Enterprise Oilfield Group, Inc.

Consolidated Interim Financial Statements
(Unaudited)

For the twelve month period ended September 30, 2007

National Instrument 51-102
Continuous Disclosure Obligations
Notice

Pursuant to Part 4.3 (3) of National Instrument 51-102, these unaudited consolidated interim financial statements of Enterprise Oilfield Group, Inc. for the twelve month period ended September 30, 2007 have not been reviewed by the Company's auditors.

ENTERPRISE OILFIELD GROUP, INC.

Consolidated Interim Balance Sheets

September 30, 2007

	Sept. 30, 2007 (Unaudited)	Sept. 30, 2006 (Audited)
Assets		
Current		
Cash and cash equivalents	**$ 458,729**	$ 1,838,670
Accounts receivable	**7,533,578**	5,248,558
Income taxes refundable	**92,098**	-
Inventory (note 3)	**2,557,757**	661,693
Prepaid expenses	**360,311**	251,515
Future income taxes	**352,000**	352,000
	11,354,473	8,352,436
Property, plant and equipment (note 5)	**17,723,670**	9,041,265
Goodwill (note 4)	**11,162,935**	6,941,574
Other intangible assets (note 6)	**5,588,011**	116,500
Portfolio investment (note 7)	**113,576**	100,000
	$ 45,942,665	$ 24,551,775
Liabilities and Shareholders' Equity		
Current		
Bank overdraft and indebtedness (note 8)	**$ 5,343,794**	$ 1,490,000
Accounts payable and accrued liabilities	**2,562,078**	1,294,321
Income taxes payable	**-**	1,008,368
Current portion of long term debt (note 9)	**3,260,280**	1,644,029
	11,166,152	5,436,718
Long term debt (note 9)	**6,324,190**	3,398,244
Future income taxes	**333,000**	333,000
	17,823,342	9,167,962
Shareholders' equity		
Share capital (note 12)	**24,015,058**	12,769,513
Contributed surplus	**580,621**	416,534
Retained earnings	**3,510,068**	2,197,766
Other comprehensive income	**13,576**	-
	28,119,323	15,383,813
	$ 45,942,665	$ 24,551,775

Approved on behalf of the Board:

____ "Leonard D. Jaroszuk" Director

____ "Michael S. Aberant, CA." Director

The accompanying notes are an integral part of the consolidated financial statements

ENTERPRISE OILFIELD GROUP, INC.

Consolidated Interim Statements of Income and Retained Earnings

(Unaudited)

For the twelve month period ended September 30, 2007

	Three months Sept. 30, 2007	Three months Sept. 30, 2006	**Twelve months Sept. 30, 2007**	Twelve months Sept. 30, 2006
Revenue (Schedule 1)	**$ 8,481,102**	$ 7,000,785	**$ 36,748,088**	$ 32,282,333
Direct expenses (Schedule 2)	**5,719,191**	5,706,495	**27,924,626**	26,088,960
Gross margin	**2,761,911**	1,294,290	**8,823,462**	6,193,373
General and administrative expenses (Schedule 3)	**2,145,376**	566,814	**7,458,557**	3,091,344
Income from operations	**616,535**	727,476	**1,364,905**	3,102,029
Other income (expense)	**(15,845)**	293,452	**112,788**	305,952
Income before income tax	**600,690**	1,020,928	**1,477,693**	3,407,981
Income taxes (recovery)				
Current	**(277,050)**	(33,004)	**64,412**	776,000
Future	**-**	(19,000)	**-**	(19,000)
	(277,050)	(52,004)	**64,412**	757,000
Net income	**$ 877,740**	$ 1,072,932	**$ 1,413,281**	2,650,981
Retained earnings (deficit), beginning of period	**2,733,307**	1,124,834	**2,197,766**	(453,215)
Normal course issuer bid adjustment to retained earnings (note 12)	**(100,979)**	-	**(100,979)**	-
Retained earnings, end of period	**$ 3,510,068**	$ 2,197,766	**$ 3,510,068**	$ 2,197,766

Earnings per share				
Basic earnings per share	**$ 0.021**	**$ 0.046**	**$ 0.040**	**$ 0.139**
Diluted earnings per share	**$ 0.020**	**$ 0.041**	**$ 0.038**	**$ 0.118**
Weighted average number of common shares				
Basic	**41,279,200**	**23,541,185**	35,717,723	19,133,611
Diluted	**43,079,200**	**26,146,972**	37,517,723	22,545,435

The accompanying notes are an integral part of the consolidated financial statements

ENTERPRISE OILFIELD GROUP, INC.

Consolidated Interim Statements of Comprehensive Income

(Unaudited)

For the twelve month period ended September 30, 2007

	Three months Sept. 30, 2007	Three months Sept. 30, 2006	**Twelve months Sept. 30, 2007**	Twelve months Sept. 30, 2006
Net income	**$ 877,740**	$ 1,072,932	**$ 1,413,281**	$ 2,650,981
Other comprehensive income:				
Change associated with portfolio investment, net of future income taxes	**13,576**	-	**13,576**	-
Total comprehensive income	**$ 891,316**	$ 1,072,932	**$ 1,426,857**	$ 2,650,981

The accompanying notes are an integral part of the consolidated financial statements

ENTERPRISE OILFIELD GROUP, INC.

