



Management's Discussion and Analysis

For the three and nine months ended September 30, 2014 and 2013



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2014 and 2013

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 and nine months ended September 30, 2014.

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 2013 Audited Consolidated Financial Statements and the notes thereto, the 2013 MD&A and the 2013 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 November 11, 2014.

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.

COMPANY PROFILE AND STRATEGY

The Corporation is a construction services company operating in the energy, utility and transportation infrastructure industry. The Corporation's focus is primarily underground construction and maintenance and specialty equipment rentals. With corporate headquarters in St. Albert, Alberta, Canada, a sales office in Calgary, Alberta and construction offices in Slave Lake, Sherwood Park, Morinville, Calgary, Edmonton, Rocky Mountain House, Drayton Valley, Hinton, Valleyview, and Grande Prairie, Alberta, as well as Pouce Coupe and Fort St. John in British Columbia, Enterprise is strategically located near its customers. The Corporation's strategy is to acquire complementary service companies in Western Canada, consolidating capital, management and human resources to support continued growth.



Utility and Infrastructure Construction Services

Enterprise provides directional drilling and installation of underground power, telecommunications and natural gas lines to the utility infrastructure segment. These activities are conducted from the Corporation's Sherwood Park, Alberta construction office which operates as T.C. Backhoe and Directional Drilling ("TC"), maintaining the namesake of a business unit that has provided services to customers since 1975. Customers include some of Canada's largest providers of telecommunications, cable television, electricity and natural gas services.

In June 2013, Enterprise became engaged in the highly specialized trenchless solutions field through its acquisition of Calgary Tunnelling & Horizontal Augering Ltd. ("CTHA"). CTHA was founded in 1984 and is a leader in this segment of the construction industry. This business unit utilizes a number of trenchless disciplines to complete projects efficiently and safely including laser guided boring and augering, pipe ramming and pipe jacking/tunnel boring. CTHA performs its services from the west coast through to central Canada across the energy, utility and infrastructure segments. Its clients range from Canada's largest rail companies and premier utility providers to leading infrastructure contractors and some of North America's largest pipeline companies.

Equipment Rental Services

In September 2012, Enterprise expanded its equipment rental division by acquiring Artic Therm. Founded in 1998, Artic Therm is an industry leader in providing flameless heat technology to the broad based construction and oil & gas industries in Western Canada. Artic Therm provides flameless heaters ranging in heat output from 375,000 British Thermal Units ("BTUs") to 3,300,000 BTUs.

On January 3, 2014, Enterprise began providing oilfield infrastructure site services and rentals through its acquisition of Hart Oilfield Rentals Ltd. ("Hart"). Hart is a full service oilfield site service infrastructure company providing services and rentals to its oil and gas customers operating within the Western Canadian Sedimentary Basin. Hart's rental fleet includes patent-pending highly efficient modular designs that provide its competitive advantage. Hart designs, manufactures and assembles its modular/combo equipment (including fuel, generator, light stand, sewage treatment, medic security and truck trailer combos), or when required, subcontracts manufacturing to local suppliers. Hart's broad conventional and modular/combo rental equipment fleet is designed to provide "one-stop" on-site infrastructure to support drilling and completion operations.

Hart's principal office is located in Rocky Mountain House, Alberta where it operates from office and yard space used for storage of rental equipment as well as for manufacturing, repairs and maintenance of the equipment fleet. Hart services highly active plays of West Central Alberta and Northeast British Columbia, including Cardium, Duvernay, Montney and the Deep Basin from four service locations in Alberta (Drayton Valley, Valleyview, Grande Prairie and Hinton) and a fifth location in British Columbia (Pouce Coupe) where it maintains office and yard facilities.

In October, Enterprise announced the completion of the acquisition of Westar Oilfield Rentals Inc. ("Westar"), a privately held oil-field site service infrastructure company based in Fort St. John, British Columbia. This acquisition is expected to result in both revenue and cost synergies with Hart and further bolster the Equipment Rental Services segment. Furthermore, it is expected to provide the Company with a foothold in the important Fort St. John Market and a platform from which to introduce the services of Enterprise's other divisions. (See Post-Reporting Date Events for further information).

Enterprise's heavy equipment rentals subsidiary, E One Limited, provided equipment rentals for both the oilfield and civil construction sectors and project crews constructing pipelines and facilities. During the first nine months of 2014 management redeployed E One's assets to other subsidiaries in order to achieve higher rates of return.

