

ENTERPRISE GROUP, INC.

MANDATE OF THE AUDIT COMMITTEE

Adoption

The Board of Directors (the "Board") of Enterprise Oilfield Group, Inc. (the "Company") adopted this Mandate by resolution dated March 23, 2007.

Policy Statement

1. It is the policy of the Company to establish and maintain an Audit Committee to assist the Board in carrying out their oversight responsibility for the Company's accounting and financial reporting processes and audits of the Company's financial statements, internal controls, financial reporting and risk management processes.
2. The Audit Committee will be provided with resources commensurate with the duties and responsibilities assigned to it by the Board including administrative support.
3. If determined necessary by the Audit Committee, it will have the discretion to institute investigations of improprieties, or suspected improprieties within the scope of its responsibilities, including the standing authority to retain special counsel or experts at the expense of the Company.

Composition

1. The Audit Committee shall consist of at least three Directors. The Board shall appoint the members of the Audit Committee. Every member of the Audit Committee must be a Director of the Company. The Board shall appoint one member of the Audit Committee to be the Chair of the Audit Committee.
2. Unless there is an exemption from the following requirement available to the Company in Multilateral Instrument 52-110 of the Canadian Securities Administrators entitled "Audit Committees" ("MI 52-110"), each member appointed to the Audit Committee by the Board shall be independent (as such term is defined in MI 52-110).
3. Unless there is an exemption from the following requirement available to the Company in MI 52-110, each member of the Audit Committee shall be "financially literate" (as such term is defined in MI 52-110).
4. A member appointed by the Board to the Audit Committee shall be a member of the Audit Committee until replaced by the Board or until his or her resignation.

Meetings

1. The Audit Committee shall convene a minimum of four times each year at such times and places as may be designated by the Chair of the Audit Committee, and whenever a meeting is requested by the Board, a member of the Audit Committee shall correspond with the review of the quarterly and annual financial statements of the Company and related management discussion and analysis.
2. Notice of each meeting of the Audit Committee shall be given to each member of the Audit Committee and to the auditors, who shall be entitled to attend each meeting of the Audit Committee and shall attend whenever requested to do so by a member of the Audit Committee. However the Audit Committee (i) shall also meet with the external auditors independent of management at any time; and shall do so at least quarterly, (ii) may meet separately with management at any time; and (iii) may meet independent of both the external auditors and management at any time. Unless a specific request to the contrary is made by a member of the Audit Committee, it shall be presumed that the auditors will not attend meetings of the Audit Committee except for the meetings held to discuss the annual and quarterly financial statements of the Company which it shall be presumed that the auditors are to attend.
3. Notice of a meeting of the Audit Committee shall:
 - a. be in writing;
 - b. state the nature of the business to be transacted at the meeting in reasonable detail;
 - c. to the extent practicable, be accompanied by copies of documentation to be considered at the meeting; and
 - d. be given at least two business days prior to the time stipulated for the meeting or such shorter period as the members of the Audit Committee may permit.
4. A quorum for the transaction of business at a meeting of the Audit Committee shall consist of a majority of the members of the Audit Committee. However, it shall be the practice of the Audit Committee to require review, and, if necessary, approval of certain important matters by all members of the Audit Committee.
5. A member or members of the Audit Committee may participate in a meeting of the Audit Committee by means of such telephonic, electronic or other communication facilities, as permits all persons participating in the meeting to communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.

6. In the absence of the Chair of the Audit Committee, the members of the Audit Committee shall choose one of the members present to be Chair of the meeting.
7. In addition, the members of the Audit Committee shall choose one of the persons present, although not necessarily required to be an Audit Committee member, to be the Secretary of the meeting.
8. Minutes shall be kept of all meetings of the Audit Committee and shall be signed by the Chair and the Secretary of the meeting. Such minutes shall be filed with the Corporate Secretary of the Company at the earliest opportunity after each meeting.
9. A resolution in writing, signed by all of the members of the Audit Committee entitled to vote on that resolution at a meeting of the Audit Committee and filed with the Corporate Secretary of the Company, is valid as if it had been passed at a meeting of the Audit Committee.
10. The Audit Committee shall, at the earliest opportunity after each meeting, report to the Board the results of its activities and any reviews undertaken and make recommendations to the Board as deemed appropriate.

Relationship with External Auditor

1. An external auditor must report directly to the Audit Committee.

Responsibilities

1. The Audit Committee must have a written charter, such as this one, that sets out its mandate and responsibilities.
2. The Audit Committee must recommend to the Board:
 - a. the external auditors to be nominated for the purpose of preparing or issuing and audit report or performing other audit, review or attest services or the Company; and
 - b. the compensation of the external auditors.
3. The Audit Committee must be directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditors regarding financial reporting.
4. The Audit Committee must pre-approve all non-audit services to be provided to the Company or its subsidiary entities. The Audit Committee may satisfy the pre-approval requirement if:
 - a. the aggregate amount of all the non-audit services that were not pre-approved constitutes no more than five per cent of the total amount of

revenues paid by the Company to its external auditors during the fiscal year in which the services are provided;

