

Management Discussion and Analysis

The following discussion is management's analysis of Anterra Energy Inc.'s ("Anterra" or the "Company") operating and financial data for the three months ended March 31, 2008 and prior periods, as well as estimates of future operating and financial performance based on information currently available. It should be read in conjunction with the audited consolidated financial statements and notes for the year ended December 31, 2007. The Management Discussion and Analysis ("MD&A") was prepared as of May 22, 2008.

On May 1, 2007, Anterra Corporation completed the amalgamation of the Company with Resolve Energy Inc. under the name of Anterra Energy Inc. Pursuant to the amalgamation each issued and outstanding share of the Company has been converted into (a) 0.5714285 Class A shares of Anterra Energy Inc. and (b) 0.0132 Class B shares of Anterra Energy Inc.

Operating Summary

The Company carries out exploration, development, and production of oil and gas in three core operating areas, Breton, the Judy Creek area and southwest Saskatchewan. During 2007, the Company carried out high impact Devonian reef exploration in north central Alberta, balancing the high risk of these projects with lower risk development drilling at Breton in central Alberta and Frontier in southwestern Saskatchewan. The Company now holds over 24,000 gross acres of land and 18,000 net acres of land in Alberta and Saskatchewan. The Company also offers fee based third party midstream processing services at Breton and Suffield. The following table outlines the operations for these two segments for the three months ended March 31, 2008, compared to the same period in 2007 along with the other costs of the Company for the periods.

	Three Months March 31, 2008	Three Months March 31, 2007
Oil and Gas Production		
Revenue	\$ 1,853,266	\$ 1,158,696
Royalties	(125,138)	(99,941)
Gross overriding royalties	1,535	-
Net revenue	1,729,663	1,058,755
Operating costs	816,844	475,975
Oil and gas operating margin	912,819	582,780
Processing		
Revenue	378,689	295,907
Operating costs	243,241	177,925
Processing operating margin	135,448	117,982
Other revenue	-	-
Inter-segment revenue and cost	(51,818)	(48,961)
Total Net Revenue	2,056,534	1,305,701
Total Operating Costs	1,008,267	604,939
Total Operating Margin	1,048,267	700,762
Expenses		
General and administration	400,586	318,764
Stock compensation	80,340	10,664
Interest	29,102	82,268
Depletion, depreciation, accretion	613,964	363,626
Total Expenses	1,123,992	775,322
Net Loss Before Tax	(75,725)	(74,560)
Provision For Taxes	(22,960)	(26,186)
Net Loss	(52,765)	(48,374)
Loss per share		
Basic	(0.002)	(0.003)
Fully Diluted	(0.002)	(0.003)
Weighted Average Number of Shares In Thousands	32,169,040	15,910,188
Funds Flow From Operations	618,579	299,730
Funds Flow Per Share	0.019	0.019

Funds flow from operations is not a recognized measure under Canadian generally accepted accounting principles (GAAP). However, management believes that funds flow from operations is a useful measure of financial performance. For the purposes of funds flow from operations calculations, funds flow is defined as "Funds flow from operations" before changes in non-cash operating working capital. Anterra's determination of funds flow from operations may not be comparable to that reported by other companies.

In this MD&A, the calculation of barrels of oil equivalent (boe) is calculated at a conversion rate of 6 thousand cubic feet (mcf) of natural gas for one barrel (bbl) of oil. 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.

Quarterly Financial Information

	1st Quarter 2008	4th Quarter 2007	3rd Quarter 2007	2nd Quarter 2007
Net Revenue	\$ 2,056,534	\$ 2,016,578	\$ 1,823,236	\$ 1,532,276
Oil and gas operating margin	912,819	956,023	844,839	835,832
Processing operating margin	135,448	134,968	129,374	54,748
Net Income (Loss)	(52,765)	157,413	(48,014)	(88,127)
Earnings (Loss) per share				
Basic	(0.002)	0.005	(0.002)	(0.004)
Fully Diluted	(0.002)	0.004	(0.002)	(0.004)
Weighted Average Number of Shares In Thousands	32,169	28,856	25,483	20,553
Funds Flow From Operations	618,579	471,947	502,189	453,767
Funds Flow Per Share	0.019	0.016	0.020	0.022

