopd compared to 338 bopd for the comparable period in 2007. Gas and natural gas liquids (NGL) production in the first half of 2008 was 4.5 mmcf/d and 71 barrels per day, respectively. Gas and NGL production for the comparable period in 2007 was 4.8 mmcf/d and 63 barrels per day, respectively. Production decreased for the six month period ended June 30, 2008, compared to 2007, in anticipation of the commissioning in September of the pipeline linking the Company's gas producing fields with the San Martin gas sales line across the Straits of Magellan.

Argentina – Medianera and Tres Nidos Sur, Neuquen Basin

Net production to Antrim from the Medianera licence in the first half of 2008 was 59 bopd compared to 27 bopd for the comparable period in 2007. Antrim is planning a multi-well follow-up drilling program on the licence in 2008. Antrim has a 70.0% working interest in the Medianera and Tres Nidos Sur licences. Under the terms of the Tres Nidos Sur licence, Antrim must acquire a minimum of 50 km^2 of 3D seismic in 2008 and drill an exploration well in 2009. Required permitting and environmental studies for the 3D seismic acquisition are underway.

Argentina – North West Basin

On the Capricorn licence, testing of the Lomas de Guayacán x-1 well of the Martinez del Tineo Oeste Prospect was completed. No commercial production of oil or gas was found in the well. The joint venture is completing an evaluation of further potential for the project, based upon oil and gas shows noted during drilling and testing. The two exploration wells drilled on the Capricorn licence were drilled pursuant to a farm-out agreement under which the Company retained a 37.5% working interest in the licence by paying 25% of the cost of the two wells.

Net production to Antrim from the Puesto Guardian licence in the first half of 2008 was 268 bopd compared to 308 bopd for the comparable period in 2007. Production decreased in 2008 compared to 2007 due to fewer workovers in the current year. Antrim has a 40% working interest in the Puesto Guardian licence.

CORPORATE

At the Annual General Meeting, Mr. Colin Maclean was elected as a Non-Executive Director of Antrim. We are pleased to welcome Colin to the Board and look forward to his guidance based on his extensive international and corporate experience.

As previously announced, Mr. Anthony Potter resigned as Chief Financial Officer and Corporate Secretary. We would like to thank Mr. Potter for his significant contributions to Antrim over the past five years. In July, Mr. Douglas Olson joined Antrim as Chief Financial Officer and brings over thirty years of financial management experience to Antrim.

Dr. Brian Moss has joined Antrim as Executive Vice-President, Latin America. Dr. Moss brings valued operational and executive management experience in Latin America to Antrim. Dr. Moss will also continue in his role as Director on the Board.

Mr. Tim Haney has been appointed Corporate Secretary. Mr. Haney practices law with Burstall Winger LLP and has been providing legal services to Antrim over the past two years.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis (MD&A), dated August 12, 2008, should be read in conjunction with Antrim's unaudited consolidated financial statements for the three and six months ended June 30, 2008 and Antrim's MD&A and audited consolidated financial statements for the year ended December 31, 2007. 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 US 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. Kerry Fulton, P. Eng and Chief Operating Officer 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 decreased to $6,045,330 in the first half of 2008 compared to $7,229,701 in the first half of 2007. Revenues decreased 16.4% primarily due to a two week ship related delay in delivery of June crude oil production in Tierra del Fuego.

Net revenues, after royalties and export taxes, decreased to $5,084,316 from $5,252,225 as a result of lower sales volumes associated with the delay in delivery of oil production from Tierra del Fuego and lower oil and gas prices.

Net production to Antrim in the first half of 2008 was 1,448 boepd compared to 1,545 boepd for the comparable period in 2007. Average net oil production in the three and six month periods ended June 30, 2008 was 610 and 634 bopd, respectively, compared to 664 and 673 bopd respectively, for the comparable periods in 2007. Oil prices averaged $42.35 per barrel in the first half of 2008 compared to $45.56 per barrel for the comparable period in 2007.

Average net gas production in the three and six month periods ended June 30, 2008 was 4.2 and 4.5 mmcf/d compared to 5.2 and 4.8 mmcf/d for the comparable periods in 2007. Sales gas prices in Argentina averaged $0.87 per mcf in the first half of 2008 compared to $1.32 per mcf for the comparable period in 2007. The average gas price decreased as a greater proportion of gas production in the period was delivered to the Tierra del Fuego residential market. The price received for gas is expected to increase following commissioning of the tie-in to the San Martin pipeline.

Average net NGL production in the three and six month periods ended June 30, 2008 was 76 and 71 barrels per day compared to 56 and 63 barrels per day for the comparable periods in 2007. NGL prices, before export taxes, averaged $49.34 per barrel in the first half of 2008 compared to $35.33 per barrel for the comparable period in 2007. NGL exports to Chile are subject to a 45% export tax applied on the sales value after the tax.