Seasonality of Operations

The Corporation provides services to the oil and gas industry and infrastructure utility sectors. The oil and gas industry is seasonal in nature. In general, the level of activity in the Canadian oil and gas industry is influenced by seasonal weather patterns. Wet weather and spring thaw makes the ground unstable. Consequently, municipalities and provincial transportation authorities enforce road bans that restrict movement of rigs and other heavy equipment, thereby reducing activity levels. Certain oil and gas producing areas are located in areas that are inaccessible other

than during the winter months because the ground surrounding the drilling sites in these areas consists of swampy terrain. Seasonal factors and unexpected weather patterns may lead to declines in the activity levels of exploration and production companies and corresponding declines in the demand for the services of the Corporation. Services provided to the utility infrastructure sector tend to be more evenly distributed throughout the calendar year although the spring thaw does affect movement of equipment even in the urban/suburban areas resulting in April and May being the slowest months of the year historically.

HIGHLIGHTS

Financials

The first nine months of the 2014 fiscal year was characterized by strong growth and rapid change. The inclusion of Hart, CTHA, the additional equipment deployed throughout 2013 and 2014 as well as the Company's focus on the integration of business units, together resulted in a significant improvement in operating results from the previous year.

| Consolidated: | Three months September 30, 2014 | Three months September 30, 2013 | Nine months September 30, 2014 | Nine months September 30, 2013 |
|----------------|---------------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|
| Revenue | \$18,785,208 | \$10,002,040 | \$53,962,130 | \$23,737,273 |
| Gross margin | \$6,934,298 | \$4,322,424 | \$22,989,799 | \$11,196,344 |
| Gross margin % | 37% | 43% | 43% | 47% |
| EBITDAS | \$4,547,281 | \$3,886,648 | \$14,250,986 | \$7,792,812 |
| Net Income | \$1,538,087 | \$3,948,137 | \$6,194,861 | \$5,572,096 |
| EPS | \$0.01 | \$0.05 | \$0.05 | \$0.08 |
| Total Assets | \$135,512,831 | \$58,907,687 | \$135,512,831 | \$58,907,687 |

Acquisitions and Financings

One of Enterprise's key strategies is the acquisition of profitable, specialized companies that focus on Western Canadian operations:

- On January 3, 2014, the Company completed the acquisition of Hart Oilfield Rentals Ltd. ("Hart"), a private oilfield equipment service provider, for a purchase price of \$22,600,000 subject to closing adjustments. The acquisition was paid through a combination of net proceeds from the public offering of subscription receipts completed in December 2013, the issuance of 1,388,890 common shares of the Company at a price of \$0.72 per share, and funds available from the Company's credit facility. Hart is a full service oilfield site infrastructure company that provides both site services and equipment rentals to its oil and gas customers within the Western Canadian Sedimentary Basin. To fund the acquisition in December 2013, the Company completed an overnight marketed public offering of subscription receipts to raise \$15,001,200 at \$0.72 per subscription receipt.
- On March 25, 2014, the Company completed a bought deal equity financing of 27,600,000 common shares of the Company, which included 3,600,000 Common Shares issued pursuant to the exercise in full of the financing's over-allotment option, at a price of \$1.00 per common share for aggregate gross proceeds of \$27,600,000. The Company issued to the Underwriters 1,380,000 broker warrants. Each broker warrant will entitle the holder to acquire one common share at an exercise price of \$1.00 per share for a period of 24 months from the date of closing. The net proceeds will be used to accelerate the Company's capital expenditure program, as well as for general working capital purposes.
- On October 15, 2014, Enterprise announced the completion of the acquisition of Westar Oilfield Rentals Inc. ("Westar"), a privately held oilfield site service infrastructure company for an aggregate purchase price of \$13,500,000. Westar's equipment fleet currently consists of nearly 400 owned pieces. The purchase price will be satisfied through a combination of \$10,000,000 in cash, \$2,000,000 in Enterprise shares (2.5 million shares at a price of \$.80 per share), and \$1,500,000 in vendor take-back financing, which will be paid over the next two years.

- Enterprise continued to build its relationship with PNC Bank Canada Branch to better support current operations and to provide an alternative method of financing future growth. In conjunction with and to partially fund the acquisition of Hart on January 3, 2014, the Company further increased its facility to a maximum of \$35,000,000. Then in October 2014 and in conjunction with the acquisition of Westar, the Company further increased its facility to a maximum of \$45,000,000.