Unaudited Consolidated Interim Statements of Cash Flows

(Unaudited)

For the twelve month period ended September 30, 2007

	Three months Sept. 30, 2007	Three months Sept. 30, 2006	**Twelve months Sept. 30, 2007**	Twelve months Sept. 30, 2006
Cash provided by (used for) the following:				
Net income for the period	**$ 877,740**	$ 1,072,932	**$ 1,413,281**	$ 2,650,981
Items not affecting cash:				
Amortization of property, plant and equipment	**566,071**	(239,886)	**1,934,954**	809,894
Amortization of intangible assets	**20,599**	15,000	**47,754**	15,000
(Gain) Loss on sale of property, plant and equipment	**31,161**	(11,873)	**70,747**	(11,873)
Stock-based compensation	**-**	(61,803)	**164,087**	314,584
Future income tax (recovery)	**-**	(19,000)	**-**	(19,000)
	1,495,571	755,370	**3,630,823**	3,759,586
Changes in non-cash working capital (Schedule 4)	**(5,366,924)**	849,380	**(4,122,585)**	(3,427,639)
	(3,871,353)	1,604,750	**(491,762)**	331,947
Financing activities				
Decrease in vendor debt	**(187,267)**	(187,267)	**(587,267)**	(187,267)
Proceeds from long-term financing	**1,194,150**	858,695	**10,236,854**	4,771,485
Share capital issuance (repurchase)	**1,644**	734,448	**9,944,566**	10,395,560
Repayment of long- term debt	**(673,046)**	(587,523)	**(6,107,392)**	(996,997)
	335,481	818,353	**13,486,761**	13,982,781
Investing activities				
Deferred financing costs	**(6,708)**	(134,702)	**(119,264)**	(134,702)
Additions to property, plant and equipment	**(316,037)**	(954,744)	**(6,682,127)**	(7,585,343)
Proceeds on disposition of property, plant and equipment	**23,559**	286,470	**191,654**	286,470
Acquisition of business	**(31,351)**	(1,257,812)	**(11,618,997)**	(6,367,041)
Purchase of portfolio investment	**-**	(100,000)	**-**	(100,000)
	(330,537)	(2,160,788)	**(18,228,734)**	(13,900,616)
Increase (decrease) in cash flow	**(3,866,409)**	262,315	**(5,233,735)**	414,112
Cash (deficiency), beginning of period	**(1,018,656)**	86,355	**348,670**	(65,442)
Cash (deficiency), end of period	**$ (4,885,065)**	$ 348,670	**$ (4,885,065)**	$ 348,670
Cash flow supplementary information				
Interest paid	**$ 224,002**	$ 87,762	**$ 752,393**	$ 263,546
Income taxes paid	**35,218**	-	**1,135,127**	-
Cash consists of				
Cash and cash equivalents	**$ 458,729**	$ 1,838,670	**$ 458,729**	$ 1,838,670
Bank indebtedness	**(5,343,794)**	(1,490,000)	**(5,343,794)**	(1,490,000)
	$ (4,885,065)	$ 348,670	**$ (4,885,065)**	$ 348,670

The accompanying notes are an integral part of the consolidated financial statements

1. Nature of Operations

Enterprise Oilfield Group, Inc. (“Enterprise” or the “Company”) incorporated under the Business Corporations Act of Alberta on March 23, 2004 and is publicly traded on the TSX Exchange under the symbol “E”, effective August 13, 2007. The Company provides energy and construction services to customers in the Alberta region. The Company acquired the operating net assets of A.G. Grant Construction Ltd. (AGG) on August 24, 2005, 100% of the outstanding common shares of Trevor King Oilfield Services Ltd. (TKO) on April 1, 2006 and 100% of the outstanding shares of T.C. Backhoe & Directional Drilling Inc. (TC) on April 1, 2007.

2. Significant Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated interim financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and follow the same accounting policies and methods of application as those used in the preparation of the audited annual consolidated financial statements for year ended September 30, 2006 unless otherwise stated. Certain information and note disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles ("GAAP") in Canada have been omitted. These unaudited consolidated interim financial statements should read in conjunction with the September 30, 2006 audited financial statements and the notes thereto. In the opinion of management, all adjustments of a normal and recurring nature that are necessary for a fair presentation of the balance sheet, results of operations, and cash flows of those interim periods have been included.

Beginning October 1, 2006 the Company has been required to adopt the Canadian Institute of Chartered Accountants ("CICA") Handbook Sections: 1530 "Comprehensive Income"; 1561 "Foreign Currency Translation"; 3051 "Investments"; 3251 "Equity"; 3855 "Financial Instruments-Recognition and Measurement"'; and 3861 "Financial Instruments- Disclosure and Presentation" which were issued on January 1, 2005.

Under these new standards, a new financial statement, the Consolidated Statement of Comprehensive Income has been introduced which provides for certain gains and losses, including amounts arising from changes in fair value temporarily recorded outside the income statement. In addition, all financial instruments are to be included in the Company's Consolidated Balance Sheet and measured, in most cases, at fair values.

