



**Interim Financial Statements**

**For the three months ended March 31, 2007**

Notice

The unaudited interim financial statements for the three months ended March 31, 2007 were not reviewed by the Company's auditor.

**Anterra Corporation**  
**Consolidated Balance Sheets**

**Unaudited**

As at  
**March 31, 2007**    As at  
December 31, 2006

**Assets**

**Current**

|                               |           |            |
|-------------------------------|-----------|------------|
| Cash and cash equivalents     | \$ -      | \$ 121,734 |
| Accounts receivable           | 1,025,595 | 920,736    |
| Deposits and prepaid expenses | 201,890   | 230,127    |
| Income taxes recoverable      | 64,562    | 32,494     |
|                               | 1,292,047 | 1,305,091  |

|                            |        |   |
|----------------------------|--------|---|
| Deferred share issue costs | 60,187 | - |
|----------------------------|--------|---|

|                                 |            |            |
|---------------------------------|------------|------------|
| Property and equipment (Note 4) | 12,542,476 | 12,593,525 |
|---------------------------------|------------|------------|

|                   |         |         |
|-------------------|---------|---------|
| Intangible assets | 300,671 | 303,505 |
|-------------------|---------|---------|

|          |              |               |
|----------|--------------|---------------|
| Goodwill | 606,017      | 606,017       |
|          | \$14,801,398 | \$ 14,808,138 |

**Liabilities and Shareholders' Equity**

**Current**

|  |              |              |
|--|--------------|--------------|
| Bank indebtedness                        | 302,793      | -            |
| Accounts payable and accrued liabilities | \$ 1,626,234 | \$ 2,059,756 |
| Bank loan (Note 5)                       | 4,406,560    | 4,250,000    |
|  | 6,335,587    | 6,309,756    |

|                                      |           |           |
|--------------------------------------|-----------|-----------|
| Asset retirement obligation (Note 6) | 1,403,022 | 1,371,697 |
|--------------------------------------|-----------|-----------|

|                     |           |           |
|---------------------|-----------|-----------|
| Future income taxes | 1,554,076 | 1,219,137 |
|                     | 9,292,685 | 8,900,590 |

|                        |           |           |
|------------------------|-----------|-----------|
| Share capital (Note 7) | 5,442,275 | 5,803,400 |
|------------------------|-----------|-----------|

|                              |         |         |
|------------------------------|---------|---------|
| Contributed surplus (Note 8) | 340,984 | 330,320 |
|------------------------------|---------|---------|

|                             |           |           |
|-----------------------------|-----------|-----------|
| Retained earnings (deficit) | (274,546) | (226,172) |
|-----------------------------|-----------|-----------|

|  |               |               |
|--|---------------|---------------|
|  | 5,508,713     | 5,907,548     |
|  | \$ 14,801,398 | \$ 14,808,138 |

**Subsequent events (Note 13)**

See accompanying notes

Approved on behalf of the Board:

\_\_\_\_\_  
"signed" Director  
Owen Pinnell

\_\_\_\_\_  
"signed" Director  
James Coleman

---

**Anterra Corporation****Unaudited Consolidated Statements of Operations, Comprehensive Loss and Retained Earnings (Deficit)**

---

|   | <b>Three Months Ended<br/>March 31</b> |                  |
|---|--|------------------|
|   | <b>2007</b>                            | <b>2006</b>      |
| <b>Revenues</b>                                       |  |                  |
| Revenue   | \$ 1,405,642                           | \$ 1,450,540     |
| Royalties   | (99,941)                               | (146,364)        |
|   | <u>1,305,701</u>                       | <u>1,304,176</u> |
| <b>Expenses</b>                                       |  |                  |
| Operating   | 552,823                                | 572,471          |
| Transportation  | 52,116                                 | 24,671           |
| General and administrative                            | 318,764                                | 317,395          |
| Stock compensation                                    | 10,664                                 | 47,683           |
| Interest  | 82,268                                 | 41,420           |
| Asset retirement accretion                            | 31,325                                 | 25,115           |
| Depletion, depreciation and amortization              | 332,301                                | 371,756          |
|   | <u>1,380,261</u>                       | <u>1,400,511</u> |
| <b>Loss before taxes</b>                              | (74,560)                               | (96,335)         |
| <b>Income taxes</b>                                   |  |                  |
| Current   | -                                      | 88,534           |
| Future  | (26,186)                               | (111,846)        |
|   | <u>(26,186)</u>                        | <u>(23,312)</u>  |
| <b>Net loss and comprehensive loss</b>                | (48,374)                               | (73,023)         |
| Retained earnings, (deficit), beginning of the period | <u>(226,172)</u>                       | <u>345,180</u>   |
| <b>Retained earnings (deficit), end of period</b>     | (274,546)                              | 272,157          |
| <b>Basic loss per share</b>                           | \$ (0.002)                             | \$ (0.003)       |
| <b>Diluted loss per share</b>                         | \$ (0.002)                             | \$ (0.003)       |
| <b>Weighted average shares outstanding</b>            | 27,842,833                             | 23,865,000       |