OUTLOOK

Management expects the Company's operations to continue to benefit from the economic growth in Western Canada.

The Company continues to refine its operational structure to create a platform for future growth. This platform is intended to identify opportunities for both increased efficiency and the creation of synergies between the Company's various business units.

The utilities/infrastructure construction division has been operating at or near capacity based on available assets deployed. Enterprise expects to expand the division's service and equipment fleets to double the size of this division in 2014. In 2013, this 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, was also awarded a second contract from the same customer that is similar in size and scope. Also, the Company's major customers have indicated that the demand for quality work exceeds supply which has resulted in a backlog of projects.

In October, Enterprise announced that it had taken delivery of Direct Pipe® System ("Direct Pipe") tunnelling system. Direct Pipe is a sophisticated hybrid that incorporates the best features of both micro tunnelling and horizontal directional drilling ("HDD"). Management believes that the Direct Pipe System is recognized for its economic advantages, swift installations and significantly reduced environmental impact relative to alternative technologies. Enterprise has been awarded a significant waterway crossing project from a major Alberta based corporation. The Direct Pipe system will be employed to install a 42-inch pipe casing under the Bow River in the city of Calgary, Alberta. The value of this project, which the Company expects to complete within the fourth quarter of 2014, is approximately \$2,500,000.

The company's equipment rental services division derives a large proportion of its revenues from the energy sector. Hart and Westar both continue to experience strong demand which is expected to contribute to organic growth. Management believes the economics of the locations serviced by Enterprise, which include well sites in the Duvernay, Cardium, and Montney formations, have proven resilient, and management believes will remain so even if prices encounter further headwinds. Given capital investments made in the first nine months of 2014, management expects that Hart will significantly contribute to the growth of Enterprise in 2014 and through the first quarter of 2015. With the addition of Westar in October 2014, Enterprise has the opportunity to promote further synergies and to expand the Company's exposure to North Eastern British Columbia.

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 specialized equipment rental will contribute to the long-term generation of shareholder value.

The benefits of a balanced revenue stream are enhanced by the steadily improving quality of the Company's customer base. 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.



SELECTED CONSOLIDATED FINANCIAL INFORMATION

| | Three months September 30, 2014 | Three months September 30, 2013 | Nine months September 30, 2014 | Nine months September 30, 2013 |
|---|---------------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|
| Revenue | \$18,785,208 | \$10,002,040 | \$53,962,130 | \$23,737,273 |
| EBITDAS | \$4,547,281 | \$3,886,648 | \$14,250,986 | \$7,792,812 |
| Net income | \$1,538,087 | \$3,948,137 | \$6,194,861 | \$5,572,096 |
| Basic earnings per share | \$0.01 | \$0.05 | \$0.05 | \$0.08 |
| Diluted earnings per share | \$0.01 | \$0.05 | \$0.05 | \$0.08 |
| Weighted average common shares outstanding - basic | 145,496,628 | 82,454,753 | 135,093,423 | 70,119,698 |
| Weighted average common shares outstanding - diluted | 148,233,603 | 85,664,678 | 138,439,902 | 72,316,961 |
| Total common shares outstanding | 145,656,628 | 84,535,188 | 145,656,628 | 84,535,188 |
| Total assets | \$135,512,831 | \$58,907,687 | \$135,512,831 | \$58,907,687 |
| Total liabilities | \$56,297,762 | \$31,084,539 | \$56,297,762 | \$31,084,539 |
| Total equity | \$79,215,069 | \$27,823,148 | \$79,215,069 | \$27,823,148 |

Reconciliation of EBITDAS to Historical Results

| Statement of Income | Three months September 30, 2014 | Three months September 30, 2013 | Nine months September 30, 2014 | Nine months September 30, 2013 |
|---------------------------------|---------------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|
| Income for the period | \$1,538,087 | \$3,948,137 | \$6,194,861 | \$5,572,096 |
| Add: | | | | |
| Interest | 659,823 | 305,906 | 1,862,753 | 780,802 |
| Depreciation and amortization * | 1,584,253 | 698,718 | 4,588,882 | 1,880,777 |
| Income tax (recovery) | 352,250 | (1,066,113) | 393,838 | (1,066,113) |
| Share-based payments | 412,868 | Nil | 1,210,652 | 625,250 |
| EBITDAS | \$4,547,281 | \$3,886,648 | \$14,250,986 | \$7,792,812 |

* Depreciation and amortization includes gain (loss) on sale of equipment



OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

The first nine months of the 2014 fiscal year was characterized by strong growth and rapid change. The inclusion of Hart, CTHA, the additional equipment deployed throughout 2013 and 2014 as well as the Company's focus on the integration of business units, together resulted in a significant improvement in operating results from the previous year.

