ENTERPRISE OIL LIMITED

Management's Discussion and Analysis
For the nine month period ended June 30, 2006

This discussion and analysis should be read in conjunction with the unaudited consolidated interim financial statements for the nine month period ended June 30, 2006. The nine month period ended June 30, 2006 represents the first three full quarters of operations for Enterprise Oil Limited.

The unaudited consolidated interim financial statements have been prepared in accordance with generally accepted accounting principles in Canada ("Canadian GAAP"). All amounts are expressed in Canadian dollars unless otherwise noted and additional information relating to the Company is on SEDAR at www.sedar.com. This discussion and analysis is dated August 28, 2006.

This MD&A contains projections and other forward-looking statements regarding future events. Such statements are predictions, which may involve known and unknown risks, uncertainties and other factors, which could cause the actual events or results and company plans and objectives to differ materially from those expressed. For information concerning factors affecting the Company's business, the reader is referred to the documents that the Company files from time to time with applicable Canadian securities and regulatory authorities.

Overall Performance

Enterprise Oil Limited ("Enterprise" or the "Company") primary strategy is to acquire and integrate small to mid-sized companies providing pipeline construction and oilfield maintenance services ("services") in Alberta. Enterprise's customers will include some of the major energy producers in Alberta. Through this strategy, Enterprise will increase the collective customer base and revenues of the companies by developing a skilled labor force supported by a full fleet of vehicles and equipment, thereby capable of providing wide geographical coverage of services in Alberta.

Enterprise through its subsidiary A. G. Construction Ltd. ("A & G") completed its first acquisition, the assets of A & G Grant Construction (1983) Inc., effective August 24, 2005. A & G operates from Slave Lake, Alberta and provides services to clients located primarily in north-eastern Alberta. After this acquisition, Enterprise changed its fiscal year end from December 31 to September 30.

Enterprise completed its second acquisition, effective April 1, 2006, by acquiring all the shares of Trevor King Oilfield Services Ltd. ("TKO"). TKO operates from Wainwright, Alberta and provides services to clients located primarily in central and eastern Alberta.

The three month period ended June 30, 2006 was the Company's third full quarter of operations. During the third quarter, the Company earned revenues of $6,077,844, for total revenues of $25,281,548 for the nine month period ended June 30, 2006.

During the Company's third quarter, Enterprise recorded a net loss of $1,273,371. However, after non cash items of $792,512 (amortization and stock compensation), cash flow used in operations in this quarter was $480,859 or $.02 per share (see selected financial performance). The net loss in the third quarter can be attributed to:

- the month of April 2006 is traditionally the slowest month in terms of demand for services due to spring break-up,
- excessive number of rain or weather days during the months of May 2006 and June 2006 hampering the delivery of services in field locations in central and north-eastern Alberta.

During this period of low activity and weather delays, the Company experienced lower than normal levels of utilization of its labor force, vehicle and equipment fleet thereby reducing revenues earned. In addition, the Company retained its labor force and rental equipment during this period in order not to lose these when activity and weather conditions returned to normal conditions.

Weather conditions have since improved in the months of July 2006 and August 2006 in central and north-eastern Alberta allowing the Company to return to normal levels of service delivery. Those projects that were scheduled for start-up in the third quarter are now currently underway.

Selected Financial Information

The Company was incorporated on March 23, 2004 and was not a reporting issuer pursuant to applicable securities legislation until June 28, 2004. Further, the Company commenced active operations and providing services on August 24, 2005 following completion of its Qualifying Transaction.

