ENTERPRISE OILFIELD GROUP, INC.

Consolidated Interim Financial Statements
(Unaudited)

For the three and nine months ended September 30, 2010 and 2009

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 nine month period ended September 30, 2010 have not been reviewed by the Company's external auditors.

ENTERPRISE OILFIELD GROUP, INC.

Consolidated Interim Balance Sheets

		September 30, 2010 (Unaudited)		December 31, 2009 (Audited)
Assets				
Current				
Cash and cash equivalents	**$**	**463,725**	$	1,667,547
Accounts receivable		**2,891,709**		4,011,810
Inventory		**854,039**		706,155
Prepaid expenses		**199,283**		357,442
		4,408,756		6,742,954
Property, plant and equipment		**10,012,934**		10,493,416
Intangible assets		**945,750**		1,054,875
Portfolio investment		**32,000**		32,000
Future income taxes		**3,231,700**		2,256,700
	$	**18,631,140**	$	20,579,945
Liabilities and Shareholders' Equity				
Current				
Bank indebtedness	**$**	**2,813,509**	$	3,363,530
Accounts payable and accrued liabilities (note 5)		**2,688,759**		2,277,882
Current portion of long term debt		**1,734,343**		2,205,801
		7,236,611		7,847,213
Long term debt		**473,065**		116,440
		7,709,676		7,963,653
Shareholders' equity				
Share capital (note 3 (a))		**24,933,265**		24,945,961
Warrants (note 3 (c))		**78,009**		78,009
Contributed surplus (note 4)		**1,446,295**		1,364,017
Deficit		**(15,756,105)**		(13,771,695)
		10,701,464		12,616,292
	$	**18,411,140**	$	20,579,945

ENTERPRISE OILFIELD GROUP, INC.

Consolidated Interim Statements of Loss and Deficit

(Unaudited)

For the three and nine months ended September 30, 2010 and 2009

	Three months September 30, 2010	Three months September 30, 2009	**Nine months September 30, 2010**	Nine months September 30, 2009
Revenue	**$ 3,426,404**	$ 6,584,799	**$ 11,617,967**	$ 20,507,752
Direct expenses	**2,970,859**	5,969,887	**10,671,543**	18,000,494
Gross margin	**455,545**	614,912	**946,424**	2,507,258
Expenses (other income)				
General and administrative expenses	**772,349**	848,567	**2,350,149**	3,321,788
Interest on long term debt	**50,524**	30,610	**100,317**	120,958
Amortization	**425,941**	457,820	**1,255,837**	1,409,172
(Gain) loss on sale of equipment	**2,743**	738,364	**(15,666)**	864,625
Interest and other income	**(835)**	16,033	**(4,803)**	(2,954)
	1,250,722	2,091,394	**3,685,834**	5,713,589
Loss before income taxes	**(795,177)**	(1,476,482)	**(2,739,410)**	(3,206,331)
Income taxes (recovery)				
Current	**-**	-	**-**	632
Future	**(220,000)**	(395,000)	**(755,000)**	(896,700)
	(220,000)	(395,000)	**(755,000)**	(896,068)
Net loss for the period	**(575,177)**	(1,081,482)	**(1,984,410)**	(2,310,263)
Deficit, beginning of period	**(15,180,928)**	(10,472,646)	**(13,771,695)**	(9,243,865)
Deficit, end of period	**$ (15,756,105)**	$ (11,554,128)	**$ (15,756,105)**	$ (11,554,128)
Basic and diluted loss per share	**$ (0.012)**	**$ (0.026)**	**$ (0.041)**	**$ (0.055)**
Weighted average number of common shares outstanding:				
	48,681,700	42,181,700	**48,671,700**	42,196,279

ENTERPRISE OILFIELD GROUP, INC.

Consolidated Interim Statements of Comprehensive Loss

(Unaudited)

For the three and nine months ended September 30, 2010 and 2009

	Three months September 30, 2010	Three months September 30, 2009	Nine months September 30, 2010	Nine months September 30, 2009
Net loss for the period	**$ (575,177)**	$ (1,081,482)	**$ (1,984,410)**	$ (2,310,263)
Other comprehensive income:				
Unrealized gains on portfolio investment, net of future income taxes	**-**	-	**-**	5,680
Total comprehensive loss, end of period	**$ (575,177)**	$ (1,081,482)	**$ (1,984,410)**	$ (2,304,583)

ENTERPRISE OILFIELD GROUP, INC.