Certain figures in the comparative financial statements have been reclassified to conform to the presentation adopted in the current period.

Basis of Consolidation

The unaudited interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries A.G. Grant Construction Ltd., Trevor King Oilfield Services Ltd., Enterprise Pipeline Company Inc., ESI Management Inc., 1204757 Alberta Ltd. and T.C. Backhoe & Directional Drilling Inc. All significant inter-company accounts and transactions have been eliminated on consolidation.

Financial Instruments

All significant financial assets and liabilities and equity instruments of the Company are either recognized or disclosed in the consolidated financial statements together with other information relevant for making a reasonable assessment of the future cash flows and interest rate, currency or credit risk.

Use of estimates

The preparation of consolidated financial statements for a period necessarily involves the use of estimates and approximations which have been made using careful judgment because the precise determination of many assets, liabilities, revenues, and expenses are dependent upon future events. Actual results could differ from those estimates. The consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies as summarized below. The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Accounts receivable are stated after evaluation as to their collectability and appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of property, plant and equipment, and intangible assets. Stock-based compensation expense is based on estimates of volatility, expected terms and risk free rate of interest. The allocation between goodwill and other intangibles of the excess of purchase price over fair value of tangible assets is based on preliminary assumptions and estimates that may change as final assessments of the acquired companies are completed. There are no changes to the allocations as at September 30, 2007.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

Segmented reporting

Enterprise Oilfield Group, Inc., effective April 1, 2007 began operating into two business segments, energy and construction services, and utility and directional drilling services. All activities and equipment of the Company are located in one geographical segment in Alberta. Segmented information has been provided in these unaudited interim consolidated financial statements commencing April 1, 2007 with the acquisition of T.C. Backhoe & Directional Drilling Inc.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

Investments

Investments are valued at the lower of cost and market value.

Revenue recognition

Revenue from long-term contracts is recognized on the completed contract basis. Revenue is recognized when the job is substantially completed. Any amounts invoiced prior to completion are recorded as unearned revenue and related costs as work in progress inventory.

Inventory

Raw materials, parts and supplies inventory are valued at the lower of cost and replacement cost. Cost is determined using the first in, first out basis method. Work in progress inventory is valued at the lower of absorption cost and net realizable value. Absorption costs include direct labour, direct materials and related variable and fixed overhead pertaining to the jobs in progress.

Goodwill
Goodwill represents the excess of purchase price over the fair market value of the net tangible and identifiable assets acquired, is recorded at cost, less any provision for permanent impairment. Goodwill is not amortized. Instead, goodwill is tested for impairment on an annual basis. The Company assesses impairment based on the estimated undiscounted future cash flows from operations. Impairment of goodwill is measured by comparing its book value against the consolidated estimated undiscounted future cash flows, and any permanent impairment is included in the current period earnings.

Property, plant and equipment
Property and equipment are recorded at cost. Property, plant and equipment are amortized over their estimated useful lives using the straight line method at the following rates, commencing the month of acquisition:

Buildings	240 months
Office furniture and equipment	60 months
Computers and communication equipment	48 months
Small tools and equipment	36 months
Light automotive equipment	60 months
Heavy automotive equipment	120 months
Construction equipment	120 months

Leasehold improvements are amortized over the remaining term of the lease.

The Company reviews its property, plant and equipment for impairment whenever events of changes in circumstances indicate that the carrying value may not be recoverable. Impairment is recognized when the carrying amount of an asset is greater than its fair value. The impairment is measured as the difference between the carrying value of the asset and its fair value calculated using the market prices, appraisals and undiscounted cash flows.

Long-lived assets
Long-lived assets consist of property, plant and equipment and deferred financing costs. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies. The Company performs impairment testing on long-live assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the assets' carrying amount. Impairment is measured as the amount by which the assets' carrying value exceeds its fair value. Any impairment is included in the consolidated statement of income.

Intangible assets
Deferred financing costs are recorded at cost and amortized on a straight line basis over the term of the related debt over four years.

Customer relationships and employment contracts are recorded at cost.

Future income taxes
The Company follows the asset and liability method of accounting for future income taxes. Under this method, future income tax assets and liabilities are recorded based on temporary differences between the financial reporting and tax bases of assets and liabilities and measured using the substantively enacted tax rates and laws that will be in effect when the differences are expected to be either settled or realized. A valuation allowance is recorded for the portion of the future tax assets for which the realization of any value does not meet the “more likely than not” test.

Stock-based compensation / Contributed surplus
The Company uses the fair value base method, whereby compensation cost is charged directly to earnings for all stock-based awards granted. The Company determines the fair value of the stock options, using the Black-Scholes option-pricing model. The expense is determined on the grant date and recognized on the date the option is saleable without restriction with a corresponding increase to contributed surplus in shareholders' equity. When stock options are exercised, the proceeds, together with the amount of the contributed surplus, are recorded in share capital.

Earnings per share
Basic earnings per share is calculated by dividing income available to common shareholders by the weighted average number of common shares outstanding during the period.