---

See accompanying notes

---

**Unaudited****Anterra Corporation**  
**Consolidated Statements of Cash Flows**

---

|  | <b>Three Months Ended<br/>March 31</b> |             |
|--|--|-------------|
|  | <b>2007</b>                            | <b>2006</b> |
| <b>Cash flows from operating activities</b>        |  |             |
| Operations   |  |             |
| Net (loss) for the period                          | <b>\$ (48,374)</b>                     | \$ (73,023) |
| Items not involving cash                           |  |             |
| Stock compensation                                 | <b>10,664</b>                          | 47,683      |
| Depletion, depreciation and amortization           | <b>332,301</b>                         | 371,756     |
| Asset retirement accretion                         | <b>31,325</b>                          | 25,115      |
| Future income taxes                                | <b>(26,186)</b>                        | (111,846)   |
| Funds flow from operations                         | <b>299,730</b>                         | 259,685     |
| Changes in non-cash working capital balances       |  |             |
| Accounts receivable                                | <b>(104,859)</b>                       | (443,633)   |
| Deposits and prepaid expenses                      | <b>28,237</b>                          | 28,837      |
| Accounts payable                                   | <b>(433,523)</b>                       | (573,894)   |
| Income taxes payable (recoverable)                 | <b>(32,068)</b>                        | 83,586      |
| Cash flow from operating activities                | <b>(242,483)</b>                       | (645,419)   |
| <b>Financing activity</b>                          |  |             |
| Bank loan  | <b>156,560</b>                         | 1,550,000   |
| Deferred share issue costs                         | <b>(60,187)</b>                        | -           |
| Payments of long term debt                         | <b>-</b>                               | (171,000)   |
|  | <b>96,373</b>                          | 1,379,000   |
| <b>Investing activity</b>                          |  |             |
| Cash paid on acquisition, net of cash acquired     | <b>-</b>                               | (1,269,854) |
| Additions to property and equipment                | <b>(278,417)</b>                       | (230,327)   |
|  | <b>(278,417)</b>                       | (1,500,181) |
| <b>Decrease in cash and cash equivalents</b>       | <b>(424,527)</b>                       | (766,600)   |
| Cash and cash equivalents, beginning of the period | <b>121,734</b>                         | 698,602     |
| <b>Cash (bank indebtedness) end of the period</b>  | <b>\$ (302,793)</b>                    | \$ (67,998) |

---

**Supplementary Disclosures (Note 10)**

---

See accompanying notes

---

## 1. Basis of Presentation

---

The interim consolidated financial statements of the Company have been prepared by management, without audit or review by the Company's auditor, in accordance with Canadian generally accepted accounting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The interim financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality. These interim financial statements do not include all the note disclosures required for annual financial statements and therefore they should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2006.

## 2. Significant Accounting Policies

---

### *Changes in accounting policies*

As disclosed in the December 31, 2006 annual audited consolidated financial statements, on January 1, 2007 the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1530 "Comprehensive Income", Section 3251 "Equity", Section 3855 "Financial Instruments – Recognition and Measurement", and Section 3865 "Hedges", retrospectively with no restatement of prior periods.

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. The other effects of the implementation of the new standards are discussed below.

