ENTERPRISE OIL

LIMITED

Consolidated Interim Financial Statements
(Unaudited)

For the three month period ended December 31, 2006

National Instrument 51-102
Continuous Disclosure Obligations
Notice

Pursuant to Part 4.3 (3) of National Instrument 51-102, these unaudited consolidated interim financial statements of Enterprise Oil Limited for the three month period ended December 31, 2006 have not been reviewed by the Company's auditors.

ENTERPRISE OIL LIMITED

Consolidated Interim Balance Sheet

December 31, 2006

	Dec. 31, 2006 (Unaudited)	Sept. 30, 2006 (Audited)
Assets		
Current		
Cash and cash equivalents	$ 1,219,930	$ 1,838,670
Accounts receivable	5,359,764	5,248,558
Income taxes refundable	299,954	-
Inventory (note 3)	926,159	661,693
Prepaid expenses	255,475	251,515
Future income taxes (note 10)	352,000	352,000
	8,413,282	8,352,436
Property, plant and equipment (Note 5)	10,471,594	8,877,492
Goodwill (note 4)	6,941,574	6,941,574
Other intangible assets (note 6)	264,837	280,273
Portfolio investments (note 7)	100,000	100,000
	$ 26,191,287	$ 24,551,775
Liabilities and Shareholders' Equity		
Current		
Bank indebtedness (note 8)	$ 3,290,000	$ 1,490,000
Accounts payable and accrued liabilities	1,587,880	1,294,321
Income taxes payable	-	1,008,368
Current portion of long term debt (note 9)	1,515,079	1,644,029
	6,392,959	5,436,718
Long term debt (note 9)	3,763,124	3,398,244
Future income taxes (note 10)	333,000	333,000
	10,489,083	9,167,962
Shareholders' equity		
Share capital (note 12)	13,507,859	12,769,513
Contributed surplus	580,621	416,534
Retained earnings	1,613,724	2,197,766
	15,702,204	15,383,813
	$ 26,191,287	$ 24,551,775

Approved on behalf of the Board:

____ "Leonard D. Jaroszuk" Director

____ "Michael S. Aberant, CA." Director

The accompanying notes are an integral part of the financial statements

ENTERPRISE OIL LIMITED

Consolidated Interim Statement of

(Unaudited)

For the three month period ended December 31, 2006

	Dec. 31, 2006	Dec. 31, 2005
Revenue	**$ 4,736,735**	$ 4,880,208
Direct expenses (Schedule 1)	**4,086,177**	3,630,429
Gross margin	**650,558**	1,249,779
General and administrative expenses (Schedule 2)	**1,483,370**	395,887
Income (loss) from operations	**(832,812)**	853,892
Other income	**43,770**	-
Income (loss) before income taxes	**(789,042)**	853,892
Income taxes (recovery)		
Current	**(205,000)**	290,323
Net income (loss)	**$ (584,042)**	$ 563,569
Retained earnings (deficit), beginning of period	**2,197,766**	(453,215)
Retained earnings, end of period	**$ 1,613,724**	$ 110,354
Earnings per share		
Basic earnings (loss) per share	**$ (0.023)**	$ 0.044
Diluted earnings (loss) per share	**$ (0.023)**	$ 0.044
Weighted average number of common shares		
Basic	**25,704,985**	12,864,922
Diluted	**26,195,337**	12,864,922

The accompanying notes are an integral part of the financial statements

ENTERPRISE OIL LIMITED

Unaudited Consolidated InterimStatement of Cash Flows

(Unaudited)

