ENTERPRISE
GROUP, INC.

Management's Discussion and Analysis

For the years ended December 31, 2012 and 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the years ended December 31, 2012 and 2011

This Management Discussion and Analysis (MD&A) should be read in conjunction with the audited consolidated financial statements and the notes contained therein of Enterprise Group, Inc. ("Enterprise" or the "Company") for the year ended December 31, 2012. The Company prepares its financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).
This MD&A was prepared effective March 27, 2013.

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.

ANNUAL HIGHLIGHTS

- During the current year, the Company changed its name to Enterprise Group, Inc. to reflect the Company's more comprehensive strategy as a consolidator of businesses providing services to the utility, energy and construction industries.

- Effective September 1, 2012, the Company acquired all of the issued and outstanding common shares of Artic Therm International Ltd. ("ATI"), a privately held specialized equipment rental company. ATI is an industry leader in providing flameless heat technology to the broad based construction and oil & gas industries in Western Canada. ATI's business is complimentary to the Company's rental division and provides significant growth opportunities.

- In conjunction with the acquisition of ATI, the Company closed a senior secured credit facility with PNC Bank Canada Branch for up to a maximum of $12,500,000. Proceeds were used to partially finance the recent acquisition of ATI and restructure the Company's existing debt. This facility simplified the Company's balance sheet while providing a vehicle to partially fund future growth both organically and by acquisition.

- Revenue for the quarter increased by $421,000 to $6,648,000 compared to the same period last year. For the year ended December 31, 2012, revenue grew by $620,000 to $18,504,000 over the same period in the prior year.

- EBITDAS for the quarter increased by $1,041,000 to $2,296,000 compared to the same period last year. For the year ended December 31, 2012, EBITDAS grew by $1,822,000 to $4,332,000 over the same period in the prior year.

- Net income for the quarter increased by $946,000 to $1,833,000 compared to the same period last year. For the year ended December 31, 2012, net income was $2,489,000 and increase of $2,410,000 in the prior year. Included in net income is a deferred tax recovery of $350,000.

COMPANY PROFILE

Enterprise Group, Inc. (TSX Exchange: Symbol “E”) is a consolidator of companies providing services to the utility, energy and construction sectors. With corporate headquarters in St. Albert, Alberta, Canada,and construction offices in Slave Lake, Innisfail, Morinville and Sherwood Park, Alberta, Enterprise is strategically located near its customers. The Company’s strategy is to acquire complementary companies in Western Canada, consolidating capital, management and human resources to support continued growth.

Enterprise provides construction services including installation of utilities/infrastructure. Enterprise’s customers include some of Canada’s largest telecommunication providers, utility service providers, energy producers, as well as the federal and provincial governments of Canada.

Utilities/infrastructure construction market
In the utilities/infrastructure construction industry, a large portion of the existing utility infrastructure is rapidly aging in the Province of Alberta, and in some areas, the utility infrastructure is beyond its intended useful life and beginning to fail. In response to this, the major stakeholders in the industry are implementing large scale, ongoing repair and replacement programs that are essential for continued growth in Alberta. Enterprise’s largest customers in the utilities and infrastructure sector have such programs in place.

In addition to the repair and maintenance programs, the continuing development of new industrial, commercial and residential properties in the province requires the installation of new infrastructure, such as full underground services. A large portion of Enterprise’s customers are property developers and contribute significantly to the bottom line of the Company.

Enterprise’s fleet of directional drills is ideal for services required in underground utility construction. Combined with its industry expertise and experienced field personnel, Enterprise has become the supplier of choice in this sector, which has enabled the Company to secure ongoing contracts with its largest customers.

Equipment rental market
The Company officially launched its new heavy equipment rental line of business, E One Limited, in the first quarter of 2012. Construction contractors typically operate a core fleet and will rent when activity surpasses full utilization of their fleet. With presence in Central and Northern Alberta, E One is positioned well to take advantage of a broad based construction boom, certainly highlighted in the energy sector.

To compliment heavy equipment rentals and to provide further growth opportunities, in September of 2012 Enterprise acquired Artic Therm International Ltd. ("ATI"). Founded in 1998, ATI is an industry leader in providing flameless heat technology to the broad based construction and oil and gas industries in Western Canada. ATI rents flameless heaters ranging in heat output from 375,000 British Thermal Units (“BTU’s”) to 3,000,000 BTU’s.

Seasonality of Operations
A significant portion of Enterprise’s operations relate to services provided to utilities/infrastructure construction customers in Alberta. The demand for these types of services typically peak during the summer and fall months due to increased subdivision activity and then gradually decline in the winter months due to frozen ground.

This is followed by wet soil conditions in the spring due to spring thaw and rain. As a result, spring is typically its slowest quarter of the year.

The Company’s equipment rental operations that support the energy sector follow the 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 and other types of construction. 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.

OUTLOOK

The economy continues to gain momentum in Canada and expectations are that it will continue to grow through 2013. Economists at several Canadian banks are predicting that Western Canada will lead the nation in economic growth, and the Province of Alberta will lead all provinces in real GDP growth and employment growth in 2013 and 2014 due to robust activity in the energy and construction sectors. Management expects the Company's operations to continue to benefit from the economic growth in Western Canada.