### *Comprehensive Income*

The new standards introduce comprehensive income, which consists of net earnings and other comprehensive income ("OCI"). Because the Company does not have any OCI, the Company's interim financial statements do not include a Statement of Comprehensive Income which would otherwise describe the components of comprehensive income. Accordingly, since there are no cumulative changes in OCI to be included in accumulated other comprehensive income ("AOCI"), the Company has not presented AOCI as a new category within shareholders' equity in the interim balance sheet and has not included a Statement of Accumulated Other Comprehensive Income, which would otherwise provide the continuity of the AOCI balance.

### *Financial Instruments*

The financial instruments standard establishes the recognition and measurements criteria for financial assets, financial liabilities and derivatives. All financial instruments are required to be measured at fair value on initial recognition of the instrument, except for certain related party transactions. Measurements in subsequent periods depends on whether the financial instrument has been classified as "held-for-trading", "available-for-sale", "held-to-maturity", "loans and receivables", or "other financial liabilities" as defined by the standard.

Financial assets and financial liabilities "held-for-trading" are measured at fair value with changes in those fair values recognized in net earnings. Financial assets "available-for-sale" are measured at fair value, with changes in those fair values recognized in OCI. Financial assets "held-to-maturity", "loans and receivables" and "other financial liabilities" are measured at amortized cost using the effective interest method of amortization. The methods used by the Company in determining fair value of financial instruments are unchanged as a result of implementing the new standard.

Cash and cash equivalents are designated as "held-for-trading" and are measured at carrying value, which approximates fair value due to the short-term nature of these instruments. Accounts receivable are designated as "loans and receivables". Accounts payable and accrued liabilities and bank loans are designated as "other liabilities". Risk management assets and liabilities are derivative financial instruments classified as "held-for-trading" unless designated for hedge

accounting. The Company has no commodity contracts or fixed-price physical contracts in place at this time.

*Section 1506 – Accounting Changes*

Beginning January 1, 2007 the Company adopted Section 1506 “Accounting Changes” the only impact of which is to provide disclosure of when an entity has not applied a new source of GAAP that has been issued but is not yet effective. This is the case with Section 3862 “Financial Instruments Disclosures” and Section 3863 “Financial Instruments Presentation” which are required to be adopted for fiscal years beginning on or after October 1, 2007. The Company will adopt these standards on January 1, 2008 and it is expected the only effect on the Company will be incremental disclosures regarding the significance of financial instruments for the entity’s financial position and performance; and the nature, extent and management of risks arising from financial instruments to which the entity is exposed.

### 3. Business Acquisition

On March 15, 2006, the Company acquired all of the issued and outstanding common shares of Panterra Energy Corp. Ltd., a private Alberta based energy company. The acquisition was accounted for using the purchase method with the results of operations included from March 15, 2006, the effective date of acquisition. An independent reserve evaluation was prepared on the Matziwin properties owned by Panterra, which valued proved and probable reserves (discounted at 10%) in excess of the fair value reflected by the purchase price below.

|                               | <b>Book Value</b> | <b>Fair Value</b>   | <b>Difference</b> |
|-------------------------------|-------------------|---------------------|-------------------|
| Working capital               | Nil               | Nil                 | -                 |
| Property, plant and equipment | 975,452           | 1,737,291           | 761,839           |
| Asset retirement obligation   | -                 | (169,113)           | (169,113)         |
| Future income taxes           | -                 | (298,324)           | (298,324)         |
| Net assets acquired           | <u>\$ 975,452</u> | <u>\$ 1,269,854</u> | <u>\$ 294,402</u> |
| <br>                          |                   |                     |                   |
| Purchase price                |                   |                     |                   |
| -Cash                         |                   | <u>1,269,854</u>    |                   |
|                               |                   | <u>\$ 1,269,854</u> |                   |