	1st Quarter 2007	4th Quarter 2006	3rd Quarter 2006	2nd Quarter 2006
Net Revenue	\$ 1,305,701	\$ 1,046,220	\$ 1,332,735	\$ 1,281,658
Oil and gas operating margin	582,780	204,076	596,740	608,887
Processing operating margin	117,982	45,756	32,209	(41,131)
Net Loss	(48,374)	(313,877)	(81,891)	(102,561)
Loss per share				
Basic	(0.003)	(0.020)	(0.005)	(0.007)
Fully Diluted	(0.003)	(0.020)	(0.005)	(0.007)
Weighted Average Number of Shares In Thousands	15,910	15,910	15,910	14,705
Funds Flow From Operations	299,730	13,517	340,721	172,283
Funds Flow Per Share	0.019	0.001	0.021	0.012

Oil & Gas Production

Production during the first quarter of 2008 of 246 boe/d compared to 279 boe/d in the fourth quarter of 2007 and 224 boe/d in the first quarter of 2007. The first quarter had been impacted by unscheduled workovers at Breton, Sakwatamau and Frontier, which took production off stream during the quarter. The Breton wells are now producing in the order of 180 boe/d, comprised of 90 bbls/d and 550 mscf/d of natural gas but production is expected to increase in the second quarter once the workovers are complete and with a replacement gas compressor at LSD 09-36. Currently, 35 bbls/d are being produced in southeast Alberta, 20 bbls/d at Sakwatamau and the Company increased production to 40 bbls/d in southwest Saskatchewan after it drilled two development wells there in the first quarter of 2008,.

Oil & Gas Production

	Three Months March 31, 2008	Three Months March 31, 2007
Oil (bbl/d)	195	160
Natural Gas (mcf/d)	284	369
NGLs (bbl/d)	4	3
Total (boe/d)	246	224

Oil & Gas Revenue and Realized Prices

Both oil and gas prices strengthened through the first quarter of 2008 . The outlook is for commodity prices to remain firm during 2008, although some volatility can be expected.

	Three Months March 31, 2008	Three Months March 31, 2007
Oil		
Revenues	\$1,622,679	\$891,276
Prices \$/bbl	\$91.24	\$61.86
Natural Gas		
Revenues	\$205,594	\$249,790
Prices \$/mcf	\$7.96	\$7.51
NGL's		
Revenues	\$24,993	\$17,630
Prices \$/bbl	\$75.74	\$75.99
Total		
Revenues	\$1,853,266	\$1,158,696
Price \$/bbl	\$82.67	\$57.42

Gross Overriding Royalty Income

Two farm-in gas wells drilled at Breton generate gross overriding royalties to the Company until payout. These wells have provided gross overriding royalties of \$1,535 for the three months ended March 31, 2008, (2007 – \$nil).

Oil & Gas Royalties Expense

Total royalties including crown royalties were \$125,138 for the first quarter of 2008 as compared to \$160,339 for the fourth quarter of 2007 and \$99,941 for the three months ended March 31, 2007. This represented \$5.58 per boe for the first quarter of 2008 as compared to \$6.25 per boe for the fourth quarter of 2007 and \$4.95 per boe for the three months ended March 31, 2007. Royalty rates have increased with the increase in oil revenues.

Oil & Gas Operating Costs

Total operating costs for the first quarter of 2008 were \$816,844 or \$36.44 per boe, including \$29,935 for inter-divisional processing charges and \$168,422 for well repairs and maintenance. Operating costs were \$722,991 for the fourth quarter of 2007 or \$28.20 per boe, including \$38,817 for inter-divisional processing charges and \$75,976 for repairs and maintenance. Workovers at Breton, Sakwatamau and Frontier during

the first quarter resulted in a significant increase in maintenance costs. In addition, the Company continued to incur high fuel costs at Sakwatamau where gas and diesel is purchased for fuel. Operating costs for the first quarter of 2007 year were \$475,975 or \$23.59 per boe, including \$37,158 for inter-divisional processing charges and \$63,626 for repairs and maintenance. Inter-divisional charges were eliminated for consolidation purposes. Unit oil and gas operating costs will remain high until production rates are substantially increased.

Oil & Gas Operating Net Back

The operating net back for the first quarter of \$40.65 per boe compared to \$37.25 per boe for the three months ended December 31, 2007, benefiting from the impact of stronger oil and gas prices but being largely offset by the higher maintenance costs. However, it represents a considerable improvement over the operating netback for the first quarter of 2007 of \$28.88 per boe.