The utilities/infrastructure construction division is currently operating at or near capacity. The multi year contract Enterprise signed in March of 2010, with one of Canada's premier power suppliers is well underway and revenues are increasing as we continue to increase production to meet the customer's growing demands. As a result of the quality of work being completed, Enterprise's territory has been expanded and management expects additional revenues from this new territory. In addition, Enterprise's largest customers in this division have a significant backlog of work that will carry through 2013 and 2014.

The increased access to capital for many of the energy companies has resulted in an increase in the need for heavy and specialized equipment. This trend is continuing in 2013.

To date, activity continues to be robust and 2013 is setting up to be another profitable year. Management expects to continue to demonstrate strong organic growth from its operations due to ongoing demand for the Company's services and the expansion of its new rental division and a full year of operations for ATI. Additionally, the potential acquisition targets identified by the Company, if acquired, will also contribute significantly to the overall growth of the Company.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

	Three months December 31, 2012	Three months December 31, 2011	**Year ended December 31, 2012**	Year ended December 31, 2011
Revenue	$6,647,631	$6,225,298	**$18,504,028**	$17,883,712
EBITDAS	$2,295,701	$1,258,042	**$4,332,167**	$2,509,577
Net income	$1,832,752	$886,404	**$2,488,588**	$78,874
Basic earnings per share	$0.03	$0.02	**$0.04**	$nil
Diluted earnings per share	$0.03	$0.02	**$0.04**	$nil
Weighted average common shares outstanding - basic	56,849,306	54,766,697	**55,452,854**	51,515,808
Weighted average common shares outstanding - diluted	57,582,639	54,766,697	**56,186,187**	51,515,808
Total common shares outstanding	56,933,363	54,766,697	**56,933,363**	54,766,697
Total assets	$28,450,432	$16,674,016	**$28,450,432**	$16,674,016
Total liabilities	$16,424,719	$7,769,160	**$16,424,719**	$7,769,160
Total equity	$12,025,713	$8,904,856	**$12,025,713**	$8,904,856

Reconciliation of EBITDAS to Historical Results

Statement of Income	**Three months December 31, 2012**	Three months December 31, 2011	**Year ended December 31, 2012**	Year ended December 31, 2011
Income for the period	$1,832,752	$886,404	**$2,488,588**	$78,874
Add:				
Income taxes (recovery)	(349,666)	nil	**(349,666)**	nil
Interest *	230,783	172,700	**500,129**	983,012
Depreciation and amortization **	527,976	198,938	**1,547,780**	1,265,673
Share-based payments	53,856	nil	**145,336**	182,018
EBITDAS	$2,295,701	$1,258,042	**$4,332,167**	$2,509,577

* Interest includes short term interest and interest on long-term debt
** Depreciation and amortization include (gain)/loss on sale of equipment and fair value adjustment

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Enterprise Group, Inc. is pleased to announce the Company's year end results, and its sixth consecutive quarter of profitability. The Company's enhanced business strategy has resulted in a significant improvement in operating results from the previous year. Improved economic factors, refinancing of loans and the acquisition of Artic Therm International have all contributed to improved performance. Net income for the three months ended December 31, 2012 was $1,833,000 an increase of $946,000. The net income for the year ended December 31, 2012 was $2,489,000, an increase of $2,410,000. Included in net income is a deferred tax recovery of $350,000 as the result of management recognizing a deferred tax asset of $870,000 as management believes future profits will be sufficient to utilize existing loss carry forwards. Revenue for the Company was $6,648,000 for the three months ended December 31, 2012, an increase of $421,000 or 7%. For the year ended December 31, 2012, revenue grew to $18,504,000, an increase of $620,000 or 3.5%. EBITDAS was $2,296,000, an increase of 83% for the fourth quarter of 2012 compared to the same period last year. For the year ended December 31, 2012, EBITDAS grew to $4,332,000, an increase of $1,822,000 compared to the same period last year.

Revenue in the underground utility and infrastructure division was $4,622,000 in the quarter, a decrease of $734,000 compared to the same period last year. The decrease in fourth quarter revenues was due to the timing of work split between calendar 2012 and 2013. EBITDAS of $1,652,000 for the three months ended December 31, 2012, was a decrease of $213,000 or 11% over the same period last year. For the the year ended December 31, 2012, revenue in this division was $15,248,000, compared to $13,839,000 in the prior year, an increase of $1,409,000 or 10%. EBITDAS for this period grew to $5,300,000 from $3,800,000, an increase of $1,500,000 or 39% from the prior year. For the year, growth in this division is largely due to an increase in activity and projects from major customers.

Revenue in the energy services/rental division was $2,026,000 for the quarter ended December 31, 2012, an increase of $1,157,000 from the same period in the prior year. EBITDAS was $1,277,000, an increase of $1,260,000 compared to the same period last year. For the year ended December 31, 2012, revenue was $3,256,000 compared to $4,044,000 for the prior year, a decrease of $788,000. EBITDAS, for the year ended December 31, 2012, was $994,000, a increase of $75,000 over the same period last year. The operating results reflect the addition of ATI in the fourth quarter, additional purchases of rental equipment, higher utilization rates and the shift away from revenue generated from pipeline construction.