### 4. Property and Equipment

|  | <b>March 31,<br/>2007</b>   |   |                             | <b>December 31,<br/>2006</b> |   |                           |
|--|-----------------------------|---|-----------------------------|------------------------------|---|---------------------------|
|  | <b>Cost</b>                 | <b>Accumulated<br/>depletion,<br/>depreciation and<br/>amortization</b> | <b>Net Book<br/>Value</b>   | <b>Cost</b>                  | <b>Accumulated<br/>depletion,<br/>depreciation and<br/>amortization</b> | <b>Net Book<br/>Value</b> |
| Petroleum and natural gas properties and equipment | <b>\$ 13,113,535</b>        | <b>\$ 3,050,458</b>   | <b>\$ 10,063,077</b>        | \$ 12,845,615                | \$ 2,759,155  | \$ 10,086,460             |
| Processing equipment and furniture and fixtures    | <b>2,964,912</b>            | <b>485,513</b>  | <b>2,479,399</b>            | 2,954,415                    | 447,350   | 2,507,065                 |
|  | <b><u>\$ 16,078,447</u></b> | <b><u>\$ 3,535,971</u></b>  | <b><u>\$ 12,542,476</u></b> | <u>\$ 15,800,030</u>         | <u>\$ 3,206,505</u>   | <u>\$ 12,593,525</u>      |

Pursuant to a flow through financing completed in April 2006, the Company is committed to spending \$1,124,300 on qualified exploration and development expenditures by December 31, 2007. As at March 31, 2007 the Company had expended \$1,112,091 on qualified expenditures related to the April 2006 financing.

## 5. Bank Loan

---

The Company has a \$5,000,000 (2006 \$4,000,000) revolving demand loan facility and an additional \$500,000 non-revolving acquisition and development demand loan facility with a Canadian chartered bank. 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. The availability under the facilities is subject to periodic review. The loans are shown as a current liability due to their demand nature despite the lender having not demanded repayment of the loan. At March 31, 2007 there was a balance outstanding on the loans of \$4,406,560 (2006 - \$3,600,000).

## 6. Asset Retirement Obligation

---

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the obligation associated with the retirement of oil and gas properties.

|  | <u>March 31,</u><br><u>2007</u> | <u>December 31</u><br><u>2006</u> |
|--|---------------------------------|-----------------------------------|
| Asset retirement obligation, beginning of period | \$ 1,371,697                    | \$ 1,083,540                      |
| Liabilities assumed on corporate acquisition     | -                               | 169,112                           |
| Liabilities incurred                             | -                               | 11,263                            |
| Accretion expense                                | 31,325                          | 107,782                           |
| Asset retirement obligation, end of period       | <u>\$ 1,403,022</u>             | <u>\$ 1,371,697</u>               |

The undiscounted amount of cash flows, required over the estimated reserve life of the underlying assets, to settle the obligation, adjusted for inflation, is estimated at \$3,636,000 (2006 - \$2,872,000). The obligation was calculated using a credit-adjusted risk free discount rate of 9 percent and an inflation rate of 2 percent.

---

## 7. Share Capital

### (a) Authorized

Unlimited number of Common Shares

Unlimited number of Preferred shares issuable in series, rights and privileges to be determined upon issue.

### (b) Issued

|   | Three Months Ended<br>March 31, 2007 |              | Year Ended<br>December 31, 2006 |              |
|---|--------------------------------------|--------------|---------------------------------|--------------|
|   | Number of<br>Shares                  | Amount       | Number of<br>Shares             | Amount       |
| Balance, beginning of year  | 27,842,833                           | \$ 5,803,400 | 23,865,000                      | \$ 3,741,633 |
| Shares issued on option exercise  | -                                    | -            | -                               | -            |
| Private placement of flow through shares for cash   | -                                    | -            | 1,873,833                       | 1,124,300    |
| Private placement of common shares for cash   | -                                    | -            | 2,104,000                       | 947,852      |
| Common share warrants issued as part of units above, and broker warrants in Private Placement | -                                    | -            | -                               | 127,537      |
| Share issue costs, net of \$73,000 future tax benefit.  | -                                    | -            | -                               | (137,922)    |
| Tax benefits renounced on flow-through shares   | -                                    | (361,125)    | -                               | -            |
| Balance, end of period  | 27,842,833                           | \$ 5,442,275 | 27,842,833                      | \$ 5,803,400 |

On April 7, 2006, Anterra completed a private placement of \$2,176,300, issuing 1,873,833 common shares on a flow-through basis at a price of \$0.60 per share and 2,104,000 units at a price of \$0.50 per unit. Each unit consisted of one common share and one half of a common share purchase warrant. Each whole warrant is exercisable into one common share at an exercise price of \$0.75 until October 7, 2007. In addition, broker's warrants were granted to acquire an aggregate 238,670 common shares at \$0.60 per share, all of which expired on April 7, 2007.