Diluted earnings per share is calculated using the "treasury method", which assumes that all outstanding share options and share purchase warrants are exercised, if dilutive, and the assumed proceeds are used to purchase the Company's common shares at the average market price during the period the underlying share options and share purchase warrants were outstanding.

Share issuance costs
Costs related to the issuance of shares are charged against share capital.

Foreign currency translation
Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and liabilities reflect the exchange rates at the balance sheet date. Gains and losses on translation or settlement are included in the determination of net income for the current period.

3. Inventory

	Sept. 30, 2007	Sept. 30, 2006
Supplies and parts	$ 641,124	$ 238,159
Work in progress	1,916,633	423,534
	$ 2,557,757	$ 661,693

4. Business Acquisitions

A.G. Grant Construction Ltd. (AGG)
The Company, through its wholly owned subsidiary, AGG entered into an asset purchase agreement dated August 3, 2005 to acquire the business assets, excluding real property and operations of A & G Grant Construction (1983) Inc. The transaction became effective on August 24, 2005 constituting the Qualifying Transaction and has been included in the unaudited interim consolidated financial statements since that date.

Trevor King Oilfield Services Ltd. (TKO)
The Company acquired 100% of the shares of Trevor King Oilfield Services Ltd. effective April 1, 2006.

1204757 Alberta Ltd. (1204757)
The Company acquired 100% of the shares of 1204757 Alberta Ltd. effective September 28, 2006 from a Company director. The director acquired land and buildings in trust for the Company in March 2006. The land and buildings are leased to A.G. Grant Construction Ltd.

T.C. Backhoe & Directional Drilling Inc. (TC)
The Company acquired 100% of the shares of T.C. Backhoe & Directional Drilling Inc. effective April 1, 2007.

The acquisitions have been accounted for using the purchase method whereby the purchase price is allocated to the net assets acquired based on their fair values as follows:

	AGG	TKO	1204757	TC	Total
Assets					
Working capital (Net)	$ -	$ 146,725	$ -	$ 836,552	**$ 983,277**
Land and buildings	-	-	403,202	-	**403,202**
Property, plant and equipment	2,606,000	2,248,761	-	4,197,639	**9,052,400**
Goodwill	574,533	6,367,041	-	4,221,361	**11,162,935**
Intangible assets	-	-	-	5,400,000	**5,400,000**
	3,180,533	**8,762,527**	**403,202**	**14,655,552**	**27,001,814**
Current liabilities					
Long term debt	-	1,702,527	-	437,652	**2,140,179**
	$ 3,180,533	**$ 7,060,000**	**$ 403,202**	**$ 14,217,900**	**$ 24,861,635**
Consideration					
Cash to vendor	$ 2,550,000	$ 4,600,000	$ 400,000	$ 11,724,193	**$ 19,274,193**
Business acquisition costs	206,000	-	3,202	293,707	**502,909**
Common shares to vendor	50,000	2,060,000	-	1,200,000	**3,310,000**
Vendor debt	374,533	400,000	-	1,000,000	**1,774,533**
	$ 3,180,533	**$ 7,060,000**	**$ 403,202**	**$ 14,217,900**	**$ 24,861,635**
Price per Common share to vendor	$ 0.25	$ 2.06	$ -	$ 0.80	$ -

5. Property, plant and equipment

	Cost	Accumulated amortization	**Net book value Sept. 30, 2007**	Net book value Sept. 30, 2006
Land	$ 250,000	$ -	**$ 250,000**	$ 250,000
Buildings	542,366	17,209	**525,157**	246,820
Leasehold improvements	89,306	20,925	**68,381**	51,762
Computers and communication	104,243	27,816	**76,427**	38,104
Office furniture and equipment	214,936	60,111	**154,825**	140,500
Small tools and equipment	531,377	102,008	**429,369**	170,219
Light automotive equipment	2,137,130	560,585	**1,576,545**	1,159,195
Heavy automotive equipment	4,991,364	568,595	**4,422,769**	2,045,988
Construction equipment	11,480,603	1,260,406	**10,220,197**	4,938,677
	$ 20,341,325	**$ 2,617,655**	**$ 17,723,670**	**$ 9,041,265**

Amortization expense for the three month period ended September 30, 2007 is $566,071 (Three month period ended is Sept. 30, 2006 - $(239,886) (recovered)). Amortization expense for the twelve month period ended September 30, 2007 is $1,934,954 (Twelve month period ended is Sept. 30, 2006 - $809,894).

6. Other intangible assets

	Cost	Accumulated amortization	**Net book value Sept. 30, 2007**	Net book value Sept. 30, 2006
Deferred financing costs	$ 250,764	62,753	**188,011**	$ 116,500
Employment contracts and customer relationships	$ 5,400,000	$ -	**$ 5,400,000**	$ -
	$ 5,650,764	**$ 62,753**	**$ 5,588,011**	$ 116,500

Amortization of $20,599 has been recorded during the three months ended September 30, 2007 for deferred financing costs (Three month period ended is Sept. 30, 2006 - $15,000). Amortization of $47,754 has been recorded during the twelve month period ended Sept. 30, 2007 for deferred financing costs (Twelve month period ended Sept. 30, 2006 - $15,000).