In September 2012, the Company acquired Artic Therm International Ltd., a private rental company specializing in flameless technology. The purpose of the acquisition was to expand the Company's equipment rental business, while increasing the overall profitability of the Company. Costs associated with the acquisition and financing of ATI recorded in the year amounted to approximately $259,000. Management expects this acquisition to contribute significantly to future earnings of the Company.

The Company continued to improve its statement of financial position, by entering into new financing facilities that better serve the growth needs of the Company while replacing existing, higher interest facilities. First, in July 2012, the Company entered into a new $390,000 mortgage facility at zero percent (0%) interest during the first 24 months and after that 6.0% interest for the remaining five-year term. This facility replaces the existing mortgage facility at 9.5%, interest. This new facility will save the Company approximately $80,000 of interest expense over the first two-years of the loan. Second in conjunction with the acquisition of ATI, the Company secured a new credit facility for up to $12,500,000 at a rate of prime plus 2% through PNC Bank Canada Branch. In addition to the acquisition, the loan was also used to payout several other loans and credit facilities. The remainder of the proceeds will be used to finance new capital expenditures, and provide for on going working capital needs for the growth of the Company.

The Company continues to monitor overhead and reduce costs where necessary while maintaining the effectiveness of the operations. A more detailed analysis of operating expenses is included in the section titled "Selected Consolidated Expenses" in this MD&A.

Gross margin

The gross margin of the Company was 51.1% for the three months ended December 31, 2012, compared to 27.6% for the same period in 2011. For the year ended December 31, 2012, the gross margin was 41.4% compared to 26.3% for the same period last year. The increases are directly related to increasing gross margins in the Company's operations as outlined below.

In the underground utilities and directional drilling division, the gross margin increased to 38.8% for the three months ended December 31, 2012, compared to 30.6% for the same period in 2011. For the year ended December 31, 2012, was 38.9% compared to 18.3% in the prior year. The increase in the gross margin is largely due to better cost control and the type of contracts awarded during the year. The Company expects this division to remain at higher margins through 2013.

Gross margin in the equipment rental division for the three months ended December 31, 2012, was 79.1% compared to gross margin of 9.0% for the same period last year. For the year ended December 31, 2012, the gross margin was 53.1% compared to gross margin of 54.0% in the prior year. Together, with increased activity in the heavy equipment rentals and the acquisition of ATI, management expects this division to contribute to significantly higher gross margins in 2013.

Selected Consolidated Expenses

A summary of selected financial information pertaining to consolidated expenses is set out below:

Selected Consolidated Expenses	**Three months December 31, 2012**	Three months December 31, 2011	**Year ended December 31, 2012**	Year ended December 31, 2011
Depreciation, amortization and impairment losses	$488,173	$300,665	**$1,464,411**	$1,332,290
Management and administrative salaries and fees *	$483,185	$287,358	**$1,453,458**	$1,165,271
Professional and consulting fees	$230,339	$118,684	**$737,282**	$617,714
Interest and bank charges	$230,787	$172,698	**$500,129**	$983,012
Advertising and promotion	$79,223	$48,126	**$253,454**	$137,303

* Management and administrative salaries and fees include those expenses associated with the operations of the Company's head office.

Management and administrative salaries and fees amounted to $483,000 or 7.3% of revenue for the three months ended December 31, 2012, compared to $287,000 or 4.6% of revenue for the same period last year. For the year ended December 31, 2012, management and administrative salaries and fees were $1,453,000 or 7.9% of revenue compared to $1,165,000 or 6.5% of revenue for the year ended December 31, 2011. The increase is from additional personnel to help execute the Company's growth plans and from management fees related to new financings.

Professional and consulting fees amounted to $230,000 or 3.5% of revenue for three months ended December 31, 2012, compared to $119,000 or 1.9% of revenue for the same period last year. For the year ended December 31, 2012, professional and consulting fees were $737,000 or 4.0% of revenue compared to $618,000 or 3.5% of revenue for the year ended December 31, 2011. This increase is consistent with significant financing and refinancing transactions as well as the acquisition of ATI.

Interest and bank charges amounted to $231,000 or 3.5% of revenue for the three months ended December 31, 2012, compared to $173,000 or 2.8% for the same period in the previous year. For the year ended December 31, 2012 interest on loans and borrowings amounted $500,000 or 2.7% of revenue compared to $983,000 or 5.5% of revenue for the year ended December 31, 2011. The decrease in interest expense reflects the reduced interest costs as a result of the Company refinancing high interest loans with a new credit facility.

Advertising and promotions amounted to $79,000 or 1.2% of revenue for three months ended December 31, 2012, compared to $48,000 or 0.8% of revenue for the same period last year. For the year ended December 31, 2012, advertising and promotions amounted to $253,000 or 1.4% of revenue compared to $137,000 or 0.8% of revenue for the year ended December 31, 2011. The increase is consistent with increased investor relations activities and costs associated with the launch, advertising and promotion of E One Limited, the Company's new heavy equipment rental subsidiary and Artic Therm International.