### (c) Stock options

The Company has a stock option plan under which employees, directors and consultants are eligible to receive grants. At March 31, 2007 1,825,000 (2006 2,310,000) common shares were reserved for issuance under the plan. Options granted under the plan have varying vesting periods and are determined by the Board at the grant date.

A summary of the status of the Company's stock option plan as at March 31, 2007 and December 31, 2006 and changes during the periods ending on those dates is presented below.

| Stock Options              | Three Months Ended<br>March 31, 2007 |                                    | Year Ended<br>December 31, 2006 |                                    |
|----------------------------|--------------------------------------|------------------------------------|---------------------------------|------------------------------------|
|                            | Number of<br>options                 | Weighted average<br>exercise price | Number of<br>options            | Weighted average<br>exercise price |
| Beginning of period        | 1,825,000                            | \$0.38                             | 2,210,000                       | \$0.37                             |
| Granted                    | -                                    | -                                  | 640,000                         | \$0.43                             |
| Exercised                  | -                                    | -                                  | -                               | -                                  |
| Cancelled                  | -                                    | -                                  | (1,025,000)                     | \$0.44                             |
| End of period              | 1,825,000                            | \$0.38                             | 1,825,000                       | \$0.38                             |
| Exercisable, end of period | 1,558,333                            | \$0.37                             | 1,505,000                       | \$0.38                             |

d) Warrants

On April 7, 2006, the Company issued 1,052,000 warrants as part of the private placement of 2,104,000 units. The warrants are exercisable at \$0.75 per warrant and expire on October 7, 2007. On the same date, 238,670 broker's warrants were issued providing the right to purchase one common share, at an exercise price of \$0.60 per warrant. These warrants expired on April 7, 2007.

The following is a continuity of the warrants outstanding:

|                          | Three Months Ended<br>March 31, 2007 |  | Year Ended<br>December 31, 2006 |  |
|--------------------------|--------------------------------------|--|---------------------------------|--|
|                          | Number of<br>warrants                | Weighted<br>average<br>exercise<br>price | Number of<br>warrants           | Weighted<br>average<br>exercise<br>price |
| Beginning of period      | 1,290,670                            | \$0.72                                   | -                               | -  |
| Issued                   | -                                    | -  | 1,290,670                       | \$0.72                                   |
| Exercised                | -                                    | -  | -                               | -  |
| Forfeited                | -                                    | -  | -                               | -  |
| End of period            | 1,290,670                            | \$0.72                                   | 1,290,670                       | \$0.72                                   |
| Exercisable, end of year | 1,290,670                            | \$0.72                                   | 1,290,670                       | \$0.72                                   |

---

## 8. Contributed Surplus

The following table presents the reconciliation of the beginning and ending balance of the contributed surplus:

|  | Three months ended<br>March 31, 2007 | Year Ended<br>December 31, 2006 |
|--|--------------------------------------|---------------------------------|
| Contributed surplus, beginning of period | \$ 330,320                           | \$ 213,489                      |
| Exercised stock options                  | -                                    | -                               |
| Stock compensation expense               | 10,664                               | 116,831                         |
| Contributed surplus, end of period       | \$ 340,984                           | \$ 330,320                      |

---

## 9. Financial Instruments

### *Fair values of Financial Instruments*

The carrying values of cash, accounts receivable, and accounts payable and accrued liabilities approximate their fair values due to the near-term maturity of these instruments.

## **10. Related Party Transactions**

---

During the period a Company owned by a director charged \$17,400 (2006 \$17,400) to the Company for office space and related services. A legal firm, of which a director is a partner, charged the Company \$Nil (2006 \$20,033) for fees and services.

The Company is leasing office space and related services from a director's corporation. This lease, with a monthly payment of \$5,800, expired on March 31, 2007 and has been extended to December 31, 2007 at a monthly payment of \$10,500 (2006 - \$5,800)

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.