Intangible assets of $5,400,000 representing employment contracts and customer relationships have been recorded at acquisition cost resulting from the acquisition of T.C. Backhoe & Directional Drilling Inc. These amounts have been estimated and are subject to change upon further analysis and audit. No amortization has been recorded for the three month period ended September 30, 2007 and the twelve month period ended September 30, 2007 until further analysis has been completed. Any change in the amount of intangible assets will either increase or decrease goodwill accordingly.

7. Portfolio investment

	Sept. 30, 2007		Sept. 30, 2006	
	Cost	**Market**	Cost	Market
Samoth Oilfield Inc.				
400,000 common shares (2006- 400,000 common shares)	**$100,000**	**$113,576**	$100,000	$100,000

The Company has invested $100,000 in 400,000 common shares of Samoth Oilfield Inc., a public capital pool Company, incorporated May 8, 2006. Samoth Oilfield Inc. is controlled by directors and officers who exercise significant influence over Enterprise Oilfield Group, Inc. Samoth Oilfield Inc. commenced trading as at December 20, 2006. The market value of the common shares are $120,000 less future income taxes of $6,424 as at Sept. 30, 2007.

Due to the change in accounting policy described in note 2, the Company has, at Sept. 30, 2007, adjusted its carrying value of its investment in Samoth Oilfield Inc., to its quoted market value as at Sept. 30, 2007. The resulting unrealized gain has been recorded as a component of Other Comprehensive Income in the Consolidated Statement of Comprehensive Income.

8. Bank indebtedness

The Company has authorized revolving lines of credit in the maximum amounts as follows:

A.G. Grant Construction Ltd.	$	4,500,000
Trevor King Oilfield Services Ltd.	$	3,500,000
T.C. Backhoe & Directional Drilling Inc.	$	1,000,000

The revolving demand loans bear interest at prime plus 0.75%. The loans cannot exceed 75% of eligible unencumbered accounts receivable as defined by the bank measured on an ongoing basis. Security issued and its borrowing covenants and restrictions are described in note 9 to the unaudited interim consolidated financial statements. Trevor King Oilfield Services Ltd. had a revolving demand loan in the amount of $2,320,000, T.C. Backhoe & Directional Drilling Inc. had a revolving demand loan in the amount of $790,000, as at Sept. 30, 2007 and A.G. Grant Construction Ltd. had a revolving demand loan in the amount of $1,210,000, as at Sept. 30, 2007.

9. Long term debt

Bank loans

The Company has non-revolving bank loans used to finance certain equipment acquisitions. The loans bear interest at prime lending rate plus 0.75% and repayments are as follows:

Loan	**Type**	**Balance Sept. 30, 2007**	**Monthly Repayments**	**Maturity Date**
Loan 1	Capital line	$ 3,772,967	$ 130,100	January, 2010
Loan 2	Capital line	1,212,511	51,900	October, 2009
Loan 3	Capital line	66,721	1,700	June, 2011
Loan 5	Capital line	894,208	18,250	July, 2012
Loan 6	Capital line	60,006	1,300	July, 2012
Loan 7	Capital line	24,171	625	July, 2011
Loan 8	Capital line	180,375	3,575	September , 2012
		$ 6,210,959	**$ 207,450**	

9. Long term debt continued

Capital line of credit

The Company has a capital line of credit available in the maximum amount of $2,500,000 to finance equipment acquisitions (loans 2, 3, 5, 6, 7, 8). The loans bear interest at prime plus 0.75% and repayable in monthly blended payments over terms ranging from 24 to 48 months depending upon the age of the equipment financed. The Company has $62,008 available on its credit line as at Sept. 30, 2007.

The following has been pledged as security for the bank indebtedness:

- General Security agreements charging all assets of the Company and its subsidiaries.
- Guarantee from all subsidiaries of Enterprise Oilfield Group, Inc.

The bank requires that the Company maintain certain covenants and restrictions at all times to support its indebtedness. The Company was in compliance with the working capital ratio covenant of 1.35:1 as at Sept. 30, 2007.

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

Vendor debt

The Company has non-interest bearing vendor debt from the purchase transaction in the amount of $nil at Sept. 30, 2007 (Sept. 30, 2006 - $187,267) repayable by August, 2007. The debt was repaid in full on July 23, 2007. The debt is subordinated to the bank and is secured by a general security agreement covering the assets of A.G. Grant Construction Ltd.

The Company had vendor debt resulting from the acquisition of the shares of Trevor King Oilfield Services Ltd. in the amount of $nil as at Sept. 30, 2007 (Sept. 30, 2006 - $400,000). The debt bears interest at prime plus 2%, which is forgivable if paid by April 1, 2007. The debt was paid in full on March 26, 2007. The debt was subordinated to the bank and is secured by a general security agreement covering the assets of Trevor King Oilfield Services Ltd.

The Company had vendor debt resulting from the acquisition of the shares of T.C. Backhoe & Directional Drilling Inc. in the amount of $1,000,000 as at Sept. 30, 2007 (Sept. 30, 2006 - $nil). The debt is non-interest bearing repayable in two annual installments of $500,000 on April 1, 2008 and 2009. No specific security has been issued.