Cash Flow Information

A summary of cash flow information for the periods ended December 31, 2012, and 2011, is set out below:

($000's except per share amounts) **Cash Flow Information**	**Three months December 31, 2012**	Three months December 31, 2011	**Year ended December 31, 2012**	Year ended December 31, 2011
Net cash provided by operating activities	**$(247,901)**	$953,705	**$1,918,007**	$405,269
Net cash provided by (used in) financing activities	**5,208,249**	(629,208)	**6,442,718**	(511,991)
Net cash (used in) provided by investing activities	**(5,696,819)**	26,496	**(7,566,312)**	71,893
Change in cash and cash equivalents	**(736,471)**	350,993	**794,413**	(34,829)
Cash and cash equivalents, beginning	**1,888,087**	6,210	**357,203**	392,032
Cash and cash equivalents, ending	**$1,151,616**	$357,203	**$ 1,151,616**	$ 357,203

Financial Statistics and Ratios	**Three months December 31, 2012**	Three months December 31, 2011	**Year ended December 31, 2012**	Year ended December 31, 2011
Gross margin	51.1%	27.6%	**41.4%**	26.3%
Net income for the year as a percentage of revenue	**27.6%**	14.2%	**13.4%**	0.4%
EBITDAS as a percentage of revenue	**34.5%**	20.2%	**23.4%**	14.0%

Segmented Information

The Company operates in two main business segments in Western Canada, installation and maintenance of underground utilities and directional drilling in the utility and transportation infrastructure industry sector, along with pipeline/facilities construction and maintenance and equipment rental in the energy sector. The business segments presented reflect the management structure of the Company and the way the Company's management reviews business performance. The accounting policies and practices of the reportable segments are the same as those described in note 2 to the Company's consolidated financial statements for the fiscal year ended December 31, 2012.

	Utilities/ infrastructure construction		Equipment rentals		Corporate		Consolidated	
Three months ended December 31	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Revenue	**$4,622,017**	$5,356,485	**$2,025,614**	$868,813	**$nil**	$nil	**$6,647,631**	$6,225,298
EBITDAS	**$1,652,368**	$1,864,679	**$1,276,663**	$17,363	**$(633,330)**	$(624,000)	**$2,295,701**	$1,258,042
Depreciation, amortization and impairment losses	**$150,989**	$154,750	**$323,702**	$139,351	**$13,482**	$6,564	**$488,173**	$300,665
Fair value adjustment	**$(7,546)**	$nil	**$(93,570)**	$nil	**$nil**	$(121,215)	**$(101,116)**	$(121,215)
Interest and bank charges	**$106,064**	$61,595	**$124,029**	$60,867	**$690**	$50,238	**$230,783**	$172,700
Loss (gain) on sale of equipment	**$142,198**	$19,488	**$(1,279)**	$nil	**$nil**	$nil	**$140,919**	$19,488
Share-based payments	**$nil**	$nil	**$nil**	$nil	**$53,856**	$nil	**$53,856**	$nil
Income (loss) before taxes	**$1,260,663**	$1,628,846	**$923,781**	$(182,855)	**$(701,358)**	$(559,587)	**$1,483,086**	$886,404
Total identifiable assets	**$11,149,120**	$9,587,719	**$14,830,260**	$6,560,565	**$2,471,052**	$525,732	**$28,450,432**	$16,674,016

	Utilities/ infrastructure construction		Equipment rentals		Corporate		Consolidated	
Year ended December 31	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Revenue	**$15,247,584**	$13,839,387	**$3,256,444**	$4,044,325	**$nil**	$nil	**$18,504,028**	$17,883,712
EBITDAS	**$5,300,229**	$3,799,741	**$994,412**	$919,079	**$(1,962,474)**	$(2,209,243)	**$4,332,167**	$2,509,577
Depreciation, amortization and impairment losses	**$588,287**	$646,011	**$836,009**	$657,414	**$40,115**	$28,865	**$1,464,411**	$1,332,290
Fair value adjustment	**$(36,987)**	$nil	**$(64,535)**	$nil	**$(6,959)**	$(121,215)	**$(108,481)**	$(121,215)
Interest and bank charges	**$210,170**	$322,418	**$207,795**	$453,178	**$82,164**	$207,416	**$500,129**	$983,012
Loss (gain) on sale of equipment	**$172,544**	$67,555	**$19,306**	$(9,600)	**$nil**	$(3,357)	**$191,850**	$54,598
Share-based payments	**$nil**	$nil	**$nil**	$nil	**$145,336**	$182,018	**$145,336**	$182,018
Income (loss) before taxes	**$4,366,215**	$2,763,757	**$(4,163)**	$(181,913)	**$(2,223,130)**	$(2,502,970)	**$2,138,922**	$78,874
Total identifiable assets	**$11,149,120**	$9,587,719	**$14,830,260**	$6,560,565	**$2,471,052**	$525,732	**$28,450,432**	$16,674,016

SUMMARY OF QUARTERLY RESULTS

	2012				2011			
	Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31
Revenue	$6,647,631	$4,333,529	$3,891,514	$3,631,355	$6,225,300	$4,811,670	$2,615,763	$4,230,979
Net income (loss) for the period	$1,832,752	$70,351	$416,780	$168,707	$886,406	$743,483	$(1,164,925)	$(386,090)
Earnings (loss) per share - Basic and Diluted	$0.03	$0.00	$0.01	$0.00	$0.02	$0.01	$(0.02)	$(0.01)

Quarterly information is discussed in the "Overall Performance and Results of Operations" section of this MD&A.