A summary of selected financial information for the three month period ended June 30, 2006, six month period ended March 31, 2006 and nine month period ended June 30, 2006 is set-out below:

	Three Months - June 30 **2006** ***(Unaudited)***	*Six Months - March 31* 2006 *(Unaudited)*	***Nine Months - June 30*** **2006** ***Unaudited)***
Revenue	**$ 6,077,844**	$ 19,203,704	**$ 25,281,548**
Net profit (loss)	**(1,273,371)**	2,851,420	**1,578,049**
Cash flow from (used in) operations (1)	**(480,859)**	3,485,075	**3,004,216**
Basic earnings (loss) per share	**($.056)**	$.162	**$.089**
Diluted earnings (loss) per share	**($.038)**	$.108	**$.061**
Basic cash flow (used in) per share (1)	**($0.021)**	$0.199	**$0.170**
Diluted cash flow (used in) per share (1)	**($0.014)**	$0.132	**$0.117**
Weighed average number of common shares:			
Basic	**22,618,967**	17,547,581	**17,660,004**
Diluted	**33,662,884**	26,309,523	**25,722,123**

For the nine month period ended June 30, 2006, the Company reported no discontinued operations, no changes in accounting policies and declared no cash dividends.

(1) Cash flow is defined as "cash provided by operating activities before changes in non-cash working capital". Cash flow and cash flow per share provide additional information regarding the Company's liquidity and its ability to generate funds to finance operations. Cash flow and cash flow per share are not measures that have any standardized meaning prescribed by Canadian GAAP, and accordingly may not be comparable to similar measures by other companies.

Results of Operations

Net profit (loss) for the three and nine month periods ended June 30, 2006 was ($1,273,371) and $1,578,049, respectively, compared to net losses of $48,036 and $77,202 for the three month and nine month periods ended June 30, 2005, respectively.

During the three and nine month periods ended June 30, 2006, revenues, direct costs, general and administrative costs increased significantly from that of prior periods. These increases are due primarily to the Company commencing operations through A & G and TKO discussed in the previous section on overall performance.

Revenue

The following table identifies revenues for the three month period ended June 30, 2006 and 2005 and nine month period ended June 30, 2006 and 2005.

Enterprise began generating revenue from operations after the completion of its Qualifying Transaction on August 24, 2005. The nine month period ended June 30, 2006, represents the first three full quarters with Enterprise providing services to clients in Alberta.

	Three Months - June 30 **2006** ***(Unaudited)***	*Three Months - June 30* 2005 *(Unaudited)*	***Nine Months - June 30*** **2006** ***(Unaudited)***	*Nine Months - June 30* 2005 *(Unaudited)*
REVENUE				
Revenue	**$ 6,077,844**	$ -	**$ 25,281,548**	$ -
	6,077,844	-	**25,281,548**	

Direct Costs

The following table identifies the direct costs for the three month period ended June 30, 2006 and 2005 and nine month period ended June 30, 2006 and 2005.

Enterprise began incurring direct costs associated with providing services to clients in Alberta after the completion of its Qualifying Transaction on August 24, 2005. The nine month period ended June 30, 2006, represents the first three full quarters with Enterprise providing services.

	Three Months - June 30 2006 (Unaudited)	Three Months - June 30 2005 (Unaudited)	Nine Months - June 30 2006 (Unaudited)	Nine Months - June 30 2005 (Unaudited)
DIRECT COSTS				
Trades and sub-contracts	$ **2,458,498**	$ -	$ **8,178,323**	$ -
Direct wages	**1,940,627**	-	**6,331,041**	-
Supplies and freight	**636,693**	-	**1,756,644**	-
Rentals	**591,134**	-	**1,241,967**	-
Fuel and oil	**435,358**	-	**1,231,039**	-
Camp costs	**277,598**	-	**845,533**	-
Repairs and maintenance	**321,212**	-	**797,918**	-
	6,661,120	-	**20,382,465**	-

General and Administrative Expenses

The following table identifies general and administrative expenses for the three month period ended June 30, 2006 and 2005 and nine month period ended June 30, 2006 and 2005. The nine month period ended June 30, 2006, represents the first three full quarters with Enterprise providing services.