Equipment and automotive loans

The Company acquired specific construction equipment with a balance of $1,701,963 as at Sept. 30, 2007 (Sept. 30, 2006 - $282,718) bearing interest from 2.9% to 7.95%, with cumulative monthly payments of $74,130 maturing December, 2010.

The Company acquired specific automotive vehicles and equipment with balances of $181,246 as at Sept. 30, 2007 (Sept. 30, 2006 - $71,951), bearing interest from 0% to 7.42% with cumulative blended monthly payments of $5,222, maturing June, 2012.

9. Long term debt continued

Mortgages

The Company acquired buildings with mortgage balances of $490,302 as at Sept. 30, 2007 (Sept. 30, 2006 - nil) (original mortgage proceeds of $500,000) bearing interest at prime lending rate plus 1%, with monthly payments of $4,875 maturing March, 2012.

Summary		Sept. 30, 2007		Sept. 30, 2006
Bank loans	$	**6,210,959**	$	4,100,339
Vendor debt		**1,000,000**		587,267
Equipment and automotive loans		**1,883,209**		354,669
Mortgages		**490,302**		-
		9,584,470		5,042,275
Less: current portion		**(3,260,280)**		(1,644,029)
Long term portion	$	**6,324,190**	$	3,398,246

Principal repayment requirements on the long-term debt are estimated as follows:

2007	2008	2009	2010	2011	Thereafter	Total
$ 685,025	$ 3,386,561	$ 3,487,442	$1,187,023	$ 309,165	$ 529,254	$ 9,584,470

10. Income Taxes		Twelve months ended Sept. 30,2007		Twelve months ended Sept. 30, 2006
Current income tax rates		**32.12%**		32.80%
Expected income tax expense	$	**475,000**	$	1,120,000
Increase (decrease) in taxes resulting from:				
Stock based compensation		**53,000**		103,000
Tax benefit from losses carried forward		**-**		(102,000)
Future tax adjustments		**-**		(19,000)
Capital cost allowance in excess of amortization		**(433,000)**		(292,000)
Share issuance cost		**(108,000)**		(45,000)
Other		**77,412**		(8,000)
Actual income tax expense	$	**64,412**	$	757,000

Stock-based compensation of $164,087 for the twelve months ended Sept. 30, 2007 is a non-deductible expense resulting in an increase in income tax of $53,000.

11. Related party transactions

The Company paid $48,000 for the twelve month period ended Sept. 30, 2007 for premises rent to a Company controlled by a director of the Company (Twelve month period ended Sept. 30, 2006 - $104,480).

The Company paid $45,750 for the twelve month period ended Sept. 30, 2007 (Twelve month period ended Sept. 30, 2006 - $24,000) for premises to management that operates Trevor King Oilfield Services Ltd.

The Company paid $42,000 the nine month period ended Sept. 30, 2007 (Twelve month period ended Sept. 30, 2006 - nil) for premises to management that operates T.C. Backhoe & Directional Drilling Inc. These transactions were recorded at the amount established and agreed to by the parties.

12. Share capital

(a) Authorized capital

Unlimited Class "A" voting shares

Unlimited Preferred shares, issuable in series, terms to be set at issuance

	Sept. 30, 2007	Sept.30, 2006
Common shares outstanding at Sept. 30, 2007:		
41,279,200 Common shares (Sept. 30, 2006 - 25,405,700)	**$24,015,058**	$12,769,513

	Sept. 30, 2007		Sept. 30, 2006	
	Shares	**Amount**	Shares	Amount
Shares outstanding, June 30, 2007	**41,279,200**	**$23,912,435**	11,841,200	$2,373,953
Normal course issuer bid adjustment to retained earnings	**-**	**100,979**	-	-
Private placements for cash	**-**	**-**	7,788,600	6,767,460
Shares issued for business acquisitions	**-**	**-**	1,000,000	2,060,000
Warrants exercised	**-**	**-**	3,638,000	1,928,500
Stock options exercised	**-**	**-**	550,000	137,500
Agent options exercised	**-**	**-**	502,800	125,700
Agent units exercised	**-**	**-**	43,700	32,775
Agent warrants exercised	**-**	**-**	41,400	31,050
Share issue costs recovered (paid)	**-**	**1,644**	-	(687,425)
Shares outstanding, Sept. 30, 2007	**41,279,200**	**$24,015,058**	**25,405,700**	$12,769,513

Normal course issuer bid

In October 2006, the Company received approval from the TSX Venture Exchange to repurchase up to 1,267,185 common shares at the market price at the time of acquisition beginning October 23, 2006 and ending October 23, 2007. During the twelve month period ended September 30, 2007, a total of 189,800 common shares were purchased and cancelled at an average cost of $1.04 per common share. The aggregate cost of the common shares purchased and cancelled was $197,629, of which $96,650 was recorded as a charge against share capital for the average carrying value of the common shares, with the balance of $100,979 charged against retained earnings.