Netbacks

Antrim realized a netback of $4.71/boe for the three month period ended June 30, 2008 compared to $13.18/boe for the comparable period in 2007. The netback on a boe basis for the quarter ended June 30, 2008 was down due to an increase in the relative weighting of gas sales in the netback calculation. For the first half of 2008, Antrim realized a netback of $10.62/boe compared to a netback of $13.04/boe for the comparable period in 2007. The following table provides a comparative analysis of field netbacks for the three and six months ended June 30, 2008 and 2007.

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2008	**2007**	**2008**	**2007**
US$/boe				
Wellhead price	**20.96**	27.06	**23.68**	25.96
Royalties	**(3.06)**	(3.43)	**(3.04)**	(3.17)
Export tax	**(1.21)**	(3.85)	**(0.72)**	(3.93)
Operating expenses	**(11.98)**	(6.60)	**(9.30)**	(5.82)
Netback	**4.71**	13.18	**10.62**	13.04
Oil, natural gas and NGL sales (boe)	**110,754**	143,073	**255,305**	278,517
Oil , natural gas and NGL sales (boe per day)	**1,217**	1,572	**1,403**	1,538

The decrease in netbacks is due to lower wellhead prices and increased operating costs attributed to higher personnel and land rental costs and changes in November 2007 to the export tax regime. These changes limited the maximum price producers could receive for crude oil exports and domestic oil sales to US$42 per barrel, regardless of the price of WTI. In January 2008, the Argentine Secretary of Energy issued Resolution 1/2008, which stated that for the purposes of calculating provincial production taxes, the US$42 reference price pertains only to the lowest quality of crude oil produced in the country. Crude oil produced from the Company's properties is generally of a higher quality than the average quality crude oil produced in the country.

General and Administrative

General and administrative (G&A) costs increased in the first half of 2008 to $4,259,281 compared to $2,501,295 for the comparable period in 2007. During the period, Antrim also capitalized $1,537,964 (2007 - $1,081,388) of G&A costs related to exploration and development activity in Argentina and the United Kingdom. G&A costs increased in 2008 due to greater corporate activity, new UK office premises and increased personnel and related costs.

Foreign Exchange Gain (Loss)

The Company incurred a foreign exchange gain in the first half of 2008 of $125,375 compared to a loss of $3,704,047 for the comparable period in 2007. Canadian, US and UK foreign currency exchange rates have been relatively stable in the first half of 2008 compared to the significant strengthening of the Canadian dollar against the US dollar and pound sterling that occurred in the comparable period in 2007. The Company's functional currency is Canadian dollars whereas a significant amount of the Company's activities are transacted in or referenced to US dollars or pounds sterling. The Company will hold US dollars and pound sterling, as required, to support drilling operations in the UK North Sea. Amounts received from joint venture partners and other accounts payable related to oil and gas operations will also be denominated in foreign currency.

Cash Flow and Net Income (Loss)

Antrim had cash flow from operations of $453,184 ($0.00 per share) in the first half of 2008 compared to $2,515,674 ($0.03 per share) for the comparable period in 2007. Cash flow decreased due to the timing of oil deliveries from Tierra del Fuego to the Argentine continent, lower production, higher operating costs and higher G&A expenses.

Antrim incurred a net loss in the first half of 2008 of $4,371,701 ($0.04 per share) compared to a net loss of $4,413,676 ($0.05 per share) for the comparable period in 2007. The net loss was essentially unchanged 2008 over 2007 as higher interest and other income was offset by higher expenses.

Financial Resources and Liquidity

At June 30, 2008, Antrim had working capital of $34,062,783 (December 31, 2007 - $88,923,886), unrestricted cash of $27,995,424 (December 31, 2007 - $98,794,077) and no debt. Restricted cash at June 30, 2008 of $27,618,759 (December 31, 2007 - $6,791,941) secures US dollar and Pound Sterling denominated standby letters of credit issued with respect to the Company's 2008 drilling program in the UK North Sea. Accounts payable and accrued liabilities increased to $27,351,675 at June 30, 2008 (December 31, 2007 - $22,539,789) primarily as a result of the UK drilling program.

Antrim invests cash, not required for immediate operational needs, in short-term bankers acceptance and money market instruments. Antrim has no exposure to the asset backed commercial paper market which has been subject to a liquidity crisis over the past year.

Antrim plans to fund its growth in the UK with debt facilities. Antrim manages the risk that it will encounter difficulty meeting its financial obligations by forecasting cash flows in an effort to identify future liabilities and arrange financing, if necessary. It may take many years and substantial cash expenditures to pursue exploration and development activities on all of the Company's existing undeveloped properties. Accordingly, Antrim may need to raise additional funds from outside sources in order to explore and develop its properties. There is no assurance that adequate funds from debt and equity markets will be available to the Company in a timely manner.