- b. the services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - c. the services are promptly brought to the attention of the Audit Committee and approved, prior to the completion of the audit, by the Audit Committee or by one or more members of the Audit Committee to whom authority to grant such approvals has been delegated by the Audit Committee.
5. The Audit Committee must review the Company's financial statements, management discussion and analysis and earnings press releases and make an appropriate recommendation to the Board before the Company publicly discloses this information.
 6. The Audit Committee must be satisfied that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements, other than the disclosure referred to in subsection (5), and must periodically assess the adequacy of those procedures.
 7. The Audit Committee must establish procedures for:
 - a. the receipt, retention and treatment of complaints received by the Company or its subsidiaries regarding accounting, internal accounting controls, or auditing matters; and
 - b. the confidential, anonymous submission by employees of the Company and its subsidiaries of concerns regarding questionable accounting or auditing matters.
 8. An Audit Committee must review and approve the hiring policies of the Company and its subsidiaries regarding partners, employees and former partners and employees of the present or former auditor of the Company or its subsidiaries.

Authority

1. The Audit Committee shall have the authority to:
 - a. inspect any and all of the books and records of the Company and its subsidiaries;
 - b. discuss with the management of the Company and its subsidiaries, with employees of the Company and its subsidiaries, any affected party and the external auditors, such accounts, records and other matters as any member of the Audit Committee considers necessary and appropriate;

- c. engage independent counsel and other advisors as it determines necessary to carry out its duties;
- d. to set and pay the compensation for any advisors employed by the Audit Committee; and
- e. to communicate directly with the internal and external auditors.

Specific Duties

1. The Audit Committee shall:
 - a. review the audit plan with the Company's external auditors and with management;
 - b. discuss with management and the external auditors any proposed changes in major accounting policies or principles, the presentation and impact of significant risks and uncertainties and key estimates and judgments of management that may be material to financial reporting;
 - c. review with management and with the external auditors significant financial reporting issues arising during the most recent fiscal period and the resolution or proposed resolution of such issues;
 - d. review any problems experienced or concerns expressed by the external auditors in performing an audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
 - e. review with senior management the process of identifying, monitoring and reporting the principal risks affecting financial reporting;
 - f. consider and review with management, the internal control memorandum or management letter containing the recommendations of the external auditors and management's response, if any, including an evaluation of the integrity, adequacy and effectiveness of the internal financial controls of the Company and its subsidiaries and subsequent follow-up to any identified weaknesses;
 - g. review audited annual financial statements and related documents in conjunction with the report of the external auditors and obtain an explanation from management of all significant variances between comparative reporting periods;
 - h. before release review with financial management and the external auditors the quarterly unaudited financial statements and management discussion and analysis and obtain an explanation from management of all the significant variances between comparative reporting periods;

- i. before release, review and if appropriate, recommend for approval by the Board, all public disclosure documents containing audited or unaudited financial information, including any prospectuses, offering memorandums, annual reports, annual information forms, management discussion and analysis and press releases; and
 - j. oversee any of the financial affairs of the Company and its subsidiaries, and, if deemed appropriate, make recommendations to the Board, external auditors or management.
2. The Audit Committee shall:
- a. evaluate the independence and performance of the external auditors and annually recommend to the Board the appointment of the external auditor or the discharge of the external auditor when circumstances are warranted;
 - b. consider the recommendations of management in respect of the appointment of the external auditors;
 - c. approve the engagement letter for non-audit services to be provided by the external auditors or affiliates, together with estimated fees, and consider the potential impact of such services on the independence of the external auditors;
 - d. when there is to be a change of external auditors, review all issues and provide documentation related to the change, including the information to be included in the Notice of Change of Auditors and documentation required pursuant to National Instrument 51-102 of the Canadian Securities Administrators entitled “Continuous Disclosure Obligations” (or any successor legislation) as adopted by the relevant securities commissions in Canada and the planned steps for an orderly transition period; and
 - e. review all reportable events, including disagreements, unresolved issues and consultations, as defined by applicable securities policies, on a routine basis, whether or not there is to be a change of external auditors.
3. The Audit Committee shall:
- a. review with management at least annually, the financing strategy and plans of the Company and its subsidiaries; and
 - b. review all securities offering documents (including documents incorporated therein by reference) of the Company.
4. The Audit Committee shall review the amount and terms of any insurance to be obtained or maintained by the Company and its subsidiaries with respect to risks inherent in its operations and potential liabilities incurred by the Directors, directors or officers thereof in the discharge of their duties and responsibilities.

5. The Audit Committee shall review the appointments of the Chief Financial Officer and any key financial managers who are involved in the financial reporting process.
6. The Audit Committee shall enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters, which are directed to the Audit Committee by any member of the Board, a shareholder of the Company, the external auditors, or senior management.
7. The Audit Committee shall periodically review with management the need for an internal audit function.
8. The Audit Committee shall review with the Company's legal counsel as required but at least annually, any legal matter that could have a significant impact on the Company's financial statements, and any enquiries received from regulators, or government agencies.
9. The Audit Committee shall assess, on an annual basis, the adequacy of this Mandate and the performance of the Audit Committee.