Financial Highlights

| Consolidated: | Three months September 30, 2014 | Three months September 30, 2013 | Nine months September 30, 2014 | Nine months September 30, 2013 |
|----------------|---------------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|
| Revenue | \$18,785,208 | \$10,002,040 | \$53,962,130 | \$23,737,273 |
| Gross margin | \$6,934,298 | \$4,322,424 | \$22,989,799 | \$11,196,344 |
| Gross margin % | 37% | 43% | 43% | 47% |
| EBITDAS | \$4,547,281 | \$3,886,648 | \$14,250,986 | \$7,792,812 |
| Net Income | \$1,538,087 | \$3,948,137 | \$6,194,861 | \$5,572,096 |
| EPS | \$0.01 | \$0.05 | \$0.05 | \$0.08 |
| Total Assets | \$135,512,831 | \$58,907,687 | \$135,512,831 | \$58,907,687 |

Investment in Equipment and Operations

Aligned with Enterprise's strategy to grow existing and acquired operations, in March 2014, the Company completed an equity raise of \$27,600,000 primarily for expanding its rental and service fleets. As announced on September 30, 2014, the Company's capital expenditure plan for 2014 was fully executed, with approximately \$15,000,000 directed towards the equipment rental services division and approximately \$5,000,000 directed towards the utilities/infrastructure construction division.

Utilities/Infrastructure Division

| Utilities/Infrastructure Construction: | Three months September 30, 2014 | Three months September 30, 2013 | Nine months September 30, 2014 | Nine months September 30, 2013 |
|--|---------------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|
| Revenue | \$12,039,727 | \$9,640,012 | \$28,828,687 | \$17,797,820 |
| Increase | \$2,399,715 | | \$11,030,867 | |
| EBITDAS | \$3,549,622 | \$5,398,454 | \$8,321,121 | \$7,825,295 |
| Increase | \$(1,848,832) | | \$495,826 | |
| Total Assets | \$56,441,135 | \$17,305,836 | \$56,441,135 | \$17,305,836 |
| Increase | \$39,135,299 | | \$39,135,299 | |

Quarterly growth in this division can be attributed to an increase in activity in the markets that Enterprise serves, the expansion and extension of projects from major customers, the acquisition of CTHA and the expansion of the service equipment fleet, which allowed the Company to increase its capacity. This division's EBITDAS margin of 29% and 29% for the three and nine month periods, respectively, reflect both a change in revenue mix due to the acquisition of CTHA and an increased use of third-party equipment necessitated by strong demand at T.C. Backhoe. The EBITDAS margin for this division is expected to improve as new capital assets are purchased and subcontracted equipment is replaced.

Equipment Rental Services Division

| Equipment Rental: | Three months September 30, 2014 | Three months September 30, 2013 | Nine months September 30, 2014 | Nine months September 30, 2013 |
|-------------------|---------------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|
| Revenue | \$6,745,481 | \$362,028 | \$25,133,443 | \$5,939,453 |
| Increase | \$6,383,453 | | \$19,193,990 | |
| EBITDAS | \$1,935,600 | \$(456,714) | \$9,160,269 | \$2,865,328 |
| Increase | \$2,392,314 | | \$6,294,941 | |
| Total Assets | \$57,033,087 | \$34,990,220 | \$57,033,087 | \$34,990,220 |
| Increase | \$22,042,867 | | \$22,042,867 | |

As a result of the addition of Hart on January 3, 2014, this division is significantly different from the 2013 comparative



period making year over year comparisons challenging. This division's EBITDAS margins for the three and nine months of 29% and 36%, respectively, are expected to improve as new capital assets are purchased and subcontracted equipment is replaced.

Selected Consolidated Expenses

| Selected Consolidated Expenses: | Three months September 30, 2014 | Three months September 30, 2013 | Nine months September 30, 2014 | Nine months September 30, 2013 |
|---------------------------------|---------------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|
| General and administrative | \$2,758,234 | \$1,967,130 | \$8,919,302 | \$5,006,708 |
| Finance expense | \$659,823 | \$275,202 | \$1,862,753 | \$689,625 |
| Share based payments | \$412,868 | \$0 | \$1,210,652 | \$625,250 |
| Acquisition costs | \$0 | \$0 | \$244,242 | \$0 |

General and administrative expenses include administrative and office costs of the head office and all subsidiaries.