	Three Months - June 30 2006 (Unaudited)	Three Months - June 30 2005 (Unaudited)	Nine Months - June 30 2006 (Unaudited)	Nine Months - June 30 2005 (Unaudited)
GENERAL AND ADMINISTRATIVE EXPENSES				
Office, travel and general	$ **200,927**	$ 12,329	$ **459,455**	$ 33,369
Stock based compensation	**166,860**	-	**376,387**	-
Professional fees	**107,335**	42,000	**314,623**	66,378
Management fees	**54,000**	-	**148,500**	-
Interest on long term debt	**58,996**	-	**98,496**	-
Interest and bank charges	**28,556**	16	**77,289**	46
Amortization of intangible assets	**10,299**	-	**30,899**	-
Amortization of property and equipment	**615,353**	-	**1,018,881**	-
	1,242,326	54,345	**$2,524,530**	99,793

Summary of Quarterly Results

The Company was incorporated on March 23, 2004 and was not a reporting issuer pursuant to applicable securities legislation until June 28, 2004. The Company changed its fiscal year end to September 30 after the completing its Qualifying Transaction. As such, the following is a summary of quarterly information since incorporation.

	Three Months - June 0/06	Three Months - March31/06	Three Months - Dec. 31/05	Nine Months - Sep.30/05	Nine Months - Dec. 31/04
Revenue	$6,077,844	$14,323,496	$4,880,208	$560,797	$ Nil
Net profit (loss)	(1,273,371)	2,287,852	563,569	(327,214)	(126,001)
Cash flow (used in) operations	(480,859)	2,734,033	751,043	(254,425)	(28,501)

The nine month period ended June 30, 2006 represents the first three full quarters with Enterprise providing services. Revenue generated during the nine month period ended September 30, 2005 is a result of 37 days of operations from the Company providing services following the completion of its Qualifying Transaction.

Business Acquisition

On March 13th 2006, the Company announced the signing of a Share Purchase Agreement to acquire 100% of the shares of TKO, an arm's length Alberta based private company. Pursuant to the Share Purchase Agreement, the Company agreed to purchase the operations and debt of TKO, excluding real property,

The acquisition was accounted for using the purchase method whereby the purchase price was allocated to the net assets acquired based on their fair values as follows:

Net assets acquired:	
Working capital (net)	**$ 334,576**
Property and equipment	**3,971,490**
Goodwill	**4,709,129**
Term and other debt	**(1,955,195)**
	$ 7,060,000
Consideration given was comprised of the following:	
Cash	**$ 4,600,000**
Shares issued (1,000,000 shares at $2.06 per share)	**2,060,000**
Vendor debt	**400,000**
	$ 7,060,000

The acquisition of TKO brings to the Company management that is experienced and has a good reputation with clients in providing services in the central and eastern region of Alberta. In addition, the acquisition has brought to the Company new clients that are major energy producers in Alberta.

Liquidity and Capital Resources

The Company has working capital of $3,088,246 at June 30, 2006 compared to a working capital deficit of $75,791 at September 30, 2005.

Included in working capital is cash and cash equivalents and bank indebtedness. Cash and cash equivalents were $1,821,103 at June 30, 2006 compared to $nil at September 30, 2005. Bank indebtedness was $1,734,748 at June 30, 2006 compared to $65,442 at September 30, 2005. Bank indebtedness consists of cheques written and not cleared in excess of the bank balance and includes $420,000 (September 30, 2005 - $nil) advanced under the lines of credit.

Both A & G and TKO have revolving lines of credit, payable on demand, secured by a general security agreement covering all assets, including continuing guarantees and general security agreements from the Company and cross collateralized with either A & G or TKO. These line of credit bear interest at prime plus 0.625%. A & G's maximum financing available against their line is the lesser of $2,500,000 ($3,500,000 during the period November 1 to April 30th, annually) and 75% of eligible unencumbered accounts receivable as defined by the Bank. Similarly, TKO's maximum financing available against their line is the lesser of $3,000,000 and 75% of eligible unencumbered accounts receivable as defined by the Bank.

The Company has the following evergreen, term and vendor debt to fund the purchase of capital assets and acquisitions.