Subsequent to June 30, 2008, Antrim closed a Cdn $50 million equity offering and entered into an agreement with the Bank of Scotland for a $50 million working capital facility. The working capital facility will be available, subject to certain conditions, for pre-development costs associated with Antrim's Causeway property and for the appraisal of the Fyne and Dandy fields. The amount available under the facility will increase as Antrim prepares, submits and receives final approval of a Field Development Plan (FDP) for the Causeway Field. Facility construction is planned on approval of the FDP. To date, no amounts have been drawn on this facility. The Company anticipates replacing this facility upon FDP approval, with a larger senior secured field development facility for both the Causeway and Fyne Fields. Early cash flow from Causeway production and the Fyne Field is expected to fund the development of additional reserves in the Causeway, Fyne and Dandy areas.

The Company has signed a rig contract which provides Antrim with the Transocean Prospect semi-submersible drilling rig for a minimum of 80 days beginning in June 2008. The rig rate is approximately $300,000 per day. It is anticipated that the rig will be released and contract term met upon completion of the Fyne drilling and testing program currently underway.

Cash flow from operations in Argentina is expected to be reinvested in Argentina during the year. A further six wells are expected to be drilled in Tierra del Fuego in 2008. First stage commissioning of the pipeline linking the Company's gas producing fields with the San Martin gas sales line across the Straits of Magellan is expected to be completed in September. Completion of this line will enable the Company to redirect and deliver gas to the continent where a higher price is available. Expansion of gas processing facilities and installation of additional compression facilities is in progress and is expected to be completed by the third quarter of 2008. Upon completion, gross gas processing capacity is expected to increase to approximately 40 mmcf/d at which time previous gas discoveries can be placed on production.

In October 2007, Antrim was awarded an exploration licence for the Tres Nidos Sur Block immediately adjacent to and north of the Medianera Block in the Neuquen Basin. Antrim plans to coordinate exploration and development of the Tres Nidos Sur Block with the Medianera Block. Antrim expects to acquire 50 km^2 of 3D seismic in 2008 and, up to six wells are planned to be drilled on the two blocks, subject to rig availability.

Summary of Quarterly Results

($US000'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**
2008				
Second quarter	1,849	(986)	(3,564)	(0.03)
First quarter	3,236	1,439	(808)	(0.01)
Total	5,084	453	(4,372)	(0.04)
2007				
Fourth quarter	3,297	1,060	(1,754)	(0.02)
Third quarter	2,601	882	(2,260)	(0.02)
Second quarter	2,830	1,720	(3,330)	(0.03)
First quarter	2,422	795	(1,084)	(0.01)
Total	11,150	4,457	(8,428)	(0.08)
2006				
Fourth quarter	2,481	528	(666)	(0.01)
Third quarter	3,031	1,473	575	0.01
Second quarter	2,135	213	810	0.01
First quarter	2,147	1,077	473	0.01
Total	9,795	3,290	1,192	0.02

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, 2008, the Company adopted the Canadian Institute of Chartered Accountants (CICA) Section 1535 "Capital Disclosures, Section 3031 "Inventories", Section 3862 "Financial Instruments Disclosures", and Section 3863 "Financial Instruments Presentation". Where applicable, these standards have been adopted prospectively.

CICA Section 1535 "Capital Disclosures" requires companies to disclose their objectives, policies and procedures for managing capital, as well as whether externally imposed capital requirements have been complied with.

CICA Section 3031 "Inventories" provides revised guidance on the measurement and disclosure requirements for inventory, and also clarifies that major spare parts and standby equipment not in use should be included in property, plant and equipment.

CICA Section 3862 "Financial Instruments Disclosures" and Section 3863 "Financial Instruments Presentation" require the Company to provide additional disclosure to enable users to evaluate the significance of financial instruments to the Company's financial position, performance and cash flows and how those risks are managed.

Effective for fiscal years commencing on or after October 1, 2008, the Company will be required to adopt new CICA Section 3064. "Goodwill and Intangible Assets" clarifying the criteria for the recognition of assets, intangible assets and internally developed intangible assets. The Company is currently evaluating the impact the new section will have, if any, on the Company's financial statements.

In February 2008, the Canadian Accounting Standards Board (AcSB) confirmed that the mandatory changeover from existing Canadian GAAP to International Financial Reporting Standards (IFRS) is to take effect for financial years beginning on or after January 1, 2011. As at December 31, 2008, the Company will be required to provide preliminary disclosure of the policy impact adopting IFRS will have on the Company's financial statements. The Company is currently evaluating the impact of adopting IFRS and will be developing its detailed implementation plan in 2008.

Related Party and Off-Balance Sheet Transactions

Antrim may from time to time enter into arrangements with related parties. In the first half of 2008, the Company incurred fees of $65,239 (2007 - $172,324) 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 half of 2008.

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. There were no changes in the Company's internal controls over financial reporting that occurred during the second 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.

Risks and Uncertainties

Risks and uncertainties are detailed in the Company's Annual Report and AIF and have not changed significantly from those identified for the year ended December 31, 2007.