Consolidated Interim Statements of Accumulated Other Comprehensive Income (Loss)

(Unaudited)

For the three and nine months ended September 30, 2010 and 2009

	Three months September 30, 2010	Three months September 30, 2009	**Nine months September 30, 2010**	Nine months September 30, 2009
Accumulated other comprehensive loss, beginning of period	**$ -**	$ 48,320	**$ -**	$ (54,000)
Other comprehensive income for the period:	**-**	-	**-**	5,680
Accumulated other comprehensive loss, end of period	**$ -**	$ 48,320	**$ -**	$ (48,320)

ENTERPRISE OILFIELD GROUP, INC.

Consolidated Interim Statements of Cash Flows

(Unaudited)

For the three and nine months ended September 30, 2010 and 2009

	Three months September 30, 2010	Three months September 30, 2009	**Nine months September 30, 2010**	Nine months September 30, 2009
Cash provided by (used for) the following:				
Operating activities				
Net loss for the period	**$ (575,177)**	$ (1,081,482)	**$ (1,984,410)**	$ (2,310,263)
Items not affecting cash:				
Amortization of property, plant and equipment	**389,566**	421,445	**1,146,712**	1,300,047
Amortization of intangible assets	**36,375**	36,375	**109,125**	109,125
(Gain) loss on sale of equipment	**2,743**	738,364	**(15,666)**	864,625
Stock-based compensation	**-**	-	**82,278**	229,090
Future income tax recovery	**(220,000)**	(395,000)	**(755,000)**	(896,700)
	(366,493)	(280,298)	**(1,416,961)**	(704,076)
Changes in non-cash working capital (note 10)	**1,488,238**	1,561,154	**1,541,253**	5,822,173
	1,121,745	1,280,856	**124,292**	5,118,097
Financing activities				
Decrease in bank indebtedness	**(896,534)**	(797,899)	**(550,021)**	(2,784,392)
Proceeds from long term debt	**572,240**	-	**572,240**	637,125
Share issue costs	**-**	-	**(12,696)**	-
Share repurchase	**-**	-	**-**	(18,911)
Repayment of long term debt	**(229,022)**	(1,051,777)	**(687,071)**	(3,432,906)
	(553,316)	(1,849,676)	**(677,548)**	(5,599,084)
Investing activities				
Purchase of property, plant and equipment	**(709,477)**	(67,654)	**(828,200)**	(502,717)
Proceeds on sale of equipment	**70,190**	787,585	**177,634**	1,046,336
	(639,287)	719,931	**(650,566)**	543,619
Increase (decrease) in cash and cash equivalents	**(70,858)**	151,111	**(1,203,822)**	62,632
Cash and cash equivalents, beginning of period	**534,583**	518,807	**1,667,547**	607,286
Cash and cash equivalents, end of period	**$ 463,725**	$ 669,918	**$ 463,725**	$ 669,918
Supplementary information				
Interest paid	**$ 195,852**	$ 97,533	**$ 368,931**	$ 312,889
Income taxes received	**-**	140,754	**-**	140,754

1. Nature of operations

Enterprise Oilfield Group, Inc. ("Enterprise" or the "Company") was incorporated under the *Alberta Business Corporations Act* on March 23, 2004 and is publicly traded on the TSX Exchange under the symbol "E", effective August 13, 2007. The Company is a construction services company operating in the energy, utility and transportation infrastructure industry. The Company's focus is primarily underground construction and maintenance and above ground plants and facilities.

A significant portion of the Company's operations relate to energy production customers 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. During spring thaw roads become incapable of supporting the heavy equipment needed to drill and tie-in oil and gas wells. 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.

Our services provided to utility and telecommunication customers are provided more evenly throughout the year but the spring quarter is also the slowest quarter of the year.

2. Significant accounting policies

Basis of consolidation and preparation of unaudited consolidated interim financial statements

These unaudited interim consolidated financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada ("Canadian GAAP") for interim financial statements.

Included in these consolidated financial statements are the accounts of Enterprise Oilfield Group, Inc. and its wholly-owned subsidiaries: Enterprise Energy Services Inc. ("EES") and Enterprise Pipeline Company Inc. ("EPC"). All significant inter-entity balances and transactions have been eliminated on consolidation.