The Company has an evergreen line of credit to finance equipment purchased for A & G and TKO. The maximum financing available against this line is $1,500,000. This line of credit bears interest at prime plus 1.00% and is repayable in monthly blended payments over a term ranging from 24 to 60 months depending upon the age of the equipment financed. During the period, the Company drew $670,603 (net) from this line to finance $894,137 of equipment purchases. At June 30, 2006, the balance of this line of credit was $566,702 (September 30, 2005 - $nil).

The Company has a non-revolving term loan to finance the acquisition of A & G. The maximum financing available against this line is $1,080,520, was fully drawn, with a balance of $895,633 at June 30, 2006 (September 30, 2005 - $1,080,520). This line of credit bears interest at prime plus 1.00% and is repayable in monthly blended payments of $26,000 with the balance outstanding payable in full on August 31, 2009.

The Company has non-revolving term loan to finance the business acquisition and pay-out the term and other debt of TKO. The maximum financing available against this line is $2,500,000, was fully drawn, with a balance of $2,321,500 at June 30, 2006 (September 30, 2005 - $nil). This line of credit bears interest at prime plus 1.00% and is repayable in monthly blended payments of $59,500 with the balance outstanding payable in full on March 31, 2010.

The evergreen and non-revolving loans are secured by general security agreements, including a guarantee, postponement and assignment of claims from A & G and TKO and a guarantee limited to $750,000 from an officer and director of the Company.

The Company has vendor debt from the qualifying transaction repayable in two installments of $200,000 each on the first and second anniversary date of the closing date of the qualifying transaction. The vendor debt is subordinated to bank debt and is secured by a general security agreement issued by A & G. The vendor debt is carried at a fair value of $374,533 (September 30, 2005 - $374,533) and bears interest at nil%.

The Company has vendor debt from the business acquisition repayable on March 1, 2007. The vendor debt is subordinated to the bank debt and is secured by a promissory note issued by the Company. The vendor debt is carried at a fair value of $400,000 (September 30, 2005 - $nil) and bears interest at prime plus 2%. The interest is forgiven if the vendor debt is paid by March 1, 2007.

Capital Raised

During the nine month period ended June 30, 2006, the Company completed private placements raising $6,767,460 (2005 - $500,000) before share issue costs of $503,298 (2005 - $nil) and issued 1,000,000 (2005 – nil) common shares for $2,060,000 (2005 - $nil) for the acquisition of a business. In addition, during this nine month period the Company received $1,893,700 (2005 - $nil) from the exercise of warrants, $546,500 (2005 - $41,200) from the exercised of broker options and $300,000 (2005 - $nil) from the exercise of stock options.

Proceeds from capital raising and Bank financing were used in part to fund the purchase of $5,412,386 (2005 - $nil) of property and equipment and $4,709,229 (2005 - $nil) for a business acquisition.

The Company plans to further expand its fleet of vehicles and equipment and complete other business acquisitions as part of its business strategy. Management believes that the Company has access to sufficient capital to fund these programs through a combination of capital raising, bank financing and the generation of cash from operations.

Share Capital

	Outstanding As at August 28, 2006	Outstanding As at June 30, 2006	Outstanding As at September 30, 2005
Common shares - issued	**24,447,700**	23,370,000	11,841,200
Share purchase and broker warrants	**7,067,200**	7,894,900	2,000,000
Stock options	**1,640,000**	1,890,000	980,000
Broker options	**537,160**	537,160	558,800
Total (fully diluted)	**33,692,060**	33,692,060	15,380,800

COMMITMENTS

The company has commitments for the lease of office premises and operating leases for vehicles. The minimum payments are as follows:

2006	$ 62,478
2007	105,336
2008	110,160
2009	68,548
2010	34,092
	$ 380,614

Related Party Transactions

During the nine month period ended June 30, 2006, the Company paid $104,480 (2005 - $nil) for premises and equipment rent to a company controlled by a director of the Company. This transaction is recorded at the amount established and agreed to by the parties.

During this period, the Company paid $148,500 (2005 - $nil) for management services to a company controlled by an officer and director of the Company.