Stephen Greer
President and Chief Executive Officer
August 12, 2008

Antrim Energy Inc.
Consolidated Balance Sheets
As at June 30, 2008 and December 31, 2007 (unaudited)

	2008 US $	2007 US $
Assets		
Current assets		
Cash and cash equivalents	**27,995,424**	98,794,077
Restricted cash (note 4)	**27,618,759**	6,791,941
Accounts receivable	**4,533,437**	5,035,160
Inventory and prepaid expenses (note 5)	**1,266,838**	842,497
	61,414,458	111,463,675
Petroleum and natural gas properties (note 6)	**237,370,370**	189,890,781
Office equipment	**801,078**	559,673
Future income taxes	**1,372,234**	911,783
Investments and other non-current assets (note 7)	**5,082,312**	4,568,955
Total Assets	**306,040,452**	307,394,867
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**27,351,675**	22,539,789
	27,351,675	22,539,789
Asset retirement obligation	**12,995,669**	9,650,649
	40,347,344	32,190,438
Commitments and contingencies (note 12)		
Shareholders' Equity		
Share capital (note 8)	**263,178,138**	262,600,117
Contributed surplus (note 9)	**8,927,645**	6,706,403
Deficit	**(28,367,927)**	(23,996,226)
Accumulated other comprehensive income	**21,955,252**	29,894,135
	265,693,108	275,204,429
Total Liabilities and Shareholders' Equity	**306,040,452**	307,394,867

Antrim Energy Inc.

Consolidated Statements of Income (Loss) and Deficit

For the periods ended June 30, 2008 and 2007 (unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	**2008**	2007
	US $	US $	**US $**	US $
Revenue				
Oil and gas sales	**2,321,381**	3,872,016	**6,045,330**	7,229,701
Royalties	**(338,834)**	(490,648)	**(777,379)**	(883,671)
Export tax	**(133,904)**	(551,351)	**(183,636)**	(1,093,805)
	1,848,644	2,830,017	**5,084,316**	5,252,225
Interest and other income	**725,495**	1,131,135	**1,912,508**	1,731,120
	2,574,139	3,961,152	**6,996,824**	6,983,345
Expenses				
Operating	**1,327,317**	944,139	**2,371,967**	1,621,066
General and administrative	**2,260,491**	1,213,129	**4,259,281**	2,501,295
Stock-based compensation	**1,203,684**	831,662	**2,361,473**	1,551,064
Depletion and depreciation	**1,192,014**	1,031,507	**2,422,127**	1,880,174
Accretion of asset retirement obligations	**293,034**	47,777	**528,945**	92,594
Foreign exchange (gain) loss	**379,871**	3,229,883	**(125,375)**	3,704,047
	6,656,411	7,298,097	**11,818,418**	11,350,240
Loss for the period before income taxes	**(4,082,272)**	(3,336,945)	**(4,821,594)**	(4,366,895)
Income tax expense (recovery)				
Current	**36,473**	16,667	**36,637**	80,396
Future	**(554,764)**	(23,476)	**(486,530)**	(33,615)
	(518,291)	(6,809)	**(449,893)**	46,781
Net Loss	**(3,563,981)**	(3,330,136)	**(4,371,701)**	(4,413,676)
Deficit - Beginning of Period	**(24,803,946)**	(16,652,141)	**(23,996,226)**	(15,568,601)
Deficit - End of Period	**(28,367,927)**	(19,982,277)	**(28,367,927)**	(19,982,277)
Net Loss Per Common Share – Basic	**(0.03)**	(0.03)	**(0.04)**	(0.05)
Net Loss Per Common Share – Diluted	**(0.03)**	(0.03)	**(0.04)**	(0.05)

Antrim Energy Inc.
Consolidated Statements of Comprehensive Income (Loss) and Accumulated Other Comprehensive Income (Loss)
For the periods ended June 30, 2008 and 2007 (unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	**2008**	2007
	US $	US $	**US $**	US $
Net loss for the period	**(3,563,981)**	(3,330,136)	**(4,371,701)**	(4,413,676)
Other Comprehensive Income (Loss)				
Unrealized gain (loss) on translation of consolidated financial statements into reporting currency	**3,164,279**	14,655,494	**(7,938,883)**	15,960,884
Comprehensive Income (Loss)	**(399,702)**	11,325,358	**(12,310,584)**	11,547,208
Accumulated Other Comprehensive Income (Loss) - Beginning of Period	**18,790,973**	(864,637)	**29,894,135**	(2,170,027)
Other comprehensive income (loss)	**3,164,279**	14,655,494	**(7,938,883)**	15,960,884
Accumulated Other Comprehensive Income (Loss) - End of Period	**21,955,252**	13,790,857	**21,955,252**	13,790,857

Antrim Energy Inc.
Consolidated Statements of Cash Flows
For the periods ended June 30, 2008 and 2007 (unaudited)