Finance expenses reflect interest charges on the convertible debentures issued in 2013, the line of credit facility with PNC and various equipment leases. The Company used its line of credit to support operations, fund capital expenditures and acquisitions as required.

Share-based payments reflect the fair value of stock options vested during the quarter. The Company will continue to utilize stock options as part of a compensation package to help align the goals of Enterprise and staff.

Acquisition costs include all due diligence and all other costs directly related to the acquisition of a company which have been expensed in the current period. These costs will fluctuate depending upon acquisition activity and the complexity associated with each acquisition.

Cash Flow Information

A summary of cash flow information for the six months ended September 30, 2014, and 2013, is set out below:

| Cash Flow Information | Nine months September 30, 2014 | Nine months September 30, 2013 |
|---|--------------------------------------|--------------------------------------|
| Net cash provided by (used in) operating activities | \$(632,442) | \$3,579,575 |
| Net cash provided by financing activities | 44,838,835 | 18,787,601 |
| Net cash used in investing activities | (40,198,930) | (18,887,424) |
| Change in cash and cash equivalents | 4,007,463 | 3,479,752 |
| Cash and cash equivalents, beginning of period | 4,568,288 | 1,151,616 |
| Cash and cash equivalents, end of period | \$8,575,751 | \$4,631,368 |

Net cash provided by operating activities was driven by a more active third quarter combined with an increase in deposits to support the significant capital expenditure program.

Net cash provided by financing activities reflects the proceeds of equity issuances as well as increased borrowings under the PNC facility to partially fund the purchase of Hart.

Net cash used in investing activities reflects the acquisition of Hart and the additional investment of approximately \$16,600,000 into capital assets to expand service equipment and rental fleets.

Segmented Information

The Company operates in two main business segments in Western Canada. The business segments presented reflect the management structure of the Company and the fashion in which 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 Audited Consolidated Financial Statements for the fiscal year ended December 31, 2013. The operations of Hart are included in the Equipment Rental segment.

| | Utilities/infrastructure construction | | Equipment rental | | Corporate | | Consolidated | |
|--|---------------------------------------|--------------|------------------|--------------|---------------|---------------|---------------|--------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Three months ended September 30 | | | | | | | | |
| Revenue | \$12,039,727 | \$9,640,012 | \$6,745,481 | \$362,028 | \$nil | \$nil | \$18,785,208 | \$10,002,040 |
| EBITDAS | \$3,549,622 | \$5,398,454 | \$1,935,600 | \$(456,714) | \$(937,941) | \$(1,055,092) | \$4,547,281 | \$3,886,648 |
| Depreciation, amortization and impairment losses | \$611,313 | \$335,101 | \$1,077,227 | \$350,027 | \$5,417 | \$14,516 | \$1,693,957 | \$699,644 |
| Interest and bank charges | \$362,344 | \$81,020 | \$281,971 | \$129,808 | \$15,508 | \$95,078 | \$659,823 | \$305,906 |
| Loss (gain) on sale of equipment | \$118,613 | \$nil | \$(228,317) | \$nil | \$nil | \$(926) | \$(109,704) | \$(926) |
| Share-based payments | \$nil | \$nil | \$nil | \$nil | \$412,868 | \$nil | \$412,868 | \$nil |
| Income (loss) before taxes | \$2,457,351 | \$4,982,333 | \$804,720 | \$(936,549) | \$(1,371,734) | \$(1,163,760) | \$1,890,337 | \$2,882,024 |
| Total identifiable assets | \$56,441,135 | \$17,305,836 | \$57,033,087 | \$34,990,220 | \$22,038,609 | \$6,611,631 | \$135,512,831 | \$58,907,687 |

