ENTERPRISE

GROUP, INC.

Management's Discussion and Analysis

For the three months ended March 31, 2013 and 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2013 and 2012

This Management Discussion and Analysis (MD&A) should be read in conjunction with the unaudited condensed interim consolidated financial statements (the "Financial Statements") and the notes contained therein of Enterprise Group, Inc. ("Enterprise" or the "Company") for the three months ended March 31, 2013.

The unaudited condensed interim consolidated financial statements are prepared by management and reported in Canadian dollars, in accordance with International Accounting Standard "IAS" 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"). The unaudited condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's 2012 Consolidated Financial Statements and the notes thereto, the 2012 MD&A and the 2012 AIF filed with Canadian regulatory agencies. The documents are available at www.sedar.com and at www.enterprisegrp.ca.

This MD&A was prepared effective May 7, 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.

ENTERPRISE GROUP, INC.

QUARTERLY HIGHLIGHTS

- Net profit for the quarter surpassed not only any historical quarter but also exceeded any full fiscal year's profitability in the history of the Company.
- Net income for the quarter was $3,167,000, compared to $169,000 in the same quarter last year, an increase of $2,998,000. This represents 34% of revenue for the quarter.
- Earnings per share for the quarter was $0.05 per share compared to $nil in the same quarter last year.
- Revenue for the quarter increased by $5,273,000 to $8,904,000 compared to the same period last year.
- EBITDAS for the quarter increased by $3,306,000 to $3,901,000 compared to the same period last year. This represents 44% of revenue for the quarter.
- Gross profit for the quarter was $5,202,000 or 58% compared to $1,226,000 or 34% for the same period last year.
- The Company's utilities/infrastructure construction division renewed a three year, multi-million dollar service contract with one of Canada's premier power suppliers and due to the high level of service and quality of work, this division was awarded a second contract from the same customer thats is similar in size and scope. These contracts were signed in February of 2013.
- The Company added depth to its management team hiring Warren Cabral, CA as Chief Financial Officer to assist with the future growth of the Company.
- To assist in executing the Company's strategy, in February 2013, $1,050,000 was raised in a non-brokered private placement of 4,200,000 units at $0.25 per unit. Each unit is comprised of one common share 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.
- Also in February 2013, the Company signed a letter of intent to acquire a specialized underground infrastructure construction company for $12,000,000. This acquisition is aligned with the Company's strategy to focus on infrastructure and specialty rental operations and will assist to mitigate the seasonality of the Company's existing operations. The purchase price of the acquisition is just over two times EBITDA of the target company.
- To finance this acquisition, in March 2013, the Company entered into an arrangement to raise $6,000,000 of unsecured convertible debentures. The debentures have a two year term at 6% interest and will be convertible into common shares at a price of $.50 per share.
- Additionally, subsequent to the quarter end, on May 2, 2013, the Company accepted a term sheet presented by PNC Bank Canada Branch (PNC) to increase its current senior secured finance facility from $12,500,000 to a maximum of $20,000,000.

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.

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 contractor 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, the second quarter 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 second 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. It renewed a three year, multi-million dollar service contract with one of Canada's premier power suppliers and, due to the high level of service and quality of work, was also awarded a second contract from the same customer thats is similar in size and scope. As a result 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 March 31, 2013	Three months March 31, 2012
Revenue	**$8,904,381**	$3,631,355
EBITDAS	**$3,901,300**	$594,941
Net income	**$3,166,882**	$168,707
Basic earnings per share	**$0.05**	$nil
Diluted earnings per share	**$0.05**	$nil
Weighted average common shares outstanding - basic	**59,538,178**	54,766,697
Weighted average common shares outstanding - diluted	**61,874,616**	55,498,562
Total common shares outstanding	**61,600,030**	54,766,697
Total assets	**$31,185,747**	$15,465,266
Total liabilities	**$14,818,418**	$6,303,052
Total equity	**$16,367,329**	$9,162,214

Reconciliation of EBITDAS to Historical Results

Statement of Income	**Three months March 31, 2013**	Three months March 31, 2012
Income for the period	**$3,166,882**	$168,707
Add:		
Interest *	**166,979**	81,452
Depreciation and amortization **	**550,039**	292,131
Share-based payments	**17,400**	52,651
EBITDAS	**$3,901,300**	$594,941

* 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 results, for the quarter ended March 31, 2013. The Company's enhanced business strategy has resulted in a significant improvement in operating results. 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 March 31, 2013 was $3,167,000 an increase of $2,998,000. Revenue for the Company was $8,904,000 for the three months ended March 31, 2013, an increase of $5,273,000 or 145%. EBITDAS was $3,901,000, an increase of 556% for the first quarter of 2013, compared to the same period last year.