	Three months Ended June 30,		Six months Ended June 30,	
	2008	2007	**2008**	2007
	US $	US $	**US $**	US $
Operating Activities				
Net loss for the period	**(3,563,981)**	(3,330,136)	**(4,371,701)**	(4,413,676)
Items not involving cash:				
Depletion and depreciation	**1,192,014**	1,031,507	**2,422,127**	1,880,174
Accretion of asset retirement obligations	**293,034**	47,777	**528,945**	92,594
Stock-based compensation expense	**1,203,684**	831,662	**2,361,473**	1,551,064
Foreign exchange loss (gain)	**444,292**	3,162,994	**(1,130)**	3,439,133
Future income taxes	**(554,764)**	(23,476)	**(486,530)**	(33,615)
	(985,721)	1,720,328	**453,184**	2,515,674
Change in non-cash working capital items	**833,104**	1,265,909	**700,525**	667,993
	(152,618)	2,986,237	**1,153,708**	3,183,667
Financing Activities				
Issue of common shares	**350,199**	54,189,456	**387,921**	74,322,046
Share issue expenses	**(21,197)**	(2,568,018)	**(26,295)**	(2,594,560)
	329,003	51,621,438	**361,627**	71,727,486
Investing Activities				
Office equipment	**(163,075)**	(33,981)	**(396,185)**	(145,624)
Petroleum and natural gas properties	**(35,605,166)**	(22,747,586)	**(52,252,229)**	(25,790,548)
Restricted cash	**(5,488,339)**	(44,093,428)	**(21,120,581)**	(44,093,428)
Other current assets	**-**	175,772	**-**	441,929
Other non-current assets	**(310,823)**	(226,063)	**(647,304)**	(281,267)
Change in non-cash working capital items	**(2,049,189)**	32,887,040	**4,511,759**	34,484,883
	(43,616,593)	(34,038,246)	**(69,904,541)**	(35,384,055)
Effect of exchange rate changes on cash and short term deposits	**(615,538)**	(3,559,200)	**276,245**	(3,802,817.00)
Net effect of foreign exchange translation on cash flows	**867,340**	6,600,757	**(2,685,692)**	7,258,026.00
Net increase (decrease) in cash and cash equivalents	**(43,188,406)**	23,610,986	**(70,798,653)**	42,982,307
Cash and Cash Equivalents - Beginning of Period	**71,183,830**	65,463,685	**98,794,077**	46,092,364
Cash and Cash Equivalents - End of Period	**27,995,424**	89,074,671	**27,995,424**	89,074,671
Supplemental Cash Flow Information				
Interest received	**601,683**	1,038,234	1,446,344	1,528,915
Taxes paid	**36,473**	131,695	36,637	277,917

(1) Basis of presentation

These unaudited interim financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”). 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, 2007, except as disclosed in note 2. All amounts are in US dollars, except as otherwise noted.

(2) Changes in accounting policies

Change in reporting currency

Effective January 1, 2008, the Company changed its reporting currency from Canadian dollars (Cdn $) to United States dollars (US $ or $), as the Company anticipates that the majority of its future income stream and debt facilities will be denominated in US $. The Company has made this change in accordance with Canadian GAAP by following the recommendations of Emerging Issues Committee (EIC) of the Canadian Institute of Chartered Accountants (CICA) Abstract EIC-130 “Translation Method when the Reporting Currency Differs from the Measurement Currency or there is a Change in the Reporting Currency”.

Following the recommendations of EIC-130, financial statements for all periods presented have been translated using the current rate method. Under this method, consolidated revenues, expenses, and cash flow statement items have been translated using weighted-average exchange rates for the applicable periods. Consolidated assets and liabilities have been translated using the exchange rates in effect on the balance sheet dates, while shareholders’ equity has been translated using the exchange rates in effect on the date of each transaction. Resulting exchange differences are reported in a separate component of other comprehensive income. All comparative financial information has been translated and restated as if the US $ had been used as the Company’s reporting currency. As a result of the change in reporting currency, the Company has recorded accumulated other comprehensive income on the balance sheet at January 1, 2008 of $29,894,135.

The Company’s functional currency, which is Canadian dollars, remains unchanged.

Other Changes

Effective January 1, 2008, the Company adopted the CICA Section 1535 “Capital Disclosures, Section 3031 “Inventories”, Section 3862 “Financial Instruments Disclosures”, and Section 3863 “Financial Instruments Presentation”. Where applicable, these standards have been adopted prospectively.

CICA Section 1535 “Capital Disclosures” requires companies to disclose their objectives, policies and procedures for managing capital, as well as whether externally imposed capital requirements have been complied with. See note 13 for further information regarding the Company’s management of capital.

CICA Section 3031 “Inventories” provides revised guidance on the measurement and disclosure requirements for inventory, and also clarifies that major spare parts and standby equipment not in use should be included in property, plant and equipment. See note 5 for further information regarding inventories. The adoption of this section did not have a material impact on the Company, CICA Section 3862 "Financial Instruments Disclosures" and Section 3863 "Financial Instruments Presentation" require the Company to provide additional disclosure to enable users to evaluate the significance of financial instruments to the Company's financial position, performance and cash flows and how those risks are managed. See note 14 for further information regarding financial instruments.

