ENTERPRISE OIL LIMITED

Management's Discussion and Analysis
For the six month period ended March 31, 2006

Enterprise Oil Limited ("Enterprise" or the "Company") completed its first acquisition, the assets of A & G Grant Construction (1983) Inc., effective August 24, 2005. After this acquisition, Enterprise changed its fiscal year end from December 31 to September 30.

On April 3, 2006, the Company announced it completed its second acquisition, Trevor King Oilfield Services Ltd.

This discussion and analysis should be read in conjunction with the unaudited consolidated interim financial statements for the six month period ended March 31, 2006 and 2005. The six month period ended March 31, 2006 represents the first two full quarters with Enterprise operating in the pipeline construction industry.

The unaudited consolidated interim financial statements have been prepared in accordance with generally accepted accounting principles in Canada ("Canadian GAAP"). All amounts are expressed in Canadian dollars unless otherwise noted and additional information relating to the Company is on SEDAR at www.sedar.com. This discussion and analysis is dated May 8, 2006.

This MD&A contains projections and other forward-looking statements regarding future events. Such statements are predictions, which may involve known and unknown risks, uncertainties and other factors, which could cause the actual events or results and company plans and objectives to differ materially from those expressed. For information concerning factors affecting the Company's business, the reader is referred to the documents that the Company files from time to time with applicable Canadian securities and regulatory authorities.

Overall Performance

Enterprise's primary strategy is to continue growing by acquiring and consolidating small to mid-sized pipeline construction companies in Central and Northern Alberta.

The three month period ended March 31, 2006 was the Company's second full quarter of operations in the pipeline construction industry. During the period, the Company was successful in completing construction work for total revenue of $14,323,495.

The Company, through its operating business unit A.G. Grant Construction Ltd. ("A & G"), has been working on several pipeline projects for one of Canada's largest energy producers. At March 31, 2005, these projects were completed and have generated revenue of approximately $8.4 million. Management believes that a portion of the Company's resources will be required to complete other projects for this producer for the remainder of the fiscal year.

With the expansion of our fleet of heavy equipment and additional work crews, the Company was successful in obtaining more pipeline construction projects. Further highlights for the period included the completion of a $2.8 million pipeline project for one of Canada's mid-sized energy producers. This project experienced several "add-ons" which resulted in invoicing of over $4.5 million in total. The Company's successful completion of this project resulted in additional pipeline work from this energy producer.

On March 13th 2006 the Company announced the signing of an agreement to acquire 100% of the shares of Trevor King Oilfield Services Ltd., (TKO) which closed, effective April 1st 2006.

TKO was established in 1994 and has provided high quality services to the producers of Alberta's oilfields. The company's primary business is pipeline construction, maintenance and oilfield hauling. At peak levels the company employs over 100 workers. Company assets include a modern fleet of transport trucks, and heavy equipment.

The TKO business unit is located in Wainwright, Alberta and is managed by Trevor King who will remain President and Kurt Fletcher who will continue to run pipeline construction operations. Both Mr. King and Mr. Fletcher have signed 5 year management contracts with the Company. TKO has experienced impressive growth over the last several years and has developed an excellent reputation for their quality work and safety record.

TKO reported sales revenue of $8,035,023 for the nine month period ending December 31st 2005, delivering an EBITDA of $1,186,119.

TKO recently received a 3 year maintenance and construction contract from one of Canada's largest heavy oil producers that will increase their forward looking numbers.

Through the addition of TKO, the Company will be able to take advantage of opportunities that will deliver savings and add to profitability by capitalizing on synergies and efficiencies in the use of equipment and manpower as the peak season of operation of TKO is opposite that of A & G.

Selected Financial Information

The Company was incorporated on March 23, 2004 and was not a reporting issuer pursuant to applicable securities legislation until June 28, 2004. A summary of selected financial information for the six month period ended March 31, 2006 and the nine month period ended September 30, 2005 (Enterprise's new fiscal year end) follows:

	For the six month period ended March 31, 2006 (unaudited)	For the nine month period ended September 30, 2005 (audited)
Total revenue	$ 19,203,704	$ 560,797
Net profit (loss)	2,851,420	(327,214)
Basic and diluted earnings (loss) per share	0.188	(0.04)
Total assets	21,028,981	3,744,704
Long-term debt	1,103,198	1,103,265

For the six month period ended March 31, 2006, the Company reported no discontinued operations, no changes in accounting policies and declared no cash dividends.

Results of Operations

Net profit for the three and six month periods ended March 31, 2006 was $2,287,852 and $2,851,420, respectively, compared to net losses of ($8,715) and ($29,166) for the three month and six month periods ended March 31, 2005, respectively.