For the three month period ended December 31, 2006

		Dec. 31, 2006		Dec. 31, 2005
Cash provided by (used for) the following:				
Net income (loss) for the period	**$**	**(584,042)**	$	563,569
Items not affecting cash:				
Amortization of property, plant and equipment		**351,282**		175,334
Amortization of intangible assets		**18,678**		10,300
Loss on sale of property, plant and equipment		**20,293**		-
Stock-based compensation		**164,087**		1,840
		(29,702)		751,043
Changes in non-cash working capital (Schedule 3)		**(1,394,394)**		(3,290,381)
		(1,424,096)		(2,539,338)
Financing activities				
Proceeds from long-term financing		**1,020,428**		432,857
Share capital issuance		**738,347**		1,542,675
Repayment of long- term debt		**(784,500)**		(73,847)
		974,275		1,901,685
Investing activities				
Deferred financing and acquisition costs		**(3,243)**		-
Additions to property, plant and equipment		**(2,104,111)**		(697,880)
Proceeds on disposition of property, plant and equipment		**138,435**		-
		(1,968,919)		(697,880)
		-		-
Decrease in cash flow		**(2,418,740)**		(1,335,533)
Cash (deficiency), beginning of period		**348,670**		(65,442)
Cash (deficiency), end of period	**$**	**(2,070,070)**	$	(1,400,975)
Cash flow supplementary information				
Interest paid	**$**	**144,453**	$	22,913
Interest received		**16,078**		-
Cash consists of				
Cash and cash equivalents	**$**	**1,219,930**	$	-
Bank indebtedness		**(3,290,000)**		(1,400,975)
	$	**(2,070,070)**	$	(1,400,975)

The accompanying notes are an integral part of the financial statements

1. Nature of Operations

Enterprise Oil Limited ("Enterprise" or the "company") incorporated under the Business Corporations Act of Alberta on March 23, 2004 and is publicly traded on the TSX Venture Exchange under the symbol "EON". The company provides energy and construction services to customers in the Alberta region. The company acquired the operating net assets of A.G. Grant Construction Ltd. (AGG) on August 24, 2005 and 100% of the outstanding common shares of Trevor King Oilfield Services Ltd. (TKO) on April 1, 2006.

2. Significant Accounting Policies

These consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles.

Basis of Consolidation

The consolidated financial statements include the accounts of the company and its wholly-owned subsidiaries A.G. Grant Construction Ltd., Trevor King Oilfield Services Ltd., Enterprise Pipeline Company Inc., ESI Management Inc. and 1204757 Alberta Ltd. All significant inter-company accounts and transactions have been eliminated on consolidation.

Use of estimates

The preparation of financial statements for a period necessarily involves the use of estimates and approximations which have been made using careful judgment because the precise determination of many assets, liabilities, revenues, and expenses are dependent upon future events. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies as summarized below. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accounts receivable are stated after evaluation as to their collectability and appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of property, plant and equipment, and intangible assets. Stock-based compensation expense is based on estimates of volatility, expected terms and risk free rate of interest. The allocation between goodwill and other intangibles of the excess of purchase price over fair value of tangible assets is based on preliminary assumptions and estimates that may change as final assessments of the acquired companies are completed.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

Financial Instruments

All significant financial assets and liabilities and equity instruments of the company are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of the future cash flows and interest rate, currency or credit risk.

Segments

Management regards the current activities of the company as being conducted in one business segment, that being energy and construction services. All activities and equipment of the company are located in one geographical segment in Alberta. Accordingly, no segment disclosure has been provided in these financial statements.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

Investments
Investments are valued at the lower of cost and market value with any other than temporary declines in value being recognized in earnings of the period.

Revenue recognition
Revenue from long-term contracts is recognized on the completed contract basis. Revenue is recognized when the job is substantially completed. Any amounts invoiced prior to completion are recorded as unearned revenue and related costs as work in progress inventory.

Inventory
Raw materials, parts and supplies inventory are valued at the lower of cost and replacement cost. Cost is determined using the first in, first out basis method. Work in progress inventory is valued at the lower of absorption cost and net realizable value. Absorption costs include direct labor, direct materials and related variable and fixed overhead pertaining to the jobs in progress.