POST-REPORTING DATE EVENTS

On February 12, 2013, the Company closed a non-brokered private placement of 4,200,000 units of the Company at a price of $0.25 per unit for aggregate gross proceeds of $1,050,000. Each unit is comprised of one common share in the capital of the Company and one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at an exercise price of $0.35 for a period of six months from the closing of the offering, subject to accelerated expiry in certain circumstances.

On February 28, 2013, the Company signed a letter of intent to purchase the shares of a specialized underground infrastructure construction company with operations in Alberta. The purchase price is $12,000,000 and will be funded by cash, debt financing and vendor take-back financing. The Company expects to close this transaction on or before May 1, 2013.

On March 26, 2013, the Company entered into a financing arrangement to raise gross proceeds of approximately $6,000,000. The financing is expected to consist of unsecured convertible debentures with an annual coupon of 6%. The debentures will have a two-year term and will be convertible into common shares at a price of $.50 per share. Proceeds will be used to facilitate the closing of the Company's pending infrastructure acquisition. The Company expects to close this financing on or about April 25, 2013.

OUTSTANDING SHARE DATA

	March 27, 2013	December 31, 2012	December 31, 2011
Common shares outstanding	61,500,030	56,933,363	54,766,697
Stock options outstanding	4,135,000	4,550,000	4,320,000
Warrants outstanding	11,351,664	7,218,331	7,284,997
Total	76,986,694	68,701,694	66,371,694

OFF-BALANCE SHEET ARRANGEMENTS

Enterprise enters into short term and long term operating leases with various vendors to provide office space and equipment in our normal course of operations. Our commitments under operating leases are disclosed in the table labeled "contractual obligations." Enterprise does not have any other off-balance sheet arrangements as at December 31, 2012.

RELATED PARTY TRANSACTIONS

The Company has entered into various transactions with corporations that are controlled by officers and directors of the Company and corporations that have common ownership. Related party transactions not otherwise disclosed in this MD&A are as follows:

	2012
Rental of premises from companies controlled by directors	$56,000
Rental/purchase of equipment from a company controlled by a director	303,750
Management/finders/finance fees from a company controlled by a director	570,550
Total	$930,300

In addition to the above, a director and officer of the Company provided a non-cash consideration to certain vendors with respect to the acquisition of ATI. This non-cash consideration conferred a benefit to the Company and as such has been recorded by the Company as a capital contribution at an estimated fair value using the Black-Scholes Model of $165,200.

During the year ended December 31, 2012, the Company incurred interest expense in the amount of $41,277 on the loans to related parties of which $nil is outstanding at December 31, 2012.

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 year.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The following are significant management judgements, apart from those involving estimation uncertainty, in applying the accounting policies of the Company that have the most significant effect on the financial statements.

i. Leases
Management uses judgement in determining whether the lease is a finance lease arrangement that transfers substantially all the risks and rewards of ownership. Management evaluates the lease terms and in some cases the lease transaction is not always conclusive in its classification as a finance lease.

ii. Deferred taxes
Management estimates the probability of future taxable income in which deferred tax assets can be utilized based on the Company's forecasted budget. The Company also takes into consideration non taxable income and expenses and the various tax rules in effect or expected to be in effect at a future date. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, then the asset is recognized. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed by management based on specific circumstances.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimation uncertainty
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts included in the financial statements included, but were not limited to, the following:

i. Share-based payments
The Company estimates the fair value of stock option awards using the Black-Scholes Option Pricing Model. Certain key assumptions used in the model include the expected interest rate, expected volatility, forfeitures, dividend yield and expected term.

ii. Property, plant and equipment and intangible assets
The Company estimates useful life, residual value and depreciation methods based on industry norms, historical experience, market conditions and future cash flows. It is possible that future results could be materially affected by changes in the above factors.

iii. Business combinations
In a business combination, the Company may acquire assets and assume certain liabilities of an acquired entity. Estimates are made as to the fair value of property, plant and equipment, intangible assets, and goodwill, among other items. In certain circumstances, such as the valuation of property, plant and equipment and intangible assets acquired, the Company relies on independent third-party valuators. The determination of these fair values involves a variety of assumptions, including revenue growth rates, expected operating income, discount rates, and earnings multiples.

iv. Impairments
An asset or CGU is impaired when its carrying value exceeds its recoverable amount, which is the higher of its fair value less costs to sell and value in use. This calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The calculation is based on a discounted cash flow model, which incorporates the Company's budget and business plan. The recoverable amount is most sensitive to the discount rate used in the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes. To arrive at cash flow projections the Company uses estimates of economic and market information over the projection period, including growth rates in revenues, estimates of future expected changes in operating margins, and cash expenditures. Other significant estimates and assumptions include future estimates of capital expenditures and changes in future working capital requirements.