During the three and six month periods ended March 31, 2006, revenues, direct costs, general and administrative costs increased significantly from that of prior periods. These increases are due primarily to the construction activity undertaken by A & G discussed in the previous section on overall performance.

Revenue

The following table identifies revenues for the three month period ended March 31, 2006 and 2005 and six month period ended March 31, 2006 and 2005.

Enterprise began generating revenue from operations after the completion of its Qualifying Transaction on August 24, 2005. The six month period ended March 31, 2006, represents the first two full quarters with Enterprise operating in the pipeline construction industry.

	Three Months - March 31 **2006** ***(Unaudited)***	*Three Months - March 31* 2005 *(Unaudited)*	***Six Months - March 31*** **2006** ***(Unaudited)***	*Six Months - March 31* 2005 *(Unaudited)*
REVENUE				
Revenue	**$ 14,323,496**	$ -	**$ 19,203,704**	$ -
	14,323,496	-	**19,203,704**	

Direct Costs

The following table identifies the direct costs for the three month period ended March 31, 2006 and 2005 and six month period ended March 31, 2006 and 2005.

Enterprise began incurring direct costs associated with pipeline construction and oilfield maintenance after the completion of its Qualifying Transaction on August 24, 2005. The six month period ended March 31, 2006, represents the first two full quarters with Enterprise operating in the pipeline construction industry.

	Three Months - March 31 **2006** ***(Unaudited)***	*Three Months - March 31* 2005 *(Unaudited)*	***Six Months - March 31*** **2006** ***(Unaudited)***	*Six Months - March 31* 2005 *(Unaudited)*
DIRECT COSTS				
Trades and sub-contracts	**$ 4,392,032**	$ **-**	**$ 5,719,826**	$ - -
Direct wages	**3,179,031**	**-**	**4,390,415**	- -
Supplies	**754,199**	**-**	**1,075,287**	- -
Fuel and oil	**529,085**	**-**	**795,681**	- -
Camp costs	**366,066**	**-**	**567,935**	- -
Rentals	**510,140**	**-**	**650,833**	- -
Repairs and maintenance	**336,373**	**-**	**476,706**	- -
Freight in and duty	**26,200**	**-**	**44,663**	- -
	10,093,126	**-**	**13,721,346**	-

General and Administrative Expenses

The following table identifies general and administrative expenses for the three month period ended March 31, 2006 and 2005 and six month period ended March 31, 2006 and 2005. The six month period ended March 31, 2006, represents the first two full quarters with Enterprise operating in the pipeline construction industry.

	Three Months - March 31 2006 (Unaudited)	Three Months - March 31 2005 (Unaudited)	**Six Months - March 31 2006 (Unaudited)**	Six Months - March 31 2005 (Unaudited)
GENERAL AND ADMINISTRATIVE EXPENSES				
Professional fees	**$ 53,453**	$ 8,077	**$ 141,872**	$ 24,378
Management fees	**54,000**	-	**94,500**	-
Office and general	**267,375**	8,719	**317,057**	21,040
Interest on long term debt	**16,587**	-	**39,500**	-
Rent	**1,622**	-	**6,885**	-
Stock-based compensation	**207,687**	-	**209,527**	-
Interest and bank charges	**44,887**	15	**48,733**	30
Amortization of intangible assets	**10,300**	-	**20,600**	-
Amortization	**28,195**	-	**403,528**	-
	884,106	16,811	**$1,282,202**	45,448

Summary of Quarterly Results

The Company was incorporated on March 23, 2004 and was not a reporting issuer pursuant to applicable securities legislation until June 28, 2004. The Company changed its fiscal year end to September 30 after the completing its Qualifying Transaction. As such, the following is a summary of quarterly information since incorporation.

	Mar. 31/06	Dec. 31/05	Sep. 30/05	Jun. 30/05	Mar. 30/05	Dec. 31/04	Sep. 30/04	Jun. 30/04
Revenue	$14,323,496	$4,880,208	$560,797	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil
Net profit (loss)	2,287,852	563,569	(327,214)	(48,036)	(8,715)	(23,432)	(102,569)	(2,980)
Basic and diluted profit (loss) / share	.130	0.044	(0.03)	(0.004)	(0.001)	(0.003)	(0.02)	(0.01)

The six month period ended March 31, 2006 represents the first two full quarters with Enterprise operating in the pipeline construction industry. Revenue generated during the quarter ended September 30, 2005 is a result of 37 days of operations from Enterprise's pipeline construction business established upon completion of the Company's Qualifying Transaction.