12. Share capital continued

Escrowed shares

As at Sept. 30, 2007, the Company's transfer agent held 250,000 (Sept. 30, 2006 - 1,450,000) common shares subject to TSX Exchange escrow agreements. These shares will be automatically released over time through to September, 2007.

(b) Private placements

The Company completed three private placements as follows:

November 21, 2005
The first private placement consisted of 3,000,000 common shares at $0.50 with an equal number of warrants at $0.75, with 2,000,000 warrants expiring November 21, 2006 and 1,000,000 warrants expiring December 23, 2006. The private placement included 460,000 shares placed through an agent. The agent was granted 46,000 units. Each unit entitles the agent to purchase an equal number of common shares at $0.75, expiring November 26, 2006, and each common share carries a warrant at $0.75, expiring December 23, 2006.

February 22, 2006
The second private placement consisted of 4,788,600 common shares at $1.10 with an equal number of warrants at $1.50 which expired February 22, 2007. This private placement was placed through an agent. The agent received 478,860 units. Each unit entitles the agent to purchase an equal number of common shares at $1.10, expiring November 26, 2006, and each common share carried a warrant at $1.50, which expired February 22, 2007.

March 29, 2007
The third private placement consisted of 13,334,000 common shares at $0.75 with 6,667,000 warrants at $1.00 expiring June 2008, fifteen months from the date of the closing of the offering, expiring June 29, 2008.

The private placement was placed through an agent. The agent received 933,380 warrants which are exercisable at $1, within fifteen months of the date of the closing of the offer, expiring June 29, 2008.

At September 30, 2007 6,667,000 warrants and 933,380 agent warrants are outstanding.

12. Share capital continued

(c) Stock options

The Company has a stock option plan for directors, officers, consultants and employees to purchase common shares over a period of five years from the date the option is granted at prices approximating market prices at the date of grant. The options are subject to a 120 day hold period following the date of grant. On April 26, 2007 the stock option plan was amended to re-price 1,495,000 previously issued stock options to $0.82 per common share.

The table below sets out the changes in stock options, with their weighted average prices, during the twelve months:

	Sept. 30, 2007			Sept. 30, 2006		
	Number	**Weighted average exercise price**		Number	Weighted average exercise price	
Stock options, outstanding, June 30, 2007	**2,400,000**	**$**	**0.70**	980,000	$	0.25
Granted	-		-	1,980,000		0.72 - 2.06
Exercised	-		-	(550,000)		(0.25)
Stock options, outstanding, Sept. 30, 2007	**2,400,000**	**$**	**0.70**	2,410,000	$	0.25
Exercisable stock options:						
	420,000	$	0.25	430,000	$	0.25
	485,000		0.72	485,000		0.72
	770,000		0.82	770,000		1.45
	525,000		0.82	525,000		1.80
	200,000		0.82	200,000		2.06
	2,400,000	**$**	**0.70**	**2,410,000**	$	1.20

13. Stock-based compensation

The Company recorded stock-based compensation expense of nil for the three month period ended Sept. 30, 2007 (Three month period ended Sept. 30, 2006 - $(61,803)). The Company recorded stock-based compensation of $164,087 for the twelve month period ended Sept. 30, 2007 (Twelve month period ended Sept. 30, 2006 - $314,584).

14. Commitments

The Company has lease commitments for facilities, construction equipment and vehicles that provide for minimum annual lease payments as follows:

2007	$	96,744
2008		394,970
2009		348,902
2010		254,914
2011		120,000
2012		39,000
	$	1,254,530

15. Financial instruments

Financial instruments consist of recorded amounts of accounts receivable which will result in future cash receipts, as well as bank indebtedness, accounts payable and accruals, and long-term debt which will result in future cash outlays.

The Company is exposed to the following risks in respect of certain of the financial instruments held:

Credit risk

Credit risk arises from the potential that a customer will fail to perform its obligations. The Company is exposed to credit risk from customers. However, to mitigate this risk the Company regularly reviews customer credit limits.

Fair Value

The carrying values of the financial instruments noted above approximate their fair values.

Interest rate risk

The Company minimizes its exposure to interest rate risks by securing financing with a fixed interest rate for some of its capital asset acquisitions and limiting its financing terms to less than sixty months.

16. Comparative amounts

Some of the comparative figures have been reclassified to conform to the current twelve months presentation.

17. 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 type of services generally is the highest in the fall and winter quarters and the lowest in the spring quarter, which is the quarter ended June 30th.

18. Revenue recognition

No losses are expected and no unearned revenue exist on long-term contracts, as of Sept. 30, 2007.

19. Segmented reporting

The Company commenced operations of T.C. Backhoe & Directional Drilling Inc. (TC) on April 1, 2007. TC generates its revenue from utility and directional drilling services. Revenue from each segmented source has been included in Schedule 1. Total assets of TC are $15,339,670 as at Sept. 30, 2007. TC realized a gross margin of $3,014,865 for the three months ended Sept. 30, 2007 and $4,112,307 for the six months ended Sept. 30, 2007 .

20. Significant Events

Name Change

On May 23, 2007 the Company filed a Certificate of Amendment with the Alberta Business Corporations Act changing its name to Enterprise Oilfield Group, Inc. from Enterprise Oil Limited.

