ENTERPRISE OIL LIMITED

Management's Discussion and Analysis ("MD&A")

For The Three Month Period Ended March 31, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

For The Three Month Period Ended March 31, 2007

This discussion should be read in conjunction with the unaudited consolidated interim financial statements of Enterprise Oil Limited (the "Company" and/or "Enterprise") for the three month period ended March 31, 2007, as well as the supporting MD&A for that period. This MD&A was prepared effective May 10, 2007.

This report contains forward-looking statements which reflect management's expectations regarding the Company's future plans and intentions, results of operations, performance and business prospects and opportunities. Words such as "may", "will", "should", "could", "anticipate", "believe", "expect", "intend", "plan", "potential", "continue", and similar expressions have been used to describe these forward-looking statements. These statements reflect management's current beliefs and are based on the information currently available to management. Forward-looking statements involve significant risk and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, changes in general economic and market conditions and other risk factors. Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, management cannot assure that actual results will be consistent with these forward-looking statements.

Throughout this MD&A a certain measure has been used that is not a recognized measure under Canadian generally accepted accounting principles ("GAAP"). The specific measures used are earnings before interest, taxes, depreciation and amortization ("EBITDA") and earnings before interest, taxes, depreciation, amortization and stock-based compensation ("EBITDAS"). Please review the discussion of this measure in the "NON-GAAP Measures" section of this MD&A.

COMPANY PROFILE

Enterprise Oil Limited (TSX Venture Exchange: TSX-V; Symbol "EON") is a growing company specializing in pipeline construction, oilfield maintenance, directional drilling and utility services in Central and Northern Alberta. With office headquarters in St. Albert, Alberta, Canada, sales offices in Calgary, Alberta, construction offices in Slave Lake, Wainwright and Sherwood Park, Alberta, and field offices in Wabasca, and Red Earth, Alberta and soon to be established field offices in Fox Creek and Grande Prairie, Alberta; Enterprise is strategically located near our customers. The Company's objective is to acquire, integrate and operate specialized, small to mid-sized growth oriented companies in the energy and utility services sector throughout Central Alberta.

Pipeline Construction

Enterprise constructs pipelines throughout Northern and Central Alberta, with a growing asset base of over $16 million including a fleet of over 240 trucks and heavy construction equipment with its latest acquisition recently closed on May 4, 2007, effective April 1, 2007. Our major projects are divided evenly between oil and gas markets, with the majority of work in construction of pipeline, up to 12" diameter steel.

Enterprise is focused on providing pipeline construction and oilfield maintenance services to the energy services industry. These services include pipeline construction, repairs and maintenance, wellhead tie-ins, water injection lines, facilities construction, oilfield hauling and directional drilling. Enterprise has the equipment and expertise to undertake a project from start to finish.

Enterprise's customers include some of the world's largest energy producers. Enterprise will increase the collective customer base and overall revenues by developing a skilled labor force supported by a complete fleet of vehicles and equipment, thereby providing wide geographic coverage of energy services in Alberta.

Utility Services
Enterprise's acquisition of T.C. Backhoe & Directional Drilling Inc. (TC) which closed May 4, 2007 with an effective date of April 1, 2007 provides directional drilling and installation of underground power, telecommunications and natural gas lines.

TC's customers include some of Canada's largest providers of telecommunications, cable television, electricity and natural gas services.

SEASONALITY OF OPERATIONS

A significant portion of the Company's operations relate to the oilfield services and construction segment in Alberta. The Company's earnings follow a seasonal activity pattern of Alberta's oil and gas exploration industry whereby activity peaks in the winter months and declines during the spring thaw. Due to the spring thaw, frost comes out of the ground, which makes roads incapable of supporting heavy equipment resulting in making drilling for oil and gas more difficult. As a result, demand for these types of services generally is the highest in the fall and winter quarters and the lowest in the spring quarter.

The utility services sector operates more evenly throughout the year.