v. Income tax
Income taxes are calculated on the basis of income before taxation taking into account local tax rates and regulations. For each operating entity, the current income tax expense is calculated and differences between the accounting and tax base are determined resulting in deferred tax assets or liabilities. These calculations could deviate from the final tax assessments which will be settled in future periods. The Company's effective tax rates can change from period to period based on the mix of income among different jurisdictions, changes in tax laws in these jurisdictions, and changes in the estimated value of deferred tax assets and liabilities during the period. The Company's income tax expense reflects an estimate of the cash taxes it expects to pay for the current period, as well as a provision for changes arising in the value of deferred tax assets and liabilities during the period.

EARLY ADOPTION OF ACCOUNTING STANDARDS ISSUED

In 2012, the Company has early adopted the Annual Improvements to IFRS's 2009-2011 Cycle of *IAS 1 Presentation of Financial Statements*. The amendments to *IAS 1* clarifies the requirements for the comparative information when entities apply accounting policies retrospectively, makes a retrospective restatement of items in the financial statements, or when items are reclassified in its financial statements. By early adopting the standard, the Company has determined that they are not required to present a third statement of financial position for items that have been reclassified retrospectively. The amendments are effective for annual periods beginning on or after January 1, 2013 but can be applied earlier.

ACCOUNTING STANDARDS ISSUED BUT NOT YET APPLIED

Unless otherwise noted, the following revised standards and amendments are effective for annual periods beginning on or after January 1, 2013 with earlier application permitted. The Company has determined that there is minimal or no impact of these new and amended standards on its financial statements.

The following is a brief summary of the new standards:

IFRS 9 - Financial Instruments
IFRS 9, was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in *IAS 39* for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss.

IFRS 10 - Consolidation
IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

IFRS 11 - Joint Arrangements
IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation.

IFRS 12 - Disclosure of Interests in Other Entities
IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles.

IFRS 13 - Fair Value Measurement
IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all *IFRS* standards.

IAS 1 - Presentation of Financial Statements
IAS 1 has been amended to require entities to separate items presented in OCI into two groups, based on whether or not items may be recycled in the future.

RISKS AND UNCERTAINTIES

The Company's activities expose it to a variety of financial risks that arise as a result of certain financial instruments held such as credit risk, liquidity risk, and, market risk. The following presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk through cash and cash equivalents and trade and other receivables. The Company manages the credit risk associated with its cash and cash equivalents by holding its funds in financial institutions with high credit ratings. Credit risk for trade and other receivables are managed through established credit monitoring activities.

The Company has trade receivables from customers in the infrastructure and utilities industry, as well as customers in the oil and gas industry. Credit risk is mitigated due to significant customers being large industry leaders, following a program of credit evaluation and limiting the amount of customer credit where deemed necessary. The Company monitors trade receivables 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. Losses from trade accounts receivable have not historically been significant. As such the Company has recorded a provision of doubtful accounts at December 31, 2012 of $1,270 (2011 - $14,252).

The majority of the accounts receivable relates to sub division underground utilities installation for large energy and utility providers and as such invoices outstanding over 90 days are not uncommon. Management is aware of uncollectible receivables in this category of $nil, which is included in the $1,270 above (December 31, 2011 - $nil, which is included in the $14,252 above).

At December 31, 2012, $982,746 or 16% of trade receivables were from 1 customer compared to $1,687,965 or 62% from six customers in the prior year. The Company's maximum exposure to credit risk from trade and other receivables at December 31 is as follows:

	Total	1 – 90 days	91 – 120 days	121+ days
Accounts Receivable - 2012	$6,076,583	$5,395,626	$85,534	$595,423

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations. On an ongoing basis the Company manages liquidity risk by maintaining adequate cash and cash equivalents balances and appropriately utilizing available lines of credit. Management believes that forecasted cash flows from operating activities, along with available lines of credit, will provide sufficient cash requirements to cover the Company's forecasted normal operating activities, commitments and capital expenditures.

The following are the principal repayment requirements of the Corporation's financial obligations for the next five years and thereafter based on the Company's current repayment schedules as at December 31, 2012:

Contractual Obligations	Total	2013	2014	2015	2016	2017	After 5 years
Trade and other payables	$1,528,819	$1,528,819	$nil	$nil	$nil	$nil	$nil
Loans and borrowings	$13,296,688	$924,800	$943,181	$10,827,580	$359,702	$241,425	$nil
Operating lease commitments	$805,771	$196,192	$219,898	$197,989	$116,092	$75,600	$nil
Total contractual obligations	$15,631,278	$2,649,811	$1,163,079	$11,025,569	$475,794	$317,025	$nil

The Company has no significant commitments to capital resources other than those disclosed in this MD&A.

Market Risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's income or the value of the financial instruments. Management has assessed the effect of a 1% interest rate increase or decrease in the prime lending rate at December 31, 2012 to impact the Company's annual interest expense by approximately $100,000. The Company has not entered into any derivative agreements to mitigate this risk.