	Three Months March 31, 2007	Three Months March 31, 2007
Average realized price (\$/boe)	\$82.67	\$57.42
Royalties, net of ARTC (\$/boe)	5.58	4.95
Operating expenses (\$/boe)	36.44	23.59
Operating net back (\$/boe)	\$40.65	\$28.88

Processing

Processing revenue for the first quarter of 2008 was \$378,689 compared to \$295,907 for the first quarter of 2007 and \$386,701 for the fourth quarter of 2007. The Company continued to experience stronger third party volumes during the first quarter of 2008 compared to the first half of 2007, as a result of volume increases at Breton and more stable business conditions at Suffield.

Processing Operating Costs

Processing operating costs for the first quarter of 2008 were \$243,241 (including \$21,911 of inter-divisional charges) compared to \$251,733 (including \$10,321 of inter-divisional charges) in the fourth quarter of 2007 and \$177,925 (including \$11,803 of inter-divisional charges) for the three months ended March 31, 2007. Costs were higher than expected because of maintenance and one time costs related to solid waste disposal. Inter-divisional charges were eliminated for consolidation purposes. Net margin for processing operations for the first quarter of 2008 was \$135,448 compared to \$134,968 for the fourth quarter of 2007 and \$117,982 for the first quarter of 2007.

General and Administrative Expenses

General and administrative expenses for the first quarter of 2008 totaled \$400,586, compared to \$467,941 for the fourth quarter of 2007 and \$318,764 for the three months ended March 31, 2007. General and administrative expenses increased during 2007 due to higher consulting and professional fees, payroll and business development fees. These costs continued in the first quarter, together with an increase in office rent, but were offset by an increase in overhead income from joint venture projects.

Interest Expense

Interest expense for the first quarter of 2008 was \$29,102 compared to \$151,104 in the fourth quarter of 2007 and \$82,268 for the first quarter of 2007. Although capital spending during the third and fourth quarters of 2007 and again in the first quarter of 2008, has been significant, the amount drawn under the bank loan was reduced following private placements of equity during 2007, which raised a total of \$5,831,000 (net of costs), resulting in the reduced interest costs. Interest costs in the second quarter will increase as the bank loan is drawn down to pay for the capital program. The interest expense in the fourth quarter included \$114,000, which was incurred under the Part XII.6 tax calculation for 2007 spending of flow-through commitments renounced in 2006. \$8,500 has been accrued in the first quarter for Part XII.6 tax on flow-through commitments renounced in 2007.

Depletion, Depreciation and Accretion

Depletion, depreciation and accretion expense was \$613,964 in the first quarter of 2008 compared to \$623,434 in the fourth quarter of 2007 and \$363,626 for the first quarter of 2007. The increase in depletion, depreciation and accretion reflects the significant increase in capital spending during the second half of 2007 and the first quarter of 2008, but the depletion charge was moderated by the 46% increase in proved reserves in the December 31, 2007 reserves report.

Net Income and Loss

The loss in the first quarter of 2008 was \$52,765 compared to net income of \$157,413 in the fourth quarter of 2007, which included a future tax recovery of \$327,982, and a loss of \$48,374 in the first quarter of 2007. The operating margin for the first quarter of 2008 of \$1,048,267 was comparable to \$1,090,992 in the final quarter of 2007, but was a significant improvement on \$700,762 in the first quarter of 2007. However, compared to the fourth quarter of 2007, improvement in earnings were restrained as higher oil and gas operating costs related to maintenance reduced the benefits of higher commodity prices in the first quarter and earnings were further reduced by higher depletion and general and administrative costs.

Higher oil prices and production increases from Breton and Frontier, together with a stronger contribution from the midstream processing operations have led to an increase in revenues compared to the first half of 2007, but it has been partially offset by cost increases in all areas. This trend is expected to continue in 2008, as the Company continues with the development of its oil and gas exploration and development projects.

Capital Expenditures and Commitments

The Company spent \$2,962,764 on capital expenditures during the first quarter, including \$56,000 on midstream as well as office assets. The balance was spent on oil and gas exploration and development expenditures which included two development wells at Frontier, a replacement compressor at Breton and the completion of high impact exploration wells commenced in the last quarter of 2007 at Sakwatamau and McLeod. The two development wells at Frontier proved to be successful and will contribute an additional 20 bbls/d of production in the second quarter.