Liquidity and Capital Resources

Cash and temporary investments was $4,600,000 at March 31, 2006 compared to $nil at September 31, 2005. Cash at March 31, 2006 represents funds held in trust for the acquisition of TKO.

Bank indebtedness was $3,390,705 at March 31, 2006 compared to $65,442 at September 30, 2005. Bank indebtedness includes cheques written and not cleared in excess of the bank balance.

The Company has the following evergreen, term and vendor debt to fund the purchase of capital assets and acquisitions.

The Company has an evergreen line of credit to finance equipment purchased for A & G and TKO. The maximum financing available against this line is $1,500,000. This line of credit bears interest at prime plus 1.00% and is repayable in monthly blended payments over a term ranging from 24 to 60 months depending upon the age of the equipment financed. During the period, the Company used this line to finance $772,845 of equipment purchases. At March 31, 2006, the balance of draws against this line of credit was $504,764 (September 30, 2005 - $nil).

The Company has a non-revolving term loan to finance the acquisition of A & G. The maximum financing available against this line is $978,442 and was fully drawn at March 31, 2006 (September 30, 2005 - $1,080,520). This line of credit bears interest at prime plus 1.00% and is repayable in monthly blended payments of $26,000 with the balance outstanding payable in full on August 31, 2009.

The Company has non-revolving term loan to finance the acquisition of TKO. The maximum financing available against this line is $2,500,000 and $nil was drawn at March 31, 2006 (September 30, 2005 - $nil). This line of credit bears interest at prime plus 1.00% and is repayable in monthly blended payments of $59,000 with the balance outstanding payable in full on March 31, 2010.

The evergreen and non-revolving loans are secured by general security agreements, including a guarantee, postponement and assignment of claims from A & G and a guarantee limited to $750,000 from an officer and director of the Company.

The Company has vendor debt repayable in two installments of $200,000 each on the first and second anniversary date of the closing date of the qualifying transaction. The vendor debt is subordinated to bank debt and is secured by a general security agreement issued by A & G. The vendor debt is carried at a fair value of $374,533 (September 30, 2005 - $374,533) and bears interest at nil%.

A & G has a revolving line of credit, payable on demand, secured by a general security agreement covering all assets, including continuing guarantees and general security agreements from the Company and TKO. The line of credit bears interest at prime plus 0.625%. The maximum financing available against this line is the lessor of $2,500,000 ($3,500,000 during the period November 1 to April 30th, annually) and 75% of eligible unencumbered accounts receivable as defined by the bank. At March 31, 2006, A & G had drawn $588,624 (September 30, 2005 - $nil) against this line of credit.

The Company has arranged a revolving line of credit for TKO. The line is payable on demand, secured by a general security agreement covering all assets, including continuing guarantees and general security agreements from the Company and A & G. The line of credit bears interest at prime plus 0.625%. The maximum financing available against this line is the lessor of $3,000,000 and 75% of eligible unencumbered accounts receivable as defined by the bank.

During the six month period ended March 31, 2006, the Company completed private placements raising an additional $6,767,460 (2005 - $500,000) before share issue costs of $503,298 (2005 - $nil).

The Company plans to expand its fleet of construction equipment and assets by purchasing addition equipment of approximately $3.2 million in the 2006 fiscal year. Management believes that additional equipment; financing and work crews will allow the Company to secure more pipeline construction work, increasing revenue and cash flow for the 2006 fiscal year.

Management believes that the Company has access to sufficient capital to fund operations in fiscal 2006 through a combination of bank financing, generation of revenues combined with the collection of accounts receivables and equity financing.

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Contractual Obligations

Enterprise has entered into a lease agreement for office space which provides for the following payments:

	Payments due by period				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Operating leases	$82,618	$12,393	$34,080	$36,145	Nil
Total contractual obligations	$82,618	$12,393	$34,080	$36,145	Nil

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Share Capital

	Outstanding As at May 8, 2006	Outstanding As at March 31, 2006	Outstanding As at September 30, 2005
Common shares	**21,660,000**	**21,057,000**	**9,000,000**
Stock options	1,405,000	1,405,000	980,000
Broker options	537,160	539,460	558,800
Share purchase warrants	8,404,900	9,005,600	Nil

An additional 10,347,060 common shares will be issued upon the conversion of all outstanding warrants, stock options, broker options and warrants identified in the above table.

Related Party Transaction

During the period ended March 31, 2006, the Company paid $20,000 (2005 – nil) in rent to a company controlled by a director of the Company, Mr. Ron Ingram. This transaction is recorded at the amount established and agreed to by the parties.

During this period ended March 31, 2006, the Company paid $54,000 (2005 – nil) for management services to a company controlled by a director and officer of the Company, Mr. Leonard Jaroszuk.