FORWARD-LOOKING INFORMATION

Certain information in the MD&A, other than statements of historical fact, may include forward-looking information that involves various risks and uncertainties. Forward-looking statements may contain words such as "may", "will", "should", "could", "anticipate", "believe", "expect", "intend", "plan", "potential", "continue", and similar expressions and statements relating to matters that are not historical facts. These may include, without limitation, statements based on current expectations involving a number of risks and uncertainties related to pipeline and facilities construction and maintenance services associated with the oil and gas and industries and utility services and the domestic and worldwide supplies and commodity prices of oil and gas.

These risks and uncertainties include, but are not limited to, seasonal weather patterns, maintaining and increasing market share, government regulation of energy and resource companies, terrorist activity, the price and availability of alternative fuels, the availability of pipeline capacity, potential instability or armed conflict in oil producing regions, overall economic environment, the success of integrating and realizing the potential of acquisitions, ability to attract and retain key personnel, technological change, demand for services provided by Enterprise, and fluctuations in the value of the Canadian dollar relative to the US dollar.

These risks and uncertainties may cause actual results to differ from information contained herein. There can be no assurance that such forward-looking information will prove to be accurate. Actual results and future events could differ materially from those anticipated in such forward-looking information. The forward-looking information is based on the estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. The Company assumes no obligation to update forward-looking information should circumstances or management's estimates or opinions change as a result of new information or future events. Readers should not place undue reliance on forward-looking information.

NON-GAAP MEASURES

In addition to using financial measures prescribed by GAAP (Generally Accepted Accounting Policies), certain non-GAAP measures are also used in this MD&A. These non-GAAP measures are "EBITDA" and "EBITDAS".

References in this MD&A to EBITDA are to net income before interest, taxes, depreciation and amortization. References in this MD&A to EBITDAS are to net income before interest, taxes, depreciation, amortization and stock-based compensation.

EBITDA and EBITDAS are not earnings measures recognized by GAAP and do not have standardized meanings prescribed by GAAP. Management believes that EBITDA and EBITDAS are appropriate measures in evaluating the Company's performance.

Readers are cautioned that EBITDA and EBITDAS should not be construed as an alternative to net income or cash flow from operating activity (as determined under GAAP) as indicators of financial performance or to cash flow from operating activities (as determined under GAAP) as a measure of liquidity and cash flow. The Company's method of calculating EBITDA and EBITDAS may differ from the methods used by other issuers and, accordingly, the Company's EBITDA and EBITDAS may not be comparable to similar measures used by other issuers. These non-GAAP performance measures such as EBITDA and EBITDAS do not have any standardized meaning prescribed by GAAP and therefore are unlikely to be comparable to similar measures presented by other companies. Accordingly, they are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

OVERALL PERFORMANCE

The Company continued to realize revenue growth during the second quarter. Revenue increased by 32% over the same period in the prior year. Customer base also increased substantially minimizing risks associated with a limited customer base. The Company expanded its geographical region to provide services increasing its presence in western Alberta. The Company was well received by the oil and gas companies and awarded several long and short term projects. This is very rewarding in a period where competition was extremely high and the overall demand for pipeline construction lower than the previous year. The results indicate that the Company's mission of providing quality and timely services at a competitive price along with the highest in health and safety standards in the industry are key elements that customers are demanding in making their selection process for which projects are awarded.

The Company realized its highest ever quarterly revenue of $18,843,200 for the second quarter ended March 31, 2007 compared to revenue of $14,323,496 for the second quarter ended March 31, 2006. The company had EBITDAS of $3,720,337 while realizing a net income of $2,117,643 for its second quarter of operations, ended March 31, 2007 compared to EBITDAS of $3,862,095 and net income of $2,287,852 for its second quarter, ended March 31, 2006. Net income of $2,117,643 resulted in basic earnings of $0.08 per share, $0.07 diluted earnings per share for the three month period ended March 31, 2007 compared to a net income of $2,117,643 and $0.13 basic earnings per share, $0.13 per diluted earnings per share for the three month period ended March 31, 2006.