Except as described below, the statements have been prepared following the same accounting policies and application methods as those described in the Company's audited consolidated financial statements for the year ended December 31, 2009. However, these unaudited consolidated interim financial statements do not include all information and disclosures required under GAAP for annual audited financial statements. Accordingly, these unaudited consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements, and the notes thereto, for the year ended December 31, 2009.

Future Accounting Pronouncements

Consolidated financial statements

CICA Handbook Sections 1601, *Consolidated Financial Statements*, and 1602, *Non-Controlling Interest* will replace the former Section 1600, *Consolidated Financial Statements*. These new Sections are effective for interim and annual consolidated financial statements for fiscal years beginning or ending on or after January 1, 2011 but with earlier adoption permitted and provide the Canadian equivalent to International Financial Reporting Standard IAS 27, *Consolidated and Separate Financial Statements*. The new standards are not expected to have a material effect on the Company's financial statements, which requires the disclosure of both qualitative and quantitative information that provides users of financial statements with information to evaluate the entity's objective, policies and processes for managing capital (note 7).

Business Combinations

CICA Handbook Section 1852, *Business Combinations* will replace the former Section 1581, *Business Combinations*. The new Section is effective for acquisitions in fiscal years for fiscal years beginning or ending on or after January 1, 2011 but with earlier adoption permitted and provide the Canadian equivalent to IFRS 3, *Business Combinations*. The new standard is not expected to have a material effect on the Company's financial statements.

Recent accounting pronouncements

International financial reporting standards

In March 2008, the CICA announced that Canadian publicly accountable enterprises will adopt *International Financial Reporting Standards* ("IFRS") effective January 1, 2011. The Company is currently assessing the impact that IFRS will have on its financial statements, and is in the assessment stage of its conversion plan.

3. Share capital

(a) Authorized and issued capital

Authorized:

Unlimited Common shares

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

Issued:

Common shares	**September 30, 2010 (Unaudited)**		December 31, 2009 (Audited)	
	Shares	**Amount**	Shares	Amount
Shares outstanding, beginning of period	**48,681,700**	**$24,945,961**	42,301,700	$24,032,796
Normal course issuer bid	**-**	**-**	(120,000)	(68,122)
Private placements	**-**	**-**	6,500,000	1,105,000
Share issue costs (net of future income tax)	**-**	**(12,696)**	-	(123,713)
Shares outstanding, end of period	**48,681,700**	**$24,933,265**	48,681,700	$24,945,961

(b) Stock options

The Company has a stock option plan for directors, officers, consultants and employees to purchase common shares over a period ranging from two to five years from the date the option is granted at prices approximating market prices on the day prior to the date of grant.

	September 30, 2010 (Unaudited)		December 31, 2009 (Audited)	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
Stock options, outstanding, beginning of period	**3,480,000**	**$ 0.74**	3,970,000	$ 1.20
Granted	**630,000**	**0.25**	1,480,000	0.25
Forfeited	-	-	(630,000)	(0.54)
Expired	**(680,000)**	**0.40**	(1,340,000)	(0.78)
Stock options, outstanding, end of period	**3,430,000**	**$ 0.48**	3,480,000	$ 0.74

3. Share capital (b) continued:

Exercisable stock options:

	September 30, 2010 (Unaudited)		December 31, 2009 (Audited)	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
Expiry date				
August 25, 2010	-	$ -	80,000	$ 0.25
January 9, 2011	375,000	0.72	375,000	0.72
July 20, 2011	710,000	0.82	710,000	0.82
April 3, 2011	360,000	0.82	360,000	0.82
May 4, 2010	-	-	600,000	0.42
June 4, 2011	1,355,000	0.25	1,355,000	0.25
May 7, 2012	630,000	0.25	-	-
	3,430,000	**$ 0.48**	3,480,000	$ 0.74

The Company recorded stock-based compensation expense of $82,278 for the nine month period ended September 30, 2010, relating to 630,000 stock options issued during the nine month period which vested immediately on May 6, 2010.