(3) Upcoming accounting pronouncements

Effective for fiscal years commencing on or after October 1, 2008, the Company will be required to adopt new CICA Section 3064 "Goodwill and Intangible Assets" clarifying the criteria for the recognition of assets, intangible assets and internally developed intangible assets. The Company is currently evaluating the impact the new section will have, if any, on the Company's financial statements.

In February 2008, the Canadian Accounting Standards Board ("AcSB") confirmed that the mandatory changeover from existing Canadian GAAP to International Financial Reporting Standards ("IFRS") is to take effect for financial years beginning on or after January 1, 2011. As at December 31, 2008, the Company will be required to provide preliminary disclosure of the policy impact adopting IFRS will have on the Company's financial statements.

(4) Restricted cash

Restricted cash at June 30, 2008 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.

(5) Inventory and prepaid expenses

Included in inventory and prepaid expenses at June 30, 2008 is $542,894 (2007 - $290,091) of crude oil that has been produced but not yet sold. Inventories of crude oil are valued at the lower of average cost and net realizable value.

(6) Petroleum and natural gas properties

			June 30, 2008
	Cost **$**	**Accumulated depletion and depreciation** **$**	**Net book value** **$**
Argentina	50,938,694	16,927,827	34,010,867
United Kingdom	206,289,373	2,929,870	203,359,503
	257,228,067	19,857,697	237,370,370

			December 31, 2007
	Cost **$**	**Accumulated depletion and depreciation** **$**	**Net book value** **$**
Argentina	44,024,774	14,650,827	29,373,947
United Kingdom	163,446,704	2,929,870	160,516,834
	207,471,478	17,580,697	189,890,781

In the period, the Company capitalized $1,537,964 (2007 - $1,081,388) of general and administrative costs related to exploration and development activity in Argentina and United Kingdom. At June 30, 2008, petroleum and natural gas properties include $203,359,503 (2007 - $160,516,834) relating to unproven properties that have been excluded from the depletion calculation.

In the third quarter of 2007, the Company wrote-off costs of $667,392 following the relinquishment of its interests in the United Kingdom Southern Gas Basin.

(7) Investments and 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 December 31, 2007 and June 30, 2008, 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 $1.00 per share exercisable until May 26, 2009. Other non-current assets primarily consist of value added tax receivable in Argentina and amounts due from the operator of one of the Company's joint ventures.

	June 30, 2008 $	December 31, 2007 $
Investment in NOR	2,435,176	2,507,494
Other non-current assets	2,647,136	2,061,461
	5,082,312	4,568,955

(8) Capital stock

Authorized

Unlimited number of common voting shares
Unlimited number of preferred shares

Common Shares Issued

	Number of Shares	Amount $
Balance – December 31, 2007	117,581,389	262,600,117
Employee share ownership plan	41,342	152,332
Exercise of stock options	192,333	451,985
Share issue costs	-	(26,296)
Total Common Shares – June 30, 2008	117,815,064	263,178,138

Stock Options

Pursuant to the Company's stock option plan, as at June 30, 2008, there were 9,557,398 options outstanding to purchase Common Shares at prices ranging from Cdn $0.86 to Cdn $6.95 per share, with an average exercise price of Cdn $3.28 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 six months ended June 30, 2008 and 2007 was $2,361,473 and $1,551,064, 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 – 3.22% (2007 – 4.00%); expected life – 4.5 years (2007 – 4.5 years); expected volatility – 65.5% (2007 – 60.0%); expected dividend yield – nil (2007 – nil).

Per Share Information

	Six months ended	
	June 30, 2008 Number of shares	**June 30, 2007 Number of shares**
Weighted average number of shares outstanding	117,644,657	95,290,260
Exercisable stock options	2,636,073	2,359,577
Diluted average number of shares outstanding	120,280,730	97,649,837

(9) Contributed surplus

	Amount $
Balance – December 31, 2007	6,706,403
Stock-based compensation expense	2,361,473
Transfer to share capital on exercise of stock options	(140,231)
Balance – June 30, 2008	8,927,645

(10) Segmented information

June 30, 2008	**Revenue**		**Earnings (Loss)**		**Identifiable assets**
	Three Months Ended $	**Six Months Ended $**	**Three Months Ended $**	**Six Months Ended $**	**As at $**
Canada	-	-	(2,491,693)	(2,825,083)	31,738,650
Argentina	2,321,381	6,045,330	(202,674)	(290,577)	44,645,409
New Zealand	-	-	(2,440)	(6,270)	142
United Kingdom	-	-	(867,174)	(1,249,771)	229,656,251
Total	2,321,381	6,045,330	(3,563,981)	(4,371,701)	306,040,452