Corporate Reorganization and Change of Fiscal Year End

Effective October 1, 2007 the Company completed a reorganization of its subsidiary companies, A.G. Grant Construction Ltd., Trevor King Oilfield Services Ltd., T.C. Backhoe & Directional Drilling Inc. and ESI Management Inc. The Company has amalgamated all its operating companies under the name Enterprise Energy Services Inc. Its asset holdings have also been consolidated under Enterprise Pipeline Company Inc. As this is an internal reorganization, there will be no change in the presentation of the Company's consolidated financial results. The Company has changed its fiscal year end to December 31 therefore the current fiscal reporting will result in a fifteen month period ended December 31, 2007. This change will facilitate ease of financial comparison to the Company's publicly traded peers.

ENTERPRISE OILFIELD GROUP, INC.

Schedule 1

Consolidated Interim Revenue

(Unaudited)

For the twelve month period ended September 30, 2007

	Three months Sept. 30 , 2007	Three months Sept. 30 ,2006	**Twelve months Sept. 30 ,2007**	Twelve months Sept. 30,2006
Energy and Construction Services	**2,882,528**	7,000,785	**28,725,310**	32,282,333
Utility and Directional Drilling Services	**5,598,574**	-	**8,022,778**	-
	$ 8,481,102	$ 7,000,785	**$ 36,748,088**	$ 32,282,333

ENTERPRISE OILFIELD GROUP, INC.

Schedule 2

Consolidated Interim Direct Expenses

(Unaudited)

For the twelve month period ended September 30, 2007

	Three months Sept. 30 , 2007	Three months Sept. 30 ,2006	**Twelve months Sept. 30 ,2007**	Twelve months Sept. 30,2006
Trades and sub-contracts	**$ 1,586,009**	$ 3,105,322	**$ 9,884,460**	$ 11,283,644
Employee wages and benefits	**2,804,543**	2,150,149	**10,000,286**	8,481,190
Rentals	**327,307**	332,258	**2,004,115**	1,574,225
Repairs and maintenance	**324,991**	135,256	**1,315,067**	933,175
Supplies	**1,892,762**	(449,057)	**3,412,707**	1,253,983
Camp and lodging	**148,240**	427,600	**687,043**	1,273,133
Fuel	**489,024**	438,758	**2,152,112**	1,669,797
Freight	**12,938**	(10,256)	**104,925**	43,348
	$ 7,585,814	$ 6,130,030	**$ 29,560,715**	$ 26,512,495
Less: Work in progress	**(1,866,623)**	(423,535)	**(1,636,089)**	(423,535)
	5,719,191	5,706,495	**27,924,626**	26,088,960

ENTERPRISE OILFIELD GROUP, INC.

Schedule 3

Consolidated Interim General and Administrative Expenses

(Unaudited)

For the twelve month period ended September 30, 2007

	Three months Sept. 30, 2007	Three months Sept. 30 ,2006	**Twelve months Sept. 30, 2007**	Twelve months Sept. 30,2006
Amortization of property, plant and equipment	**$ 566,071**	$ (239,886)	**$ 1,934,954**	$ 809,894
Management/administrative salaries and fees	**629,461**	208,415	**2,229,762**	356,915
Stock-based compensation	**-**	(61,803)	**164,087**	314,584
Professional fees	**196,637**	(17,573)	**613,732**	297,050
Interest on long-term debt	**134,214**	85,927	**404,822**	184,425
Insurance	**210,300**	218,316	**567,714**	218,316
Office, travel and accommodation	**83,332**	(162,453)	**372,438**	283,676
Advertising and promotion	**40,946**	121,312	**235,930**	121,312
Rent and utilities	**68,636**	152,735	**249,607**	166,059
Interest and bank charges	**89,788**	1,834	**347,571**	79,124
Telephone and communications	**41,371**	164,455	**162,803**	164,455
Exchange and listing fees	**60,415**	51,833	**86,187**	51,833
Business taxes, licences and memberships	**3,606**	28,702	**41,196**	28,701
Amortization of intangible assets	**20,599**	15,000	**47,754**	15,000
	$ 2,145,376	$ 566,814	**$ 7,458,557**	$ 3,091,344

ENTERPRISE OILFIELD GROUP, INC.

Schedule 4

Consolidated Interim Changes in Non-Cash Working Capital

For the twelve month period ended September 30, 2007

	Three months Sept. 30, 2007	Three months Sept. 30, 2006	**Twelve months Sept. 30, 2007**	Twelve months Sept. 30, 2006
Account receivable	**$ (3,477,854)**	$ 961,145	**$ (2,285,019)**	$ (4,627,098)
Inventories	**(1,028,155)**	(411,730)	**(1,896,064)**	(661,693)
Prepaid expenses	**(215,437)**	(35,651)	**(108,796)**	(240,015)
Accounts payable and accrued liabilities	**(332,991)**	136,251	**1,267,760**	1,092,798
Income taxes payable	**(312,487)**	199,365	**(1,100,466)**	1,008,369
	$ (5,366,924)	$ 849,380	**$ (4,122,585)**	$ (3,427,639)