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. 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 marketable securities. The Company's objectives when managing capital are to finance its operations and growth strategies and to provide an adequate return to shareholders. In order to maintain or adjust the capital structure, the Company may issue new shares, or sell assets to reduce debt.

Financial Instruments and Business Risks

The Company classifies financial assets and liabilities as either fair value through profit and loss, available-for-sale or loans and receivables. The classification of a financial asset or liability is determined at the time of initial recognition. Financial instruments are initially recognized at fair value and are measured subsequently as described below. The Company does not enter into derivative contracts.

i. Available-for-sale financial instruments
The Company's marketable securities are classified as available-for-sale. Fair value is determined by reference to the quoted closing bid price at the reporting date. Fair value changes, other than impairment losses, are recognized in other comprehensive income.
ii. Loans and receivables
The Company's cash and cash equivalents and trade and other receivables are classified as loans and receivables. Loans and receivables are subsequently measured at amortized cost using the effective interest method.
iii. Loans and borrowings
The Company's loans and borrowings and trade and other payables are classified as other financial liabilities. Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Financial instruments are classified into one of the following levels of fair value hierarchy.

Level 1 - Fair value measurements based on unadjusted quoted market prices.

Level 2 - Fair value measurements are based on inputs other than quoted prices included in Level 1 that are derivable from the asset or liability either directly or indirectly.

Level 3 - Fair value measurements on unobservable market information.

Other Risks
Other risks include:

- Commodity pricing – Fluctuation in the price of petroleum products is a business risk that impacts the Company directly. Oil and gas prices determine the economic feasibility of exploration and drilling activity in the oil and gas industry, to which the Company provides its services. High prices increase demand for the Company's services, while adverse or lower prices impact the Company's ability to generate revenues.

- Production declines and new discoveries – New discoveries of oil and gas reserves lead to an increase in the demand for the Company's services. On the other hand, declines in production result in decreased demands for the Company's services. Either situation directly impacts the operating results of the Company.

- Access to capital – The Company is dependent on access to equity or debt financing to fund capital expansion programs when operating cash flows are not sufficient to do so. To date, sufficient capital has been obtained to meet the Company's capital expansion and acquisition requirements. Any further capital expansion or acquisitions that cannot be funded through operating cash flows will require external financing, the availability of which is dependent on economic factors such as interest rates, investor and creditor confidence, and industry profitability.

- Weather – The Company operates heavy equipment, the movement of which requires reasonable weather and road conditions. In the spring season this is especially true, with spring breakup making many secondary roads impassable. Since heavy equipment cannot be moved under these conditions, the Company's operating results are subject to significant decreases during this time period. To mitigate this risk, the Company is diversifying its operations to other industries enabling the Company to perform services elsewhere during the spring. The Company also rents flameless heaters which are in greater demand during cold weather. The extent of cold weather and the duration of winter will have a significant impact on operating results. To mitigate this risk, the Company is diversifying the use of the flameless heaters in warmer months.

- Available workforce – The ability to perform services is contingent upon sufficient and appropriately skilled staff being available. Obtaining personnel is crucial to the Company's ability to meet demand for its services.

- Recession Risk – Although the current economic environment is recovering from the recent recession, the recovery is still fragile. Should economic environment slide into a double dip recession, demand for the Company's services would be reduced and have a negative impact on revenues and earnings. This would result in the Company continuing to implement cost control measures and possibly expand its services into other industries in order to manage through the recession. Management has already implemented some cost cutting measures and is continuing to review other areas for possible cost savings.

- Cyclicality – The Company has a significant portion of its revenues tied directly to oil and gas pipeline construction industry in Western Canada. These revenues are subject to any cyclicality of the industry. To mitigate this risk the Company has diversified its revenue stream to include pipeline maintenance, transportation infrastructure, and directional drilling and installation of underground utility infrastructure, all of which are less seasonal than pipeline construction.

- Insurance – The Company believes the insurance coverage it has in place is appropriate for the nature of its services provided and its associated risks, however such coverage may not be adequate. To mitigate this risk, management reviews the Company's insurance coverage on a regular basis.

- Competition – The Company's ability to provide cost-effective, quality service to its customers is essential to help mitigate the Company's business risk of competition.

- Integration of Acquisitions - The Company is expected to continue to grow through acquisitions. The Company may experience difficulties in integrating an acquired business into the existing operations, including but not limited to integrating administrative functions, financial reporting, operational and information systems, improvements in operational effectiveness, standardization of controls, policies and procedures and recognizing the synergistic opportunities of the combined entity. The success of the integration also depends on the ability to retain key employees of the acquired company.

- Entering New Business Lines - The Company may enter into new business lines with new acquisitions or other opportunities for growth related to the current business of the Company. There is no guarantee that these new business lines will be successful in the marketplace to which they are directed. Management makes its best efforts to research and forecast future profitability of any new business venture prior to commencing in any new endeavor, however there are underlying risks that are intangible at the time of entry. The success of any new venture is also dependent on the areas of sales and marketing, customer demand, market stability, existing barriers to entry, and other factors of product introduction.