June 30, 2007	**Revenue**		**Earnings (Loss)**		**Identifiable assets**
	Three Months Ended $	**Six Months Ended $**	**Three Months Ended $**	**Six Months Ended $**	**As at $**
Canada	-	-	(4,075,455)	(5,358,015)	109,011,731
Argentina	3,872,016	7,229,701	851,681	1,335,436	31,362,804
New Zealand	-	-	(6,657)	(10,616)	660
United Kingdom	-	-	(99,705)	(380,481)	108,267,943
Total	3,872,016	7,229,701	(3,330,136)	(4,413,676)	248,643,138

(11) Related party transactions

The Company may from time to time enter into arrangements with related parties which are accounted for at the exchange amount. In the first half of 2008, the Company incurred fees of $65,239 (2007 - $172,324) payable to Burstall Winger LLP, a law firm in which Mr. Jay Zammit, a director of the Company, is a partner.

(12) Commitments and contingencies

The Company has signed a rig contract which provides the Company with the Transocean Prospect semi-submersible drilling rig for a minimum of 80 days beginning in June 2008. The rig rate is approximately $300,000 per day.

The Company has the following commitments in respect of its oil and gas properties:

United Kingdom – Fyne & Dandy

The Company acquired a 75% working interest in Block 21/28a in 2006 for $8 million. On approval of a field development plan, the Company has agreed to pay an additional $10 million as part of the acquisition cost of the block.

United Kingdom - South Larne

Under the terms of the Petroleum Exploration Licence, the Company is required to complete geoscience surveys by mid October 2008 at a gross cost of £154,000 (Antrim 33.33% working interest). A decision to drill or drop the licence has to be made by mid October 2008. Under the terms of the Minerals Prospecting Licence, Antrim is required to complete geoscience surveys by December 31, 2008 at a gross cost of £154,000 (Antrim 33.33% working interest). A decision to drill or drop the licence is required by December 31, 2008. One common work program will satisfy the terms of both licences, i.e. geophysical surveys at a gross cost of £154,000 and drilling one well will satisfy the conditions of both licences.

Argentina - Tres Nidos Sur

The Company acquired a 70% working interest in the Tres Nidos Sur Block in October 2007. Under the terms of the licence, the joint venture is required to acquire a minimum of 50 km^2 of 3D seismic in the first year of the licence, and drill an exploration well in the second year.

(13) Capital management

The Company's objective when managing capital is to maintain adequate levels of funding to support its exploration and development program and provide flexibility in the future development of its business. Historically the Company has raised all of its capital requirements from internally generated cash flow and by the issuance of common shares and securities exchangeable for common shares. The Company's capital structure at June 30, 2008 consists entirely of common share capital. The Company had no bank debt at June 30, 2008 but signed a $50 million working capital facility agreement with Bank of Scotland in July 2008. The working capital facility, subject to certain conditions, will be available for pre-development costs associated with Antrim's Causeway property and for the appraisal of the Fyne and Dandy fields. The amount available under the facility will increase as Antrim prepares, submits and receives final approval of a Field Development Plan (FDP) for the Causeway Field.

As exploration opportunities are recognized, the Company may access equity markets to fund seismic and drilling activities. Development opportunities are expected to be financed primarily by debt, provided such financing can be arranged at commercially acceptable terms. Acquisition opportunities could be financed from combinations of then-existing working capital, new equity issues and debt instruments. There is no assurance, however, that adequate funds from debt and equity markets will be available to the Company in a timely manner.

The Company is not subject to any externally imposed capital requirements and there were no changes in the Company's approach to capital management in the quarter ended June 30, 2008.

(14) Financial instruments and financial risks

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value and are subsequently accounted for based on their classification. The classification categories, which depend on the purpose for which the financial instruments were acquired and their characteristics, include held-for-trading, available-for-sale, held-to-maturity, loans and receivables, investments, and other liabilities. Except in very limited circumstances, the classification is not changed subsequent to initial recognition.

The Company's financial instruments consist of cash, restricted cash and short-term deposits, accounts receivable, investment in NOR Energy AS and accounts payable. Cash, restricted cash and short-term deposits are categorized as held-for-trading and are accounted for at fair value with the change in fair value recognized in net income during the period. Accounts receivable are classified as loans and receivables and are accounted for at amortized cost. The investment in NOR Energy AS is classified as available-for-sale and accounted for at cost. Accounts payable is classified as other liabilities and is accounted for at amortized cost. Due to the short-term maturity of the Company's financial instruments, fair values approximate carrying amounts.

Financial risks

The Company is exposed to financial risks encountered during the normal course of its business. These financial risks are composed of credit risk, liquidity risk, and market risk including commodity price and foreign currency exchange risks.

(a) Credit risk

The Company is exposed to the risk that its counterparties will fail to discharge their obligations to the Company on its cash, cash equivalents, restricted cash and accounts receivable.