Cash flow for the three month period ended March 31, 2007 from (used in) operating activities; including non-cash operating working capital changes was ($4,592,910), as compared to ($2,142,758) for the three month period ended March 31, 2006. Cash flow from operating activities increased $1,424,097 in the second quarter ended March 31, 2007. The Company's asset base grew to $45,108,535 as at March 31, 2007 compared to $24,551,777 as at September 30, 2006.

OVERALL PERFORMANCE (continued)

The Company commenced incurring substantial general and administrative expenses in the fourth quarter ended September 2006. The increase was necessary to develop the infrastructure and management team necessary to fulfill the requirements of a public company and have the Company in a position to acquire timely acquisitions in the future. General and administrative expenses were $1,597,262 for the three month period ended March 31, 2007 compared to $884,106 for the three month period ended March 31, 2006, representing an increase of $713,156.

OVERVIEW OF OPERATIONS

A summary of selected financial information for the three month period ended March 31, 2007 and 2006 is set out below:

Statement of Income Information	Three months ended March 31, 2007	Three months ended March 31, 2006
Revenue	**$ 18,843,200**	$ 14,323,496
EBITDA	**$ 3,720,337**	$ 3,654,408
EBITDAS	**$ 3,720,337**	$ 3,862,095
Net income	**$ 2,117,643**	$ 2,287,852
Basic earnings per share	**$ 0.08**	$ 0.13
Diluted earnings per share	**$ 0.07**	$ 0.13
Weighted average common shares outstanding – basic	**26,447,059**	17,547,581
Weighted average common shares outstanding – diluted	**28,870,200**	17,547,581

EBITDA (earnings before interest, taxes, depreciation and amortization) and EBITDAS (earnings before interest, taxes, depreciation, amortization and stock-based compensation) are not recognized measures under Canadian generally accepted accounting principles (GAAP) and therefore are unlikely to be comparable to similar measures presented by other companies. Accordingly, EBITDA and EBITDAS are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. Management believes that in addition to net income from continuing operations, EBITDA and EBITDAS are useful supplemental financial measures of the Company's operating results, which assist investors' understanding of the level of Enterprise's earnings and their assessment of the Company's performance. We believe that conventional financial measures of performance prepared in accordance with GAAP do not fully illustrate our earnings.

Summary of Quarterly Results	March 31, 2006	June 30, 2006	September 30, 2006	December 31, 2006	March 31, 2007
Revenue	$14,323,496	$6,077,844	$7,000,787	$4,736,735	$18,843,200
Net Income (loss)	$2,287,852	$(1,273,371)	$1,072,931	$(584,042)	$2,117,643
Earnings (loss) per share - Basic	$0.13	$(0.06)	$0.05	$(0.02)	$0.08
Earnings (loss) per share - Diluted	$0.13	$(0.04)	$0.06	$(0.02)	$0.07

Cash Flow Information		Three months ended March 31, 2007		Three months ended March 31, 2006
Cash provided by (used in) operating activities:				
Cash provided by net income and non-cash items	**$**	**2,554,286**	$	2,734,033
Changes in non-cash working capital	**$**	**(7,147,196)**	$	(4,876,792)
Cash provided by (used in) operating activities	**$**	**(4,592,910)**	$	(2,142,758)
Investing	**$**	**(1,817,921)**	$	(520,335)
Financing	**$**	**9,316,832**	$	5,273,363
Increase in cash	**$**	**2,906,001**	$	2,610,270
Cash (deficiency) – beginning of period	**$**	**(2,070,070)**	$	(1,400,975)
Cash – end of period	**$**	**835,931**	$	1,209,295

RECONCILIATION OF EBITDA AND EBITDAS TO HISTORICAL RESULTS (GAAP)

Statement of Income		Three months ended March 31, 2007	Three months ended March 31, 2006
Net income	**$**	**2,117,643**	2,287,852
Add:			
Income taxes	**$**	**1,033,611**	1,066,587
Interest	**$**	**132,440**	61,474
Amortization	**$**	**436,643**	238,495
EBITDA	**$**	**3,720,337**	3,654,408
Add:			
Stock-based compensation	**$**	**-**	207,687
EBITDAS	**$**	**3,720,337**	3,862,095

EBITDA and EBITDAS are non-GAAP measures and do not have a standardized meaning under GAAP. See non-GAAP measures under separate heading.

