

ANTERRA ENERGY INC.**For Immediate Release
Calgary, Alberta****NEWS RELEASE****TSXV Symbol: AE.A and AE.B****34,402,065 Class A Shares
753,014 Class B Shares****Anterra Announces First Closing of Private Placement and Commencement of Drilling in SW Saskatchewan**

CALGARY, ALBERTA, October 10, 2008 – Anterra Energy Inc. (“Anterra” or the “Company”) is pleased to announce that the Company has closed the first tranche of its previously announced \$2 million flow-through financing (the “Offering”) and commenced drilling its first Lower Shaunavon horizontal well in southwest Saskatchewan.

Through the Offering, an aggregate of 2,233,025 Class A shares were issued on a flow-through basis at \$0.30 per share for gross proceeds of \$669,908. An aggregate of 546,358 shares were issued to a number of Anterra directors. The shares are subject to a hold period under applicable securities laws of four months, expiring on February 9, 2009. Proceeds will be used to incur Canadian Exploration Expenses, which will be renounced in favour of the subscribers for the 2008 taxation year. Due to strong interest in the Offering, Anterra has extended the final closing until later in the month.

FRONTIER UPDATE

Anterra also announced that the commencement of drilling of the first Lower Shaunavon horizontal well in its resource play at Frontier in SW Saskatchewan at surface location LSD 04C 15-04-20W3M. The Company expects to complete drilling of the \$2.2 million well by the end of October and to have results from production testing by the end of November. The well is operated and funded by partner Reece Energy Exploration Corp. Following success at a recent land sale, Anterra now holds 9,440 acres of land (4,592 net acres) over the Lower Shaunavon project, significantly extending its “footprint” over this strategic resource project. With at least five (5) horizontal wells per section required to exploit the Lower Shaunavon resource, Anterra and its partner have more than 70 potential horizontal well locations to drill on the joint venture lands.

About Anterra Energy

Anterra Energy is an independent exploration, development and production company with an emerging focus on the use of advanced technologies including 3-D imaging, horizontal drilling and multi-stage completions to systematically develop its portfolio of resource projects. Complementing this strong resource exploitation focus, the Company owns and operates fee-based midstream facilities in western Canada. Anterra is a public Canadian company listed on the TSX Venture Exchange under the symbols AE.A and AE.B. More information about Anterra is available on the internet at www.anterraenergy.com

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

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This news release contains forward-looking information related to the planned drilling program, production and operating costs. These statements are based on current expectations that involve a number of risks and uncertainties that could cause actual results to differ from those anticipated. These risks include, but are not limited to, risks associated with the oil and gas industry (e.g. operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates in relation to reserves, production and expenses; and health, safety and environmental risks). Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in the company's securities should not place undue reliance on them.