Goodwill
Goodwill represents the excess of purchase price over the fair market value of the net tangible and identifiable assets acquired, is recorded at cost, less any provision for permanent impairment. Goodwill is not amortized. Instead, goodwill is tested for impairment on an annual basis. The company assesses impairment based on the estimated undiscounted future cash flows from operations. Impairment of goodwill is measured by comparing its book value against the consolidated estimated undiscounted future cash flows, and any permanent impairment is included in the current period earnings.

Property, plant and equipment
Property and equipment are recorded at cost. Property, plant and equipment are amortized over their estimated useful lives using the straight line method at the following rates, commencing the month of acquisition:

Buildings	240 months
Office furniture and equipment	60 months
Computers and communication equipment	48 months
Small tools and equipment	36 months
Light automotive equipment	60 months
Heavy automotive equipment	60 months
Construction equipment	120 months

Leasehold improvements are amortized over the remaining term of the lease.

The company reviews its property, plant and equipment for impairment whenever events of changes in circumstances indicate that the carrying value may not be recoverable. Impairment is recognized when the carrying amount of an asset is greater than its fair value. The impairment is measured as the difference between the carrying value of the asset and its fair value calculated using the market prices, appraisals and undiscounted cash flows.

Long-lived assets
Long-lived assets consist of property, plant and equipment, deferred acquisition costs and deferred financing costs. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies. The company performs impairment testing on long-live assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the assets' carrying amount. Impairment is measured as the amount by which the assets' carrying value exceeds its fair value. Any impairment is included in the consolidated statement of income. Discounted cash flows are used to measure fair value of long-lived assets.

Intangible assets
Deferred financing costs are recorded at cost and amortized on a straight line basis over the term of the related debt over four years.

Deferred business acquisition costs are recorded at cost and amortized on a straight line basis over five years.

Future income taxes
The company follows the asset and liability method of accounting for future income taxes. Under this method, future income tax assets and liabilities are recorded based on temporary differences between the financial reporting and tax bases of assets and liabilities and measured using the substantively enacted tax rates and laws that will be in effect when the differences are expected to be either settled or realized. A valuation allowance is recorded for the portion of the future tax assets for which the realization of any value does not meet the “more likely than not” test.

Stock-based compensation / Contributed surplus
The company uses the fair value base method, whereby compensation cost is charged directly to earnings for all stock-based awards granted. The company determines the fair value of the stock options, using the Black-Scholes option-pricing model. The expense is determined on the grant date and recognized on the date the option is saleable without restriction with a corresponding increase to contributed surplus in shareholders’ equity. When stock options are exercised, the proceeds, together with the amount of the contributed surplus, are recorded in share capital.

Earnings per share
Basic earnings per share is calculated by dividing income available to common shareholders by the weighted average number of common shares outstanding during the period.

Diluted earnings per share is calculated using the “treasury method”, which assumes that all outstanding share options and share purchase warrants are exercised, if dilutive, and the assumed proceeds are used to purchase the company’s common shares at the average market price during the period the underlying share options and share purchase warrants were outstanding.

Share issuance costs
Costs related to the issuance of shares are charged against share capital.

Foreign currency translation
Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and liabilities reflect the exchange rates at the balance sheet date. Gains and losses on translation or settlement are included in the determination of net income for the current period.

(a) Marketable Securities

Marketable securities are valued at the lower of cost and market value.

(b) Investments

The company follows the cost method of accounting for its investments in its subsidiary companies.