Revenue by Subsidiaries		Three months ended March 31, 2007		Three months ended March 31, 2006
A.G. Grant Construction Ltd. (AGG)	**$**	**13,372,290**	$	14,323,496
Trevor King Oilfield Services Ltd. (TKO)	**$**	**5,470,910**	$	-
Total	**$**	**18,843,200**	$	14,323,496

FINANCIAL POSITION

Balance Sheet Information	March 31, 2007	September 30,2006
Working capital (1)	$ **11,627,520**	$ 2,915,718
Total assets	$ **45,108,535**	$ 24,551,777
Total debt	$ **18,065,112**	$ 9,167,962
Shareholders' equity	$ **27,043,423**	$ 15,383,815
Total common shares outstanding	**39,804,200**	25,405,700

(1) Working capital is current assets less current liabilities.

Financial Statistics and Ratios	Three months ended March 31, 2007	Three months ended March 31, 2006
Gross margin as a percentage of revenue (%)	**25.0%**	29.5%
Net income as a percentage of revenue (%)	**11.2%**	16.0%
EBITDA as a percentage of revenue (%)	**19.7%**	25.9%
EBITDAS as a percentage of revenue (%)	**19.7%**	27.0%

Financial Statistics and Ratios	March 31, 2007	September 30, 2006
Working capital ratio (1)	**1.81:1**	1.54:1
Total funded debt to capitalization (2)	**.31:1**	.52:1
Net capital assets to long-term debt	**2.29:1**	1.76:1

(1) Working capital is current assets less current liabilities

(2) Capitalization includes funded debt, subordinated debt and shareholders' equity

SHARE CAPITAL

	Three months ended March 31, 2007	Three months ended March 31, 2007
	No. of shares	Total capital
Share capital, December 31, 2006	26,470,200	$ 13,507,859
Share capital transactions during period:		
Private placements for cash (net of share issue costs)	13,334,000	9,223,676
Share capital, March 31, 2007	39,804,200	$ 22,731,435

Share Capital, Fully Diluted	No. of shares
Share capital, March 31, 2007	39,804,200
Warrants ($1.00), expiring June 29, 2008	6,667,000
Agent warrants ($1.00), expiring June 29, 2008	933,380
Stock options, (weighted average $1.20), expiring 2009 - 2011	2,400,000
Share capital, fully diluted, March 31, 2007	49,804,580

CAPITAL RESOURCES AND LIQUIDITY

The Company has working capital of $11,627,520 and $2,915,718 as at March 31, 2007 and September 30, 2006 respectively.

The Company has authorized revolving bank lines of credit available as follows:

AGG	$4,500,000
TKO	$3,500,000
TC	$1,000,000

The Company has bank capital term loans used to finance capital assets acquired by AGG and TKO in amounts of $562,251 and $1,621,130 as at March 31, 2007.

On May 4, 2007 the Company borrowed $2,250,000 as a capital term loan from the bank to finance the equipment acquired during the acquisition of T.C. Backhoe & Directional Drilling Inc.

The Company has a bank capital line of credit facility of $2,500,000 to finance future equipment acquisitions.

The Company has a bank term loan facility of $5,000,000 to assist in the financing of future company acquisitions.

The Company's principal payment requirements for the balance of fiscal 2007 are $1,077,860. The company's estimated next twelve months principal repayments are $1,961,077. The company anticipates that its current cash resources will be sufficient to meet all anticipated obligations throughout the next fiscal year.