---

## **11. Supplementary Information – Statement of Cash Flows**

---

During the three months ended March 31, 2007, the Company paid \$82,268 in interest (2006 - \$41,420) and \$Nil in income taxes (2006 - \$83,586). Cash and cash equivalents at March 31, 2007 and at December 31, 2006 include only nominal cash equivalents.

## 12. Segmented Information

The Company has two reportable segments. The Oil and Gas Production segment explores for, develops and produces oil and gas. The Midstream Processing segment provides processing and disposal services in the oil and gas industry.

| For the three months ended<br>March 31, 2007 | Oil and Gas<br>Production | Midstream<br>Processing | Other<br>Corporate | Eliminations    | Consolidated       |
|--|---------------------------|-------------------------|--------------------|-----------------|--------------------|
| Revenue                                      | \$ 1,158,696              | \$ 295,907              | \$ -               | \$ (48,961)     | \$ 1,405,642       |
| Other revenue                                | -                         | -                       | -                  | -               | -                  |
| <b>Total Revenue</b>                         | <b>1,158,696</b>          | <b>295,907</b>          | <b>-</b>           | <b>(48,961)</b> | <b>1,405,642</b>   |
| Royalties                                    | (99,941)                  | -                       | -                  | -               | (99,941)           |
| <b>Net Revenue</b>                           | <b>1,058,755</b>          | <b>295,907</b>          | <b>-</b>           | <b>(48,961)</b> | <b>1,305,701</b>   |
| <b>Operating expenses</b>                    | <b>475,975</b>            | <b>177,925</b>          | <b>-</b>           | <b>(48,961)</b> | <b>604,939</b>     |
| Depletion, depreciation                      | 296,279                   | 36,022                  | -                  | -               | 332,301            |
| Asset retirement accretion                   | 27,549                    | 3,776                   | -                  | -               | 31,325             |
| <b>Income before corporate items</b>         | <b>258,952</b>            | <b>78,184</b>           | <b>-</b>           | <b>-</b>        | <b>337,136</b>     |
| General and administrative                   | 224,144                   | 57,242                  | 37,378             | -               | 318,764            |
| Stock compensation                           | -                         | -                       | 10,664             | -               | 10,664             |
| Interest                                     | 65,533                    | 16,735                  | -                  | -               | 82,268             |
| Income taxes                                 | (21,336)                  | (4,850)                 | -                  | -               | (26,186)           |
| <b>Net profit (loss)</b>                     | <b>\$ (9,389)</b>         | <b>\$ 9,057</b>         | <b>\$ (48,042)</b> | <b>\$ -</b>     | <b>\$ (48,374)</b> |
| <b>Capital expenditures, net</b>             | <b>\$ 267,321</b>         | <b>\$ 11,096</b>        | <b>\$ -</b>        | <b>\$ -</b>     | <b>\$ 278,417</b>  |

| For the three months ended<br>March 31, 2006 | Oil and Gas<br>Production | Midstream<br>Processing | Other<br>Corporate | Eliminations    | Consolidated        |
|--|---------------------------|-------------------------|--------------------|-----------------|---------------------|
| Revenue                                      | \$ 1,281,938              | \$ 230,290              | \$ -               | \$ (65,452)     | \$ 1,446,776        |
| Other revenue                                | 3,764                     | -                       | -                  | -               | 3,764               |
| <b>Total Revenue</b>                         | <b>1,285,702</b>          | <b>230,290</b>          | <b>-</b>           | <b>(65,452)</b> | <b>1,450,540</b>    |
| Royalties                                    | (146,364)                 | -                       | -                  | -               | (146,364)           |
| <b>Net Revenue</b>                           | <b>1,139,338</b>          | <b>230,290</b>          | <b>-</b>           | <b>(65,452)</b> | <b>1,304,176</b>    |
| <b>Operating expenses</b>                    | <b>400,541</b>            | <b>262,053</b>          | <b>-</b>           | <b>(65,452)</b> | <b>597,142</b>      |
| Depletion, depreciation                      | 338,440                   | 33,316                  | -                  | -               | 371,756             |
| Asset retirement accretion                   | 21,651                    | 3,464                   | -                  | -               | 25,115              |
| <b>Income (loss) before corporate items</b>  | <b>378,706</b>            | <b>(68,543)</b>         | <b>-</b>           | <b>-</b>        | <b>310,163</b>      |
| General and administrative                   | 261,966                   | 47,675                  | 7,754              | -               | 317,395             |
| Stock compensation                           | -                         | -                       | 47,683             | -               | 47,683              |
| Interest                                     | 21,719                    | 19,701                  | -                  | -               | 41,420              |
| Income taxes                                 | 32,719                    | (56,031)                | -                  | -               | (23,312)            |
| <b>Net Profit (loss)</b>                     | <b>\$ 62,302</b>          | <b>\$ (79,888)</b>      | <b>\$ (55,437)</b> | <b>\$ -</b>     | <b>\$ (73,023)</b>  |
| <b>Capital expenditures, net</b>             | <b>\$ 1,468,942</b>       | <b>\$ 31,239</b>        | <b>\$ -</b>        | <b>\$ -</b>     | <b>\$ 1,500,181</b> |