| | Utilities/infrastructure construction | | Equipment rental | | Corporate | | Consolidated | |
|--|---------------------------------------|--------------|------------------|--------------|---------------|---------------|---------------|--------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Nine months ended September 30 | | | | | | | | |
| Revenue | \$28,828,687 | \$17,797,820 | \$25,133,443 | \$5,939,453 | \$nil | \$nil | \$53,962,130 | \$23,737,273 |
| EBITDAS | \$8,321,121 | \$7,825,295 | \$9,160,269 | \$2,865,328 | \$(3,230,403) | \$(2,897,811) | \$14,250,986 | \$7,792,812 |
| Depreciation, amortization and impairment losses | \$1,609,744 | \$721,265 | \$3,153,605 | \$1,071,858 | \$15,056 | \$41,855 | \$4,778,405 | \$1,834,978 |
| Interest and bank charges | \$958,451 | \$240,505 | \$851,419 | \$367,653 | \$52,883 | \$172,644 | \$1,862,753 | \$780,802 |
| Loss (gain) on sale of equipment | \$(423,378) | \$17,329 | \$612,901 | \$29,396 | \$nil | \$(926) | \$(189,523) | \$45,799 |
| Share-based payments | \$nil | \$nil | \$nil | \$nil | \$1,210,652 | \$625,250 | \$1,210,652 | \$625,250 |
| Income (loss) before taxes | \$5,329,547 | \$6,846,196 | \$5,768,146 | \$1,396,421 | \$(4,508,994) | \$(3,736,634) | \$6,588,699 | \$4,505,983 |
| Total identifiable assets | \$56,441,135 | \$17,305,836 | \$57,033,087 | \$34,990,220 | \$22,038,609 | \$6,611,631 | \$135,512,831 | \$58,907,687 |



SUMMARY OF QUARTERLY RESULTS

| | 2014 | | | 2013 | | | 2012 | |
|---|--------------|--------------|--------------|--------------|--------------|---------------|-------------|-------------|
| | Sep. 30 | Jun. 30 | Mar. 31 | Dec. 31 | Sep. 30 | Jun. 30 | Mar. 31 | Dec. 31 |
| Revenue | \$18,785,208 | \$14,069,617 | \$21,107,305 | \$11,111,993 | \$10,002,040 | \$4,831,035 | \$8,904,381 | \$6,647,631 |
| Net income (loss) for the period | \$1,538,087 | \$329,959 | \$4,326,813 | \$210,330 | \$3,948,137 | \$(1,542,924) | \$3,166,882 | \$1,832,752 |
| Earnings (loss) per share - Basic and Diluted | \$0.01 | \$0.00 | \$0.04 | \$0.00 | \$0.05 | \$(0.02) | \$0.05 | \$0.03 |

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

POST-REPORTING DATE EVENTS

On October 15, 2014, Enterprise announced the completion of the acquisition of Westar Oilfield Rentals Inc. (“Westar”), a privately held oilfield site service infrastructure company for an aggregate purchase price of \$13,500,000. Westar’s equipment fleet currently consists of nearly 400 owned pieces. The purchase price will be satisfied through a combination of \$10,000,000 in cash, \$2,000,000 million in Enterprise shares (2.5 million shares at a price of \$.80 per share), and \$1,500,000 in vendor take-back financing, which will be paid over the next two years.

On October 15, 2014, Enterprise announced that it has accepted a term sheet presented by PNC Bank Canada Branch to increase the Company’s current senior secured finance facility from \$35,000,000 to a maximum of \$45,000,000. As a result of the amendment, the interest rate has been reduced to prime plus 1.5%, the capital expenditure covenant has been changed allowing the Company’s 2014 capital expenditure program to grow from \$20,000,000 to \$25,000,000, and the senior leverage ratio has been fixed at 2.50:1.0. Enterprise used \$5,000,000 from this facility to fund the acquisition of Westar.

On October 14, 2014, Enterprise sold the land and building previously being used by its heavy equipment rental business located in Slave Lake, Alberta. The net proceeds from the sale and remaining assets have been redeployed to enhance the equipment fleets of other subsidiaries.

OUTSTANDING SHARE DATA

| | November 11, 2014 | September 30, 2014 | December 31, 2013 |
|---------------------------|-------------------|--------------------|-------------------|
| Common shares outstanding | 148,256,628 | 145,656,628 | 87,881,002 |
| Stock options outstanding | 14,460,000 | 14,560,000 | 8,100,000 |
| Warrants outstanding | 12,932,305 | 12,932,305 | 1,411,541 |
| Total | 175,648,933 | 173,148,933 | 97,392,543 |

The exercise of all outstanding warrants will generate a cash inflow of approximately \$12,700,000 to the Company.

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 September 30, 2014.