Revenue in the utilities/infrastructure construction division was $3,849,000 in the quarter, an increase of $861,000 compared to the same period last year. The increase in first quarter revenues was due to the timing of work split between calendar 2012 and 2013. EBITDAS of $1,091,000 for the three months ended March 31, 2013, was an increase of $198,000 or 22% over the same period last year. Growth in this division is largely due to an increase in activity and projects from major customers.

Revenue in the equipment rental division was $5,055,000 in the quarter, an increase of $4,412,000 from the same period in the prior year. EBITDAS was $3,524,000, an increase of $3,444,000 compared to the same period last year. The operating results reflect the impact the acquisition of ATI had on the Company compared to the prior year as well as additional purchases of rental equipment, higher utilization rates and the shift away from revenue generated from pipeline construction.

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.

During the quarter, 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.

During the quarter, 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 in the second quarter. Consistent with the Company's strategy, this acquisition will enhance the infrastructure operations and significantly increase revenues and earnings for the remainder of the year. This acquisition also provides opportunity for significant growth during the remainder of 2013 and into 2014.

To partially finance the above acquisition, 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 $0.50 per share.

Gross margin

The gross margin of the Company was 58.4% for the three months ended March 31, 2013, compared to 33.8% for the same period in 2012. The increases are directly related to increasing gross margins in the Company's operations as outlined below.

In the utilities/infrastructure construction division, the gross margin decreased to 32.3% for the three months ended March 31, 2013, compared to 33.5% for the same period last year. The decrease in the gross margin is largely due to heavier snowfall compared to the prior year. The Company expects this division to remain at higher margins through 2013 as it is currently operating at or near full capacity.

Gross margin in the equipment rental division for the three months ended March 31, 2013, was 78.3% compared to gross margin of 34.8% for the same period last year. Increased activity in the heavy equipment rentals along with the acquisition of ATI, contributed 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 March 31, 2013**	Three months March 31, 2012
Depreciation and amortization	**$537,752**	$304,258
Management and administrative salaries and fees *	**$543,557**	$342,281
Professional and consulting fees	**$334,565**	$72,347
Interest and bank charges	**$166,979**	$81,452
Advertising and promotion	**$95,816**	$44,162

* 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 $544,000 or 6.1% of revenue for the three months ended March 31, 2013, compared to $342,000 or 9.4% of revenue for the same period last year. 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 $335,000 or 3.8% of revenue for three months ended March 31, 2013, compared to $72,000 or 2.0% of revenue for the same period last year. This increase is from legal and personnel costs relating to significant financing transactions.

Interest and bank charges amounted to $167,000 or 1.9% of revenue for the three months ended March 31, 2013, compared to $81,000 or 2.2% for the same period in the previous year. The increase in interest expense reflects borrowing and transaction costs as a result of the increased credit facilities compared to the prior year.

Advertising and promotions amounted to $96,000 or 1.1% of revenue for three months ended March 31, 2013, compared to $44,000 or 1.2% of revenue for the same period last year. The increase is consistent with increased investor relations activities and costs associated with the advertising and promotion of E One Limited and Artic Therm International.

Cash Flow Information

A summary of cash flow information for the periods ended March 31, 2013, and 2012, is set out below:

($000's except per share amounts) **Cash Flow Information**	**Three months March 31, 2013**	Three months March 31, 2012
Net cash provided by operating activities	**$3,258,571**	$921,812
Net cash used in financing activities	**(1,673,180)**	(388,752)
Net cash used in investing activities	**(1,558,016)**	(134,441)
Change in cash and cash equivalents	**27,375**	398,619
Cash and cash equivalents, beginning	**1,151,616**	357,203
Cash and cash equivalents, ending	**$1,178,991**	$755,822

Financial Statistics and Ratios	**Three months March 31, 2013**	Three months March 31, 2012
Gross margin	**58.4%**	33.8%
Net income for the year as a percentage of revenue	**35.6%**	4.6%
EBITDAS as a percentage of revenue	**43.8%**	16.4%

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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 the Company's consolidated financial statements for the fiscal year ended December 31, 2012.

	Utilities/ infrastructure construction		Equipment rentals		Corporate		Consolidated	
Three months ended March 31	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Revenue	**$3,849,209**	$2,987,727	**$5,055,172**	$643,628	**$nil**	$nil	**$8,904,381**	$3,631,355
EBITDAS	**$1,091,287**	$893,089	**$3,524,497**	$80,813	**$(714,484)**	$(378,961)	**$3,901,300**	$594,941
Depreciation, amortization and impairment losses	**$159,656**	$137,984	**$364,959**	$157,771	**$13,137**	$8,504	**$537,752**	$304,259
Fair value adjustment	**$nil**	$nil	**$nil**	$nil	**$nil**	$(7,128)	**$nil**	$(7,128)
Interest and bank charges	**$51,837**	$37,252	**$109,448**	$27,646	**$5,694**	$16,554	**$166,979**	$81,452
Loss (gain) on sale of equipment	**$10,838**	$nil	**$1,449**	$nil	**$nil**	$(5,000)	**$12,287**	$(5,000)
Share-based payments	**$nil**	$nil	**$nil**	$nil	**$17,400**	$52,651	**$17,400**	$52,651
Income (loss) before taxes	**$868,956**	$717,853	**$3,048,641**	$(104,604)	**$(750,715)**	$(444,542)	**$3,166,882**	$168,707
Total identifiable assets	**$9,663,558**	$8,349,026	**$18,305,450**	$6,109,514	**$3,216,739**	$1,006,726	**$31,185,747**	$15,465,266