The weighted average fair value of options granted during the nine month period ended September 30, 2010 was $0.13 estimated using the Black-Scholes option pricing model, under the following assumptions:

	2010	**2009**
Expected term	2 years	2 years
Risk-free interest	1.44%	1.33%
Expected dividends	nil	nil
Expected volatility	105%	119%

(c) Share purchase warrants

A summary of the warrants outstanding at September 30, 2010, is as follows:

Issuance date	**Type**	**Exercise price ($)**	**Number**	**Value**	**Expiry date**
December 30, 2009	Agent	0.17	240,000	$ 13,608	December 31, 2010
December 22, 2009	Agent	0.17	410,000	16,605	December 31, 2010
October 31, 2009	Common shareholder	0.17	1,200,000	47,796	October 31, 2011
			1,850,000	**$ 78,009**	

4. Contributed surplus

		September 30, 2010 (Unaudited)		December 31, 2009 (Audited)
Balance, beginning of period	**$**	**1,364,017**	$	1,085,717
Stock-based compensation expense		**82,278**		229,090
Normal course issuer bid adjustment (note 3 (a))		**-**		49,210
Balance, end of period	**$**	**1,446,295**	$	1,364,017

5. Related party transactions

The Company paid $36,000 during the nine months ended September 30, 2010 (nine month period ended September 30, 2009 - $36,000) to a company controlled by a director, for premises rented for the Company's office in Slave Lake.

The Company received $80,000 in short term advances from a director and officer of the Company during the nine months ended September 30, 2010. The advance bears interest at 10% per annum and is payable on demand. The balance of $80,000 plus accrued interest was outstanding at September 30, 2010.

The Company received $300,000 in short term advances from a company controlled by a director and officer of the Company during the nine months ended September 30, 2010. The short term advance has a $10,000 user fee, is payable on demand. The balance outstanding at at September 30, 2010 is $285,000.

These transactions were recorded at the exchange amount established and agreed to by the parties. All transactions were rendered in the normal course of business during the period.

6. Commitments

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

2010	$	495,536
2011		94,013
2012		-
2013		-
2014		-
	$	589,549

7. Risk management and financial instruments

(a) Capital management

The primary objective of capital management is to ensure the Company has sufficient capital to support its business and maximize shareholder value. The Company manages its capital in proportion to risk of the underlying assets and makes adjustments in light of changes in economic conditions and risks. The Company's strategy remains unchanged from prior periods. Management considers its capital structure to include net debt and adjusted capital of the Company, as reflected in the table below:

The Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- to provide an adequate return to shareholders; and,
- to finance its operations and growth strategies.

In order to maintain or adjust the capital structure, the Company may issue new shares, or sell assets to reduce debt.

The Company monitors capital on the basis of the net debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debt (as shown in the balance sheet less accounts payable and accrued liabilities) and less cash and cash equivalents. Adjusted capital comprises all components of equity (share capital, contributed surplus, warrants and deficit), other than amounts in accumulated other comprehensive income relating to the portfolio investment, and includes subordinated debt.

		September 30, 2010 (Unaudited)		December 31, 2009 (Audited)
Total debt	**$**	**5,020,917**	$	5,685,771
Less: cash and cash equivalents		**(463,725)**		(1,667,547)
Net debt		**4,557,192**		4,018,224
Total equity		**10,701,464**		12,616,292
Add: subordinated debt instruments		**-**		-
Less: amounts in accumulated other comprehensive loss relating to portfolio investment		**-**		-
Adjusted capital		**10,701,464**		12,616,292
Net debt-to-adjusted capital ratio		**0.43**		0.32

The increase in the net debt-to-adjusted capital ratio during 2010 is the result of decreased cash and cash equivalents, and an increase in the Company's deficit for the nine months ended September 30, 2010, as compared to the year ended December 31, 2009.

7. Risk management and financial instruments continued:

(b) Debt management

The credit facility requires the Company to comply with certain financial covenants. At September 30, 2010, the Company was required to maintain the following financial statement ratios as defined in the credit facility:

working capital of not less than 1.35 :1
funded debt to EBITDA of not more than 3.50:1
total debt to capitalization of not more than 0.60:1
fixed charge coverage of not less than 1.10:1

At September 30, 2010, the Company was not in compliance with the working capital ratio, the funded debt to EBITDA ratio and the fixed charge coverage ratio.

The Company is in compliance with all repayment terms. However, as the lender has the ability to demand repayment, generally accepted accounting principles require that the entire amount of the debt be shown as a current liability until such time as the covenant breaches are remedied or waived by the lender.