During the fourth quarter of the year, the Company drilled four high impact exploration wells, two in Judy Creek, one at McLeod, and one farmed out well at Sakwatamau. Further work is required on these projects to move them forward and the Company intends to work with partners on Judy Creek and Sakwatamau to drill additional development prospects and tie-in infrastructure. At McLeod, this critically sour well appears to be productive in the Bluesky formation and the Company is reviewing its options regarding completion and tie-in to the infrastructure in the area.

As a result of the 2007 drilling program, the Company now has an inventory of over twenty development wells to drill and the focus for 2008 will be on development of the Company's core properties, while pursuing joint ventures to fund future exploration. The Company has budgeted approximately \$3 million in the balance of 2008 to progress these projects.

Pursuant to flow-through financings completed by the Company during 2007, at March 31, 2008 the Company had an outstanding commitment of approximately \$750,000 to spend on qualified exploration expenditures by December 31, 2008.

The Company has been undergoing an audit by Canada Revenue Agency ("CRA") of its flow-through agreements for 2004 and 2005 taxation years. At this time, discussions with the CRA have not been concluded and, accordingly, the ultimate outcome is not determinable.

Liquidity and Capital Resources

The Company continued to generate positive funds flow from operations in the first quarter of 2008 and expects improving positive funds flow from operations to continue throughout 2008. Funds flow from operations for the first quarter of 2008 totaled \$618,579 compared to \$471,947 for the fourth quarter of

2007 and \$299,730 for the first quarter of 2007. As noted below, following the annual review by the bank, the Company has available a revolving demand loan facility of \$6 million and at March 31, 2008 the outstanding loan balance was \$4,267,690. After meeting the commitments of the capital expenditure program, the Company's use of the facility will be at capacity. The Company expects to fund the remainder of the year's development projects largely from available funds flow from operations and through farming out the higher impact projects to partners.

As the project plans for 2008 become more certain the Company may raise additional capital to fund these initiatives in addition to the funds flow and available bank debt.

Bank Debt

Following the annual review by the bank in May, the Company's availability under its revolving demand loan facility with a Canadian chartered bank was reduced to \$6,000,000 from \$7,000,000 and the non-revolving acquisition and development demand loan facility was reduced to \$1,000,000 from \$1,500,000. The revolving loan bears interest at prime plus 3/4 % and the non-revolving loan at prime plus 1%, and the loans are secured by a general assignment of book debts and a \$10,000,000 first floating charge debenture over all assets of the Company. At March 31, 2008, there was a balance outstanding on the loans of \$4,267,690 (2007 - \$4,406,560). The loans are shown as a current liability due to their demand nature despite the lender not having demanded repayment of the loan. At March 31, 2008, the Company was in compliance with its debt covenants.

Share Capital

At March 31, 2008, there were 32,169,040 Class A Shares and 753,014 Class B Shares outstanding. At March 31, 2008, there were 2,711,667 stock options outstanding at a weighted average exercise price of \$0.56. At March 31, 2008, there were 2,500,000 warrants outstanding, 2,000,000 of which were issued as part of the private placement of units on November 9, 2007 with an exercise price of \$1.10 and an expiry date of November 9, 2008. The balance of 500,000 were assumed under the amalgamation with Resolve, entitling the warrant holder to acquire one class A share at an exercise price of \$0.26, with an expiry date of December 31, 2008.

Pursuant to the rules of the TSXV, the shares of the previous directors, officers and insiders of Resolve (which were exchanged for shares of the Company) are subject to escrow conditions, whereby 10 percent of Class A shares were released from escrow upon receipt of a listing notice on the TSX Venture Exchange. The remaining 90 percent of the escrowed Class A shares shall be released in equal 15 percent tranches every six months thereafter, for a period of 36 months. As at March 31, 2008, 2,223,600 Class A shares remained in escrow pursuant to these conditions. In addition, pursuant to an agreement among Resolve, certain Resolve shareholders and the agent, all Class A shares of Resolve issued prior to its initial public offering (4,156,000 shares) were subject to a hold period which expired on December 31, 2007.

The Company has not paid dividends on its common shares to date.

On February 11, 2008, the Company granted 415,000 stock options to directors, officers and employees to purchase Class A shares at an exercise price of \$0.52. 288,333 of the shares vested immediately, with the balance vesting equally on the first and second anniversary of the grant date. Also, on February 11, 2008, the Company granted 250,000 warrants to a consultant providing investor relations activities to purchase Class A shares at an exercise price of \$0.52. The warrants vest as to 25% on each of the three month, six month, nine month and twelve month anniversaries of the grant date, and expire on January 31, 2010.