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 operational services on August 24, 2005 following completion of its Qualifying Transaction, acquiring the business assets, excluding real property, and operations of A&G Grant Construction (1983) Inc.

SUBSEQUENT EVENTS

T.C. Backhoe & Directional Drilling Inc. acquisition

On May 4, 2007 the Company acquired 100% of the shares of T.C. Backhoe & Directional Drilling Inc. (TC) effective April 1, 2007. The purchase price for all the shares of TC was $12,000,000 plus $1,924,000 for additional equipment and inventory, totaling $13,924,000. The purchase price was funded by cash, 1,500,000 common shares of Enterprise Oil Limited at $0.80 per share and a non-interest bearing vendor take back note of $1,000,000 repayable in equal annual installments over two years. Two of the three vendors have signed five year employment and non-competition agreements ensuring their full commitment for continued growth under the Company's business plan. The third vendor has signed a two year consulting and five year non-competition agreements.

TC's audited financial statements for the year ended May 31, 2006 resulted in revenue of $11,934,000 and EBITDA of $5,995,000 with a net income of $3,529,623.

TC has been operating for over 30 years and generates most of its revenue from utility companies with approximately 20% from the energy services sector. Installation of underground power, telecommunications and natural gas lines are the core business of the company. As a result of the rapid growth Western Canada is experiencing, development of industrial, commercial and residential properties require full underground installation of services. The outlook for this sector is exceptional. TC brings the Company several new customers including some of Canada's largest providers of telecommunications, cable TV, electricity, and natural gas services.

Enterprise's strategy is to continue to grow TC in its core competencies while expanding their services to the energy services sector. Pipeline construction projects routinely require directional boring services when approaching roads, creeks, rivers and other environmentally sensitive areas. Enterprise believes that directional boring will play a much larger roll in the future of pipeline construction because of environmental awareness. Management views this acquisition as a key step in the company's strategic business plan.

Annual General Shareholders' Meeting

The company held its annual general shareholders' meeting on April 26, 2007 approving the following:

- The audited financial statements for the year ended September 30, 2006.
- Board of Directors was increased to five members.
- Name of the Company to change at an unscheduled future date to Enterprise Oilfield Group, Inc.
- Stock option plan was amended to re-price 1,495,000 stock options to $0.82 per common share.
- Nick Demare CA was appointed as a member of the Board of Directors.
- Hawkins Epp Dumont LLP, Chartered Accountants appointed as auditors for the Company.

OTHER SIGNIFICANT EVENTS

The company mutually cancelled its previous letter of intent issued on September 16, 2006 in the amount of $12,000,000 to acquire the operations of a private Alberta company operating in western Alberta, carrying on a similar business as the other operating subsidiaries.

On October 12, 2006 the Company filed a notice of intention, with TSX Venture Exchange, to make a normal issuer bid which commenced on October 23, 2006, terminating October 23, 2007. The Company intends to acquire up to 1,267,185 of issued common shares. As of March 31, 2007 the Company has acquired for cancellation 164,800 common shares of Enterprise.

In March, 2007 the Company successfully negotiated a solid financial facility from its bank as outlined in Capital Resources and Liquidity section. The financing provides the Company with the capital required to meet its current financial commitments while providing additional long-term funding for equipment and future company acquisitions.

Private Placement

On March 29, 2007 Enterprise Oil Limited closed its private placement of 13,334,000 units for gross proceeds of $10,000,000 at a price of $0.75 per unit. Under the terms of the offering each unit comprises of one common share and one-half common share purchase warrant. Each whole warrant entitles the holder to acquire one common share of the company at a price of $1.00 at any time for a period of 15 months from the closing of the offering.