3. Inventory

	Dec. 31, 2006	Sept. 30, 2006
Supplies and parts	$ 326,159	$ 238,159
Work in progress	600,000	423,534
	$ 926,159	$ 661,693

4. Business Acquisitions

A.G. Grant Construction Ltd. (AGG)
The company, through its wholly owned subsidiary, (AGG) entered into an asset purchase agreement dated August 3, 2005 to acquire the business assets, excluding real property and operations of A & G Grant Construction (1983) Inc. The transaction became effective on August 24, 2005 constituting the Qualifying Transaction and has been included in the consolidated financial statements since that date. Goodwill acquired is considered purchased goodwill.
Trevor King Oilfield Services Ltd. (TKO)
The company acquired 100% of the shares of Trevor King Oilfield Services Ltd. effective April 1, 2006.
1204757 Alberta Ltd. (1204757)
The company acquired 100% of the shares of 1204757 Alberta Ltd. effective September 28, 2006 from a company director. The director acquired land and buildings in trust for the company in March 2006. The land and buildings are leased to (AGG).

The acquisitions have been accounted for using the purchase method whereby the purchase price is allocated to the net assets acquired based on their fair values as follows:

	AGG	TKO	1204757	Total
Assets				
Working capital (Net)	$ -	$ 146,725	$ -	**$ 146,725**
Land and buildings	-	-	400,000	**400,000**
Property, plant and equipment	2,400,000	2,248,761	-	**4,648,761**
Goodwill	574,533	6,367,041	-	**6,941,574**
Intangible assets	206,000	-	3,202	**209,202**
	3,180,533	**8,762,527**	**403,202**	**12,346,262**
Current liabilities				
Long term debt	-	1,702,527	-	**1,702,527**
	$ 3,180,533	**$ 7,060,000**	**$ 403,202**	**$ 10,643,735**
Consideration				
Cash to vendor	$ 2,550,000	$ 4,600,000	$ 400,000	**$ 7,550,000**
Business acquisition costs	206,000	-	3,202	**209,202**
Common shares to vendor	50,000	2,060,000	-	**2,110,000**
Vendor debt	374,533	400,000	-	**774,533**
	$ 3,180,533	**$ 7,060,000**	**$ 403,202**	**$ 10,643,735**
Price per Common share to vendor	$ 0.25	$ 0.25	$ -	$ -

5. Property, plant and equipment

	Cost	Accumulated amortization	**Net book value Dec. 31, 2006**	Net book value Sept. 30, 2006
Land	$ 250,000	$ -	**$ 250,000**	$ 250,000
Buildings	251,809	2,520	**249,289**	246,820
Leasehold improvements	63,682	10,025	**53,657**	51,762
Computers and communication	59,135	20,706	**38,429**	38,104
Office furniture and equipment	189,172	43,251	**145,921**	140,500
Small tools and equipment	360,333	156,825	**203,508**	170,219
Light automotive equipment	1,489,155	226,867	**1,262,288**	995,422
Heavy automotive equipment	4,959,313	2,270,943	**2,688,370**	2,045,988
Construction equipment	6,109,091	528,959	**5,580,132**	4,938,677
	$ 13,731,690	**$ 3,260,096**	**$ 10,471,594**	**$ 8,877,492**

Amortization expense for the quarter is $351,282 (Three month period ended December 31, 2005 - $175,334).

The company changed its accounting policy prospectively effective October 1, 2005 using the straight line method at rates that fairly estimate the useful lives of the assets. No retroactive adjustments were applied to the prior year.

6. Other intangible assets

	Cost	Accumulated amortization	**Net book value Dec. 31, 2006**	Net book value Sept. 30, 2006
Deferred acquisition costs	$ 209,202	$ 55,889	**$ 153,313**	$ 163,773
Deferred financing costs	134,742	23,218	**111,524**	116,500
	$ 343,944	**$ 79,107**	**$ 264,837**	**$ 280,273**

Amortization of $18,678 has been recorded during the quarter (Three month period ended December 31, 2005 - $10,300) for deferred acquisition and financing costs.

7. Portfolio investment

The company has invested $100,000 in 400,000 common shares of Samoth Oilfield Inc., a public capital pool company, incorporated May 8, 2006. Samoth Oilfield Inc. is controlled by directors and officers who exercise significant influence over Enterprise Oil Limited. Samoth Oilfield Inc. commenced trading as at December 20, 2006. The market value of the common shares are $180,000 as at December 31, 2006.