SUMMARY OF QUARTERLY RESULTS

	2013	2012				2011		
	Mar. 31	**Dec. 31**	**Sep. 30**	**Jun. 30**	**Mar. 31**	**Dec. 31**	**Sep. 30**	**Jun. 30**
Revenue	$8,904,381	$6,647,631	$4,333,529	$3,891,514	$3,631,355	$6,225,300	$4,811,670	$2,615,763
Net income (loss) for the period	$3,166,882	$1,832,752	$70,351	$416,780	$168,707	$886,406	$743,483	$(1,164,925)
Earnings (loss) per share - Basic and Diluted	$0.05	$0.03	$0.00	$0.01	$0.00	$0.02	$0.01	$(0.02)

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

POST-REPORTING DATE EVENTS

On May 2, 2013, the Company accepted a term sheet presented by PNC Bank Canada Branch (PNC) to increase its current senior secured finance facility from $12.5 million to a maximum of $20 million, subject to certain borrowing base restrictions, at the existing interest rate of prime plus 2%. The term sheet, which is an expansion of the Company's existing loan with PNC, also allows for the Company's 2013 capital expenditure program to grow from $3.0 million to $11.0 million. The Company also incurs a fee of 0.375% per annum on any unused portion of the facility. The facility is due on September 11, 2015. There are no principal payments required until the due date. The facility is secured by a general security agreement with a first charge on all the Company’s assets. The facility is

subject to certain financial covenants which will be tested on a quarterly basis. The Company expects to be in compliance with the required covenants at a minimum for the next twelve months. Proceeds will be used to assist in facilitating the close of the acquisition of the specialized underground infrastructure company announced on February 28, 2013.

OUTSTANDING SHARE DATA

	May 7, 2013	March 31, 2013	December 31, 2012
Common shares outstanding	65,058,362	61,600,030	56,933,363
Stock options outstanding	6,100,000	4,225,000	4,550,000
Warrants outstanding	8,818,332	11,151,664	7,218,331
Total	79,976,694	76,976,694	68,701,694

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 March 31, 2013.

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 below. 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.

	2013
Rental/ purchase of equipment	**114,500**
Management and consulting fees	**180,500**
Total	**$ 295,000**

During the quarter the Company advanced $100,000 to a corporation controlled by two officers and three directors of the Company in which the Company owns 400,000 shares. The secured note bears interest at 12% per annum and is due in the current year. The balance outstanding at March 31, 2013 is $100,000 and the Company accrued $1,797 of interest income in the quarter. The Company expects this loan to be repaid in the second quarter of 2013.

SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed interim consolidated financial statements are prepared by management and reported in Canadian dollars, in accordance with International Accounting Standard "IAS" 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board (“IASB”). These unaudited condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's 2012 Consolidated Financial Statements and the notes thereto.

The unaudited condensed interim consolidated financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in the Company's Consolidated Financial Statements for the fiscal year ended December 31, 2012.

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RISKS AND UNCERTAINTIES

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.

At March 31, 2013, $1,308,503 or 21% of trade receivables were from two customers as compared to December 31, 2012, $982,746 or 16% of trade receivables from one customer. The Company's maximum exposure to credit risk from trade and other receivables at March 31, 2013 is as follows:

	Total	1 – 90 days	91 – 120 days	121+ days
Accounts Receivable - 2013	$6,365,564	$5,673,530	$466,530	$225,504

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 March 31, 2013:

Contractual Obligations	Total	2013	2014	2015	2016	2017	After 5 years
Trade and other payables	$2,569,465	$2,569,465	$nil	$nil	$nil	$nil	$nil
Loans and borrowings	$10,649,741	$922,669	$938,482	$8,273,654	$292,067	$222,869	$nil
Operating lease commitments	$958,449	$325,363	$313,152	$157,489	$115,195	$47,250	$nil
Total contractual obligations	$14,177,655	$3,817,497	$1,251,634	$8,431,143	$407,262	$270,119	$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 March 31, 2013 to impact the Company's annual interest expense by approximately $80,000. 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.

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 loans and borrowings. Loans and borrowings 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 ventures 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

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 March 31, 2013, 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.

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.

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 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.

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 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 is excited about its future prospects.

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, FCA, ICD.D., Director

Keir Reynolds, Director

Fredy Ramsoondar, Director

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