---

### **13. Subsequent Events**

---

On January 1, 2007, Anterra Corporation and its wholly-owned subsidiaries Anterra Resources Inc. and Anterra Midstream Inc. were amalgamated under the name of Anterra Corporation.

At a special meeting of the Company's shareholders on April 26, 2007, the shareholders approved the amalgamation of the Company with Resolve Energy Inc. ("Resolve"). Pursuant to the amalgamation each issued and outstanding share of the Company will be converted into (a) 0.5714285 Class A shares of Anterra Energy Inc. (the company formed by the amalgamation of Anterra Corporation and Resolve); and (b) 0.0132 Class B shares of Anterra Energy Inc. The effective date of the amalgamation was May 1, 2007.

As a consequence of the amalgamation all options of the Company were required to be exercised or terminated prior to May 1, 2007. Accordingly, 375,000 options (200,000 options at an exercise price of \$0.15; 100,000 options at an exercise price of \$0.21; and 75,000 options with an exercise price of \$0.23) with an exercise value of \$68,250 were exercised and the remaining 1,450,000 options were terminated.

---

---

**ANTERRA ENERGY INC  
CORPORATE INFORMATION**

**Directors**

James H. Coleman  
Ross O. Drysdale  
Jacob T. Haldorson  
John McGilvary  
Owen C. Pinnell  
John K. Read  
J. Ronald Woods

**Officers**

|                    |  |
|--------------------|--|
| Owen Pinnell       | – Executive Chairman and CEO                   |
| Giles Parker       | – Vice President, Finance and CFO              |
| Bob McCuaig        | – Executive Vice President and General Manager |
| Doug Wine          | – Vice President, Exploration                  |
| Gordon Marsden     | – Vice President, Production and Engineering   |
| Alastair Robertson | – Treasurer and Corporate Secretary            |
| Marlene Stewart    | – Assistant Corporate Secretary                |

**Head Office**

1420 – 1122 4<sup>th</sup> Street S.W.  
Calgary, Alberta  
T2R 1M1

Phone 403-215-3280  
Fax 403-261-6601

**Transfer Agent**

Olympia Trust  
2300, 125 Ninth Avenue S.E.  
Calgary, Alberta T2G 0P6

**Stock Exchange**

TSX Venture Exchange  
Trading Symbols: A Shares: AE.A  
B Shares: AE.B

**Auditors**

Deloitte & Touche LLP

**Bankers**

National Bank of Canada

**Web Site**

[www.anterra.org](http://www.anterra.org)

**Abbreviations**

ARTC Alberta Royalty Tax Credit  
bbls/d barrels per day  
boe barrels of oil equivalent  
mbbl thousand barrels  
mmboe million barrels of oil equivalent  
mcf/d thousand cubic feet per day  
WTI West Texas Intermediate

**Conversion of Units**

1.0 bbl = 0.159 cubic meters  
1.0 mcf = 28.2 cubic meters  
Natural gas is equated to oil on the basis  
of 6mcf = 1 boe

bbl barrel  
bcf billion cubic feet  
boe/d barrels of oil equivalent per day  
mboe thousand barrels of oil equivalent  
mcf thousand cubic feet  
NGLs natural gas liquids  
TSX TSX Venture Exchange

6.29 bbls = 1.0 cubic meter  
0.035 mcf = 1.0 cubic meter