8. Bank indebtedness

The company has authorized revolving lines of credit in the maximum amounts as follows:

A.G. Grant Construction Ltd.	$	3,500,000
Trevor King Oilfield Services Ltd.	$	2,500,000

The loans bear interest at prime plus 0.625%. The loans cannot exceed 75% of eligible unencumbered accounts receivable as defined by the bank measured on an ongoing basis. Security issued and its borrowing covenants and restrictions are described in note 9 to the financial statements. Trevor King Oilfield Services Ltd. had a revolving demand loan in the amount of $1,360,000 and A.G. Grant Construction Ltd. had a revolving demand loan in the amount of $1,930,000, both as at December 31, 2006. The bank has authorized corporate credit cards in the maximum amount of $50,000.

9. Long term debt

Bank loans

The company has non-revolving bank loans used to finance certain equipment acquisitions. The loans bear interest at prime lending rate plus 1% and repayments are as follows:

Loan	Type		Balance Dec. 31, 2006		Monthly Repayments	Maturity Date
Loan 6	TKO	$	1,799,630	$	59,500	September 30, 2009
Loan 1	AGG		629,768		26,000	February 28, 2009
Loan 7	Capital line		390,492		14,275	June 30, 2009
Loan 10	Capital line		382,071		9,600	October 31, 2010
Loan 9	Capital line		293,499		10,500	September 30, 2009
Loan 8	Capital line		147,247		5,215	July 30, 2009
Loan 2	Capital line		92,327		3,000	September 30, 2009
		$	**3,735,034**	**$**	**128,090**	

Capital line of credit

The company has a capital line of credit available in the maximum amount of $1,500,000 to finance equipment acquisitions (loans 2, 7, 8, 9, 10). The loans bear interest at prime plus 1% and repayable in monthly blended payments over terms ranging from 24 to 48 months depending upon the age of the equipment financed. The company has $194,364 available on its credit line as at December 31, 2006 (September 30, 2006 - $494,735).

The following has been pledged as security for the bank indebtedness:

- General Security agreements charging all assets of the company and its subsidiaries.
- Guarantee from A.G. Grant Construction Ltd.
- Guarantee from Trevor King Oilfield Services Ltd.
- Guarantee from a company director and officer in the amount of $750,000.

The bank requires that the company maintain certain covenants and restrictions at all times to support its indebtedness.

9. Long term debt continued

Vendor debt

The company has non-interest bearing vendor debt from the purchase transaction in the amount of $187,267 at December 31, 2006 (December 31, 2006 - $187,267) repayable August, 2007. The debt is subordinated to the bank and is secured by a general security agreement covering the assets of A.G. Grant Construction Ltd.

The company has vendor debt resulting from the acquisition of the shares of Trevor King Oilfield Services Ltd. in the amount of $400,000 as at December 31, 2006 (December 31, 2006 - $400,000) repayable in two annual installments of $200,000 commencing March 31, 2007. The debt bears interest at prime plus 2%, which is forgivable if paid by March 2007. The debt is subordinated to the bank and is secured by a general security agreement covering the assets of Trevor King Oilfield Services Ltd.

Equipment loans

The company acquired specific construction equipment with a balance of $737,953 as at December 31, 2006 (December 31, 2005 - $282,718) bearing interest from 6.5% to 7.95%, with cumulative monthly payments of $15,893 maturing December, 2010.

The company acquired specific automotive vehicles with balances of $217,949 as at December 31, 2006 (December 31, 2006 - $71,951), bearing interest from 0% to 2.9% with cumulative blended monthly payments of $5,084, maturing December, 2010.