Paradigm Capital Inc. acted as agent for the offering. Under terms of the offering, Enterprise paid Paradigm a cash commission of 7% of the total proceeds and issued broker warrants which are exercisable for a number of units equal to 7% of the total number of units issued. All securities issued pursuant to the offering are subject to a four month hold period under Canadian law, which will expire on July 30, 2007.

The company issued 6,667,000 share purchase warrants. The agent's fee was $700,035 and 933,380 warrants. Each agent's warrant is exercisable for one unit at a price of $1.00 for a period of 15 months from the closing date of the offer.

RISKS AND UNCERTAINTIES

This document contains forward-looking information based upon current expectations that involve a number of business risks and uncertainties. These business risks and uncertainties may cause actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking information.

DISCLOSURE CONTROLS AND PROCEDURES

As at the end of the three month period covered by this report, management, with the participation of the certifying officers, has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined by the Canadian Securities Administrators). Based on that evaluation, the certifying officers have concluded that such disclosure controls and procedures are effective to provide reasonable assurance that material information relating to the Company is made known to them by others within those entities.

OUTLOOK

Corporate office has invested extensively in computer hardware and software and management time to improve the infrastructure within the company. Internal control and reporting systems have been drastically improved to meet public company reporting requirements. Enterprise's commitment to developing a strong management team, while incorporating sound business practices and efficient, effective accounting and management reporting systems ensures that growth through synergies and acquisitions. The company's current management team is capable of supporting the acquisition of TC without incurring any substantial increase in management and administrative expenses. The company commenced incurring substantial administrative and management expenses in the fourth quarter ended September, 2006. The increase in administrative expenses were necessary to develop the infrastructure and management team necessary to fulfill the requirements of a public company and have the Company in a position to acquire timely acquisitions in the future. The Company is capable of acquiring additional acquisitions without any significant changes to its management team at this time.

The synergies created between our two subsidiaries AGG and TKO paid huge rewards in the second quarter ended March 31, 2007. Both subsidiaries operated at 100% capacity. The company expanded its geographical regions where work is being performed to now include central, northern and western Alberta. The customer base has expanded to include Rustler Petroleum, Apache Canada, Beren's Energy, Devon Canada, Harvest Operations, Titan Exploration, Burlington Resources, Breaker Energy and Zargon Gas and Oil in addition to the quality customers the company already had. The work load for TKO is expected to continue at its current pace, as it has secured projects that will operate through 2007 and traditionally its busier season is spring to fall.

The acquisition of TC effective April 1, 2007 will be a major contributor to the economic growth of the company in the future. The introduction of directional drilling services to existing and prospective customers of the oil and gas industry will enhance continued revenue growth within this sector. The non-seasonal nature of TC provides the Company with a steady source of revenue and cash flow. The Company's introduction of providing directional drilling and installation of underground power, telecommunications and natural gas lines enables it to expand its customer base independent of oil and gas customers. The Company's objective is to provide capital equipment, human resources and management expertise to TC to continue to expand its utility services, realizing on the high customer demands within this sector.

MANAGEMENT TEAM / BOARD OF DIRECTORS

Leonard D. Jaroszuk, President, Chief Executive Officer and Director

David Chittle CA, Chief Financial Officer

Desmond O'Kell, Vice President – Corporate Development

Ron Ingram, Director

Michael S. Aberant, CA. Director

Douglas C. Bachman, Director

Nick Demare CA, Director

PIPELINE CONSTRUCTION BOARD OF ADVISORS

Doug Watt, Project Manager. – Slave Lake Operations

Trevor King, General Manager – Wainwright Operations

Kurt Fletcher, Project Manager – Wainwright Operations

Tom Lavender, General Manager – Sherwood Park Operations

James Chorney, Independent Advisor – Engineering & Pipeline Construction

OFFICE TEAM

Colette Dziwenka, Corporate Controller

Brenda Schwenk, Controller TKO

Wendy McKen, Controller AGG

Tammy Bouska, Controller TC

Angela Hatt, Human Resources / Safety Coordinator

CONTACT INFORMATION

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