The Company's annual review for its credit facilities was due on or before April 30, 2010, however, the lender, at its discretion extended the deadline date. In July, the Company's lender renewed the credit facilities of $5,000,000 of revolving facilities and existing balances of the non-revolving facilities to September 30, 2010. In November, the Company's lender extended the credit facilites until the Company finalizes negiotiations with a new lender to pay out the the current credit facilities.

(c) Financial Instruments

Financial instruments consist of the Company's cash and cash equivalents, portfolio investment, accounts receivable, bank indebtedness, accounts payable and accrued liabilities, and long term debt.

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

i) Fair value

The carrying amounts of cash and cash equivalents, accounts receivable, bank indebtedness and accounts payable and accrued liabilities approximate fair value due to the short term maturity of these instruments. The fair value of long-term debt approximates its carrying value as the interest rates on these instruments do not differ significantly from current market rates. The Company's portfolio investment, fair value is subject to, market price and liquidity risk.

ii) 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. This risk is elevated in the current year similar to the prior year due to the impact of the current credit market and economy on its customers. The Company's maximum exposure is the value of its accounts receivable. However, to mitigate this risk the Company regularly reviews customer credit limits.

7. Risk management and financial instruments (c) continued:

The Company has accounts receivable from customers in the oil and gas industry, as well as the utilities and infrastructure industry. Credit risk is mitigated due to the Company's significant customers being large industry leaders, following a program of credit evaluation and limiting the amount of customer credit where deemed necessary. Included in accounts receivable at September 30, 2010 was $1,423,600 or 49%, of total accounts receivable owing from four customers due to the significant contracts in progress at September 30, 2010. As at September 30, 2010 the Company's exposure to credit risk in this area was as follows:

	Total	Current 1 - 90 days	91 - 120 days	121+ days
Accounts receivable	$2,891,709	$2,584,800	$117,919	$188,990

The Company monitors accounts receivable monthly to identify any amounts which are past due and considers if they are impaired. This assessment is done on an invoice by invoice basis. The Company has recorded a provision during the nine months ended September 30, 2010 of $nil (year ended December 31, 2009 - $378,904).

iii) Liquidity risk

Liquidity risk is defined as the risk associated with the Company not being able to meet its financial obligations as they come due. The Company manages liquidity risk to ensure it has sufficient cash and credit facilities to meet its obligations under both normal and adverse conditions, by managing net working capital, monitoring cash flow requirements and maintaining flexibility with its line of credits.

Accounts payable and accrued liabilities as at September 30, 2010 totaled $2,688,759 which is payable within 30-45 days.

The Company has an authorized revolving line of credit of $5,000,000, of which $2,580,000 was available based on margins as at September 30, 2010. $2,813,509 of bank indebtedness was outstanding as at September 30, 2010, comprised of $2,580,000 of revolving line of credit and $233,509 of bank overdraft balances.

The revolving demand loan bears interest at prime plus 5.0% (equating to 8.0%) at September 30, 2010.

The Company is in compliance with all repayment terms and the lender has not demanded repayment. However, as the lender has the ability to demand repayment, generally accepted accounting principles require that the entire amount of the debt be shown as a current liability until such time as a new agreement is in place.

Management has assessed the risk and believes that it can generate sufficient capital through alternate sources of financing to mitigate this risk.

iv) Interest rate risk

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

Management has assessed the effect of a 1% interest rate increase or decrease in the prime lending at September 30, 2010, rate to impact the Company's annual interest expense by approximately $31,400. The Company has not entered into any derivative agreements to mitigate this risk.

8. Comparative amounts

The comparative consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

9. Segmented information

The Company operates in one segment in Western Canada with all its property, plant and equipment and intangible assets also held within Western Canada.

For the nine months ended September 30, 2010, the Company had revenues of 43.83% from three customers. No other customers comprise more than 10% of revenues.

10. Changes in non-cash working capital

	Three months September 30, 2010	Three months September 30, 2009	**Nine months September 30, 2010**	Nine months September 30, 2009
Account receivable	**$595,174**	$(94,090)	**$1,120,101**	$5,012,072
Inventory	**10,200**	323,595	**(147,884)**	(165,804)
Prepaid expenses	**97,222**	(74,740)	**158,159**	(348,772)
Accounts payable and accrued liabilities	**785,642**	1,406,586	**410,877**	1,184,135
Income taxes payable/ recoverable	**-**	(197)	**-**	140,542
	$1,488,238	$1,561,154	**$1,541,253**	$5,822,173