RELATED PARTY TRANSACTIONS

The Company has entered into transactions in the normal course of business with corporations controlled by officers and directors of the Company and corporations that have common ownership. These transactions were recorded at the exchange amount established and agreed to by the parties.

| | Nine months September 30, 2014 | Nine months September 30, 2013 |
|--------------------------------|-----------------------------------|-----------------------------------|
| Rental/purchase of equipment | \$nil | \$523,042 |
| Management and consulting fees | 526,305 | 557,457 |
| | \$526,305 | \$1,080,499 |

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.

ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with IFRS requires management to make 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. 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 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. Investment property

The determination of the fair value of the investment property requires the use of estimates based on local market conditions existing at the reporting date. In arriving at estimates of market values, the Company uses an expert in order to apply market knowledge and professional judgement.

iv. Convertible debentures

The valuation of the liability and equity components of the convertible debenture requires the use of estimates in determining the fair value of the two components which include the interest rate that would be obtained on a similar instrument that is not convertible.

v. 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 may rely on independent third party valuers. The determination of these fair values involves a variety of assumptions, including revenue growth rates, expected operating income, discount rates, and earnings multiples.

vi. Impairments

An asset or cash generating unit (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 incorporated 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.

vii. Income tax

The Company follows the asset/liability method for calculating deferred income taxes. Tax interpretations, regulations and legislation in the various jurisdictions in which the Company operates are subject to change. As such, income taxes are subject to measurement uncertainty. Deferred tax assets are assessed by management at the end of the reporting period to determine the likelihood that they will be realized from future taxable earnings. Assessing the recoverability of deferred tax assets requires the Company to make significant estimates related to the expectations of future cash flows from operations and the application of existing tax laws in each jurisdiction.

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 utilities/infrastructure construction 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 September 30, 2014 of \$nil (2013 - \$nil).

At September 30, 2014 \$2,052,000 or 14% of trade receivables was from one customer compared to \$925,000 or 12% from one customer at December 31, 2013.

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 undiscounted contractual maturities of financial liabilities, excluding interest and the impact of netting agreements at September 30, 2014:

| Contractual Obligations September 30, 2014 | Total | 2015 | 2016 | 2017 | 2018 | 2019 | After 5 years |
|---|---------------------|---------------------|--------------------|---------------------|--------------------|------------------|--------------------------|
| Trade and other payables | \$9,051,699 | \$9,051,699 | \$nil | \$nil | \$nil | \$nil | \$nil |
| Loans and borrowings | 40,172,676 | 5,365,978 | 2,471,552 | 29,544,927 | 1,151,589 | 660,442 | 978,188 |
| Operating lease commitments | 3,062,740 | 909,699 | 769,585 | 669,161 | 513,690 | 200,606 | nil |
| Total contractual obligations | \$52,287,115 | \$15,327,376 | \$3,241,137 | \$30,214,088 | \$1,665,279 | \$861,048 | \$978,188 |

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 September 30, 2014 to impact the Company's annual interest expense by approximately \$291,000 (2013 - \$123,000). 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 the 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, convertible debenture 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 its 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, loans and borrowings 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 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 in active markets for identical assets or liabilities that can be accessed at the measurement date.

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 based 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.

- Cyclicalities – 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 cyclicalities 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.

- Operating Risk and Liability 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.

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 this discussion is to highlight for the reader what are typical risks for this industry and readers should carefully consider, among other things, the risks described herein and in the Company's Annual Information Form dated March 27, 2014.

INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS

Management's 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 September 30, 2014, 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.

Management's Report on Disclosure Controls

As of September 30, 2014, the Company's management evaluated the effectiveness of its disclosure controls and procedures as defined in the rules of the Canadian Securities Administrators. This evaluation is performed under the supervision of, and with the participation of, the Chief Executive Officer and the Chief Financial Officer. The Chief Executive Officer and the Chief Financial Officer have concluded that the Company's disclosure controls and procedures are effective as of September 30, 2014.

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, Senior Vice President, Director and Corporate Secretary

Warren Cabral, CA, Chief Financial Officer

Doug Bachman, Chief Operating Officer

John Pinsent, FCA, ICD.D., Director

Manu Sekhri, Director

John Campbell, CA, CFA, CPA (Illinois), Director

CONTACT INFORMATION

#2, 64 Riel Drive
St. Albert, Alberta,
Canada T8N 4A4

Phone: (780) 418-4400
Fax: (780) 418-1941
Toll Free: (888) 303-3361

Email: contact@enterprisegrp.ca
Website: www.enterprisegrp.ca