Cash, cash equivalents and restricted cash are on deposit with reputable Canadian and international banks, and therefore the Company does not believe these financial instruments are subject to material credit risk. The majority of oil production is from two properties in Argentina and each property's production is sold to a single purchaser. Factors included in the assessment of account receivable for impairment is the relationship between the purchaser and the Company and the age of the receivable. As at June 30, 2008, the Company has provided for an allowance for doubtful accounts which is not material.

The Company's maximum exposure to credit risk at June 30, 2008 is equal to the carrying amount of cash, cash equivalents, restricted cash and accounts receivable on the Company's balance sheet on that date.

There has been no change in credit risk from the previous period.

(b) Liquidity risk

The Company is exposed to liquidity risk from the possibility that it will encounter difficulty meeting its financial obligations. The Company manages this risk by forecasting cash flows in an effort to identify future liabilities and arrange financing, if necessary. It may take many years and substantial cash expenditures to pursue exploration and development activities on all of the Company's existing undeveloped properties. Accordingly, Antrim may need to raise additional funds from outside sources in order to explore and develop its properties. There is no assurance that adequate funds from debt and equity markets will be available to the Company in a timely manner.

At June 30, 2008, the Company had working capital of $34,062,783 compared to $88,923,886 at December 31, 2007. The contractual maturities of the Company's financial liabilities at June 30, 2008 are less than one year.

(c) Market Risk

Market risk consists of commodity price risk and foreign currency exchange risk.

<u>Commodity price risk</u>

Currently all of the Company's oil and gas revenue is from oil and gas properties in Argentina. Oil and gas prices in Argentina are subject to mandated domestic market discounts which result in prices significantly below benchmark prices such as WTI. Oil and gas exports from Argentina are subject to export taxes which effectively limit the maximum price that producers could receive for crude oil exports to $42 per bbl, regardless of the price of WTI. The mandated discount on domestic sales results in a similar ceiling, after quality adjustments, within the domestic market. Further regulatory changes to the domestic market prices or export tax regime may have an adverse impact on the Company's net revenues, cash flow and earnings.

<u>Foreign currency exchange risk</u>

The Company is exposed to fluctuations in foreign currency exchange rates as many of the Company's financial instruments are denominated in US dollars (USD), pounds sterling (GBP), or Argentine pesos (ARS), while the functional currency of the Company is Canadian dollars (CAD). As a result, fluctuations in the US dollar, pound sterling, and Argentine peso against the Canadian dollar could result in unanticipated fluctuations in the Company's financial results which are denominated in Canadian dollars. The Company seeks to minimize foreign exchange risk by holding cash and cash equivalents in Canadian dollars when not required in support of current operations.

The Company's exposure to foreign currency exchange risk at June 30, 2008 can be summarized as follows:

	Balance Sheet Total	**CAD**	**GBP**	**USD**	**ARS**	**NZD**
		USD Equivalent				
Cash and cash equivalents	27,995,424	17,740,453	7,904,298	1,276,829	1,073,702	142
Restricted cash	27,618,759	-	15,618,062	12,000,697	-	-
Accounts receivable	4,533,437	129,643	1,319,359	1,763,781	1,320,654	-
Account payable	(27,351,675)	(126,012)	(23,286,068)	(1,961,456)	(1,965,103)	(13,036)
Total	32,795,945	17,744,084	1,555,651	13,079,851	429,253	(12,894)

The Company performed a sensitivity analysis of the effect on net loss and other comprehensive loss of a reasonably possible change in the strength of the Canadian dollar against these foreign currencies. A 5% strengthening of the Canadian dollar against the foreign currencies would result in an increase to net loss of approximately $750,000 and would result in a decrease to other comprehensive loss of approximately $13,350,000 for the six month period ended June 30, 2008. An equal but opposite impact to net loss and other comprehensive loss would result if the Canadian dollar weakened by 5%.

(15) Subsequent events

On July 15, 2008, the Company issued 16,130,000 common shares at a price of Cdn $3.10 per common share for gross proceeds of Cdn $50,003,000. The Company granted an over-allotment option to issue an additional 2,419,500 common shares at a price of Cdn $3.10 per share exercisable in whole or in part until August 14, 2008.

In July 2008, the Company entered into an agreement with the Bank of Scotland for a $50 million working capital facility. The working capital facility will be available, subject to certain conditions, for pre-development costs associated with the Company's Causeway property and for the appraisal of the Fyne and Dandy fields. The amount available under the facility increases as the Company prepares, submits and receives final approval of a Field Development Plan for the Causeway Field.

DIRECTORS

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Antrim Energy Inc.

Dr. Brian Moss (3)
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Antrim Energy Inc.
Chairman,
Richards Oil and Gas Ltd.

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

Colin Maclean (1)
Independent Businessman

(1) Member of the Audit Committee
(2) Member of the Compensation Committee
(3) Member of Reserves Committee

OFFICERS

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Douglas B. Olson, CA, CFA
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Kerry Fulton, P. Eng.
Chief Operating Officer

Dr. Brian Moss
Executive Vice President, Latin America

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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

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

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

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