- Dependence on Key Personnel - The success of the Company will be dependent on the services of the members of its senior management. The experience and talents of these individuals will be a significant factor in the success and growth of the Company. The loss of one or more of these individuals could have a material adverse effect on the operations and business prospects of the Company. Furthermore, as part of the Company's growth strategy, it must continue to hire highly qualified individuals, including financial, sales and operations personnel. There can be no assurance that the Company will be able to attract and retain qualified personnel in the future. The compensation program in place includes salary, benefits, and bonus structures, and is designed to provide fair compensation to all personnel and adequate performance incentives. Other non-monetary measures including training and development and recognition are used to ensure the culture stays focused on key personnel retention.

- Workplace Safety, Health and Wellness - The Company's employees may face workplace health and safety risks and hazards, which could potentially result in injury or lost time. The Company's Safety Program is in place to reduce risks to people, the environment and the Company's business, and is continually updated as new risks and hazards are identified. These risks and hazards could result in personal injury, loss of life, environmental damage, or other damage to the Company's property or the property of others. The Company cannot fully protect or insure against all these risks, and could become liable for damages arising from these events against which are not insured.

A change in any one of these factors could have a material impact on the financial performance of the Company. The above discussion of risks is not intended to be all-inclusive. The intention of the discussion is to highlight for the reader what are typical risks for this industry.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management's Annual Report on Internal Control Over Financial Reporting
The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, and has designed internal controls to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Management has used a recognized framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) to evaluate the effectiveness of internal controls over financial reporting.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has evaluated the design and operation of the Company's internal control over financial reporting as of December 31, 2012, and has concluded that such internal controls over financial reporting were effective. There are no material weaknesses that have been identified by management in this regard. For the year ended December 31, 2011, material weaknesses in internal controls were identified and are outlined below. The weaknesses included controls over policies and procedures for period end closings within a specific operating division of the Company. In the first three quarters of 2012, a team was formed with the objective to address these weaknesses and implement controls to improve the financial reporting process. The management team implemented additional managerial and oversight controls to review key transactions. Additionally, the Company hired a divisional controller with the appropriate experience and technical skills within the specific operating division to prevent a reoccurrence of these issues. Management believes the necessary steps have been taken to remediate the above weaknesses and will continue to monitor the effectiveness of the changes throughout the next year.

Conclusion
Management's outlook for the Company and its services is optimistic. The economy is recovering, activity in the energy sector is increasing, and the service demands for equipment, and infrastructure and utility construction and services are growing. Management believes that Enterprise is relatively well positioned due to the diversity of its

business and operational performance. Management also believes that a balanced and diversified position between infrastructure and utilities construction and equipment rental is the best path to generating shareholder value.

Enterprise's customers include some of Canada's largest energy producers, telecommunication providers, utility service providers and the federal and provincial governments of Canada. The Company employs management experienced in infrastructure projects to spearhead more civic related construction and maintenance as there are inherent synergies in the equipment, crews and services provided.

We believe that the Company has turned a corner. With the diversification of our construction services, streamlining of our operations, our cash management measures, and the acquisition of ATI, we believe that Enterprise is relatively well positioned operationally to take advantage of the increased economic activity which should allow for improvement in financial performance.

Management remains confident in its strategic and operational plans and has a seasoned leadership team to guide the Company. Enterprise is committed to the further expansion of its customer base throughout the Western Canadian provinces and strives to provide excellent customer service and is excited about its future prospects.

NON-IFRS MEASURES

In addition to using financial measures prescribed by IFRS, a certain non IFRS measure is also used in this MD&A. This non IFRS measure is "EBITDAS". References in this MD&A to EBITDAS are to earnings before interest, taxes, depreciation, amortization, impairment losses and share based payments. EBITDAS is not an earnings measure recognized by IFRS and does not have a standardized meaning prescribed by IFRS.

Management believes that EBITDAS is an appropriate measure in evaluating the Company's performance. EBITDAS should not be construed as an alternative to net income or cash flow from operating activity (as determined under IFRS) as an indicator of financial performance or to cash flow from operating activities (as determined under IFRS) as a measure of liquidity and cash flow. The Company's method of calculating EBITDAS may differ from the methods used by other issuers and, accordingly, the Company's EBITDAS may not be comparable to similar measures used by other issuers. This non IFRS performance measure, EBITDAS, does not have any standardized meaning prescribed by IFRS and therefore is unlikely to be comparable to similar measures presented by other companies. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. This measure has been described and presented in the same manner in which the chief operating decision maker makes operating decisions and assesses performance.

ADDITIONAL INFORMATION

Additional information, including the Company's Annual Information Form, can be found on SEDAR at www.sedar.com or the Company web site at www.enterprisegrp.ca.

MANAGEMENT TEAM / BOARD OF DIRECTORS

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

Desmond O'Kell, Vice President, Director and Corporate Secretary

Warren Cabral, CA, Chief Financial Officer (started January 2013)

Doug Bachman, Chief Operating Officer (started March 2013)

John Pinsent, CA, ICD.D., Director

Keir Reynolds, Director

Fredy Ramsoondar, Director

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