Related Party Transactions

During the three months ended March 31, 2008 a legal firm, of which a director is a partner, charged the Company \$12,985 (2007 - \$Nil) for fees and services. As of January 1, 2008, the Company assumed direct responsibility for the office lease and related services and \$nil was paid for these services to a company

owned by a director during the three months ended March 31, 2008 (2007 - \$17,400).

An officer of the Company has an agreement with the Company whereby a company controlled by the officer has a 2% gross overriding royalty on all revenues from the earning well to be drilled on the Judy Creek property and also with respect to future revenues arising from the area of mutual interest for the Judy Creek area.

Under an agreement dated October 11, 2007, a company owned by a director farmed in on a property owned by the Company paying 30% of the costs of a test well for a 30% interest before payout and a 15% interest after payout in the scheduled farmout lands.

All related party transactions in the normal course of operations have been measured at the agreed to exchange amounts, which is the amount of consideration established and agreed to by the related parties and which is similar to those negotiated with third parties.

Changes in Accounting Policies including initial adoption

On January 1, 2008 the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1400 "General Standards of Financial Statement Presentation", Section 1535 "Capital Disclosures", Section 3031 "Inventories", Section 3064 "Goodwill and Intangible assets", Section 3862 "Financial Instruments – Disclosures" and Section 3863 "Financial Instruments – Presentation", retrospectively with no restatement of prior periods. See Note 2 to the interim financial statements.

The Company has evaluated the impact of these new standards and determined that the adoption of these standards has had no material impact on the Company's net earnings or cash flows.

Business Risks

Crude oil and natural gas exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

Operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, changing government law and regulation, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations. Insurance is also maintained at levels consistent with prudent industry practices to minimize risks, but the Company is not fully insured against all risks, nor are all such risks insurable.

Financial risks include commodity prices, interest rates and the Canadian/United States exchange rate, all of which are beyond the Company's control. The Company sells all of its production on the spot market and does not currently have a hedge program in place.

The Company relies on access to capital markets for new equity to supplement internally generated cash flow and debt to finance its growth plans. Periodically, these markets may not be receptive to offerings of new equity from treasury or debt, whether by way of private placement or public offerings. This may be further complicated by the limited market liquidity for shares of smaller companies, restricting access to some institutional investors. Periodic fluctuations in energy prices may also affect lending policies of the Company's bankers, whether for existing loans or new borrowings. This in turn could limit growth prospects over the short run or may even require the Company to dedicate cash flow, dispose of properties or raise new equity to reduce bank borrowings under circumstances of declining energy prices or disappointing drilling results.

The Company is or may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations to the Company, such failures could have a material adverse effect on the Company and its cash flow from operations. In addition, poor credit conditions in the industry and of joint venture partners may impact a joint venture partner's willingness

to participate in the Company's ongoing capital program, potentially delaying the program and the results of such program until the Company finds a suitable alternative partner.

Regulatory risks include changes to Canadian federal and provincial laws, which are beyond the Company's control. The Government of Alberta has completed a comprehensive review of the province's oil and natural gas royalty structure. Anterra is currently evaluating how the potential changes may impact the Company's operations.

Forward Looking Statements

Information contained in this MD&A that is not historical fact may be considered "forward looking statements". These forward looking statements some times include words to the effect that management believes or expects a stated condition or result. All estimates and statements that describe the Company's objectives, goals or plans are forward looking statements. Since forward looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to any number of factors, including such variables as new information regarding recoverable reserves, changes in demand for and commodity prices of crude oil and natural gas, legislative, environmental and other regulatory or political changes, competition in areas where the Company operates and other factors discussed herein.

Operations may be unsuccessful or delayed as a result of competition for services, supplies and equipment, mechanical and technical difficulties, ability to attract and retain employees on a cost effective basis, commodity and marketing risk and seasonality. The Company is subject to significant drilling risk and uncertainties including the ability to find oil and gas reserves on an economic basis. The Company is also exposed to risks relating to the inability to obtain timely regulatory approvals, surface access, access to third party gathering and processing facilities, transportation and other third party related operational risks. Financial risks that Anterra is exposed to include, but are not limited to, access to debt or equity markets and fluctuations in commodity prices, interest rates and the Canadian/US dollar exchange rate.

Additional information relating to the Company is available on SEDAR at www.sedar.com and on the Company's website at www.anterraenergy.com.