Summary		**Dec. 31, 2006**		Sept. 30, 2006
Bank loans	**$**	**3,735,034**	$	4,100,339
Vendor Debt		**587,267**		587,267
Equipment and automotive loans		**955,902**		354,669
		5,278,203		5,042,275
Current portion		**(1,515,079)**		(1,644,029)
Long term portion	**$**	**3,763,124**	$	3,398,246

Principal repayment requirements on the long-term liabilities are estimated as follows:

	2007		**2008**		**2009**		**2010**		**2011**		**Total**
$	**1,515,079**	**$**	**1,793,828**	**$**	**1,552,364**	**$**	**292,202**	**$**	**124,730**	**$**	**5,278,203**

10. Income Taxes		Year ended Sept. 30, 2006
Current income tax rates		32.8%
Expected income tax expense (recovery)	$	1,120,000
Increase (decrease) in taxes resulting from:		
Stock based compensation		103,000
Tax benefit from losses carried forward		(102,000)
Future tax adjustments		(19,000)
Capital cost allowance in excess of amortization		(292,000)
Share issuance cost		(45,000)
Other		(8,000)
Actual income tax expense (recovery)	$	757,000

Net future income tax is comprised as follows:

Differences between tax base and reported amounts		Year ended Sept. 30, 2006
Property, plant and equipment	$	(889,615)
Goodwill (purchased)		400,737
Share issuance costs		550,020
Other		(1,940)
	$	59,202
Income taxes at statutory rate	$	19,000
Represented by		
Future income taxes receivable	$	352,000
Future income taxes payable (long term)		(333,000)
	$	19,000

Income taxes (recovery) for the three month period ended December 31, 2006 have been recorded based at the rate of 32.8% using accounting income allowing for non-deductible expenses.

Stock-based compensation of $164,087 for the three month period ended December 31, 2006 is a non-deductible expense resulting in an increase in income tax of $54,000.

11. Related party transactions

During the quarter the company paid $8,000 (Three month period ended December 31, 2006 - nil - premises and equipment rent) for premises rent to a company controlled by a director of the company. The company paid $8,000 (Three month period ended December 31, 2005 - nil) for premises to management that operates Trevor King Oilfield Services Ltd. These transactions were recorded at the amount established and agreed to by the parties.

12. Share capital

(a) Authorized capital

Unlimited Class "A" voting shares
Unlimited Preferred shares, issuable in series, terms to be set at issuance

	Dec. 31, 2006	Sept.30,2006
Common shares outstanding at December 31, 2006:		
26,470,200 Common shares (Sept. 30, 2006 - 25,405,700)	**$13,507,859**	$12,769,513

	Dec. 31, 2006		Sept. 30, 2006	
	Shares	**Amount**	Shares	Amount
Shares outstanding, beginning of period	**25,405,700**	**$12,769,513**	11,841,200	$2,373,953
Share buy-back	**(164,800)**	**(178,629)**	-	-
Private placements for cash	**-**	**-**	7,788,600	6,767,460
Shares issued for business acquisition	**-**	**-**	1,000,000	2,060,000
Warrants exercised	**1,217,000**	**912,750**	3,638,000	1,928,500
Stock options exercised	**10,000**	**2,500**	550,000	137,500
Agent options exercised	**2,300**	**1,725**	502,800	125,700
Agent units exercised	**-**	**-**	43,700	32,775
Agent warrants exercised	**-**	**-**	41,400	31,050
Share issue costs	**-**	**-**	-	(687,425)
Shares outstanding, end of period	**26,470,200**	**$13,507,859**	**25,405,700**	$12,769,513

Escrowed shares

As at December 31, 2006, the company's transfer agent held 1,450,000 (December 31, 2005 - 1,450,000) common shares subject to TSX Venture Exchange escrow agreements. These shares will be automatically released over time through to September 2007.

12. Share capital continued

(b) Private placements

The company completed two private placements as follows:

November 21, 2005
The first private placement consisted of 3,000,000 common shares at $0.50 with an equal number of warrants at $0.75, with 2,000,000 warrants expiring November 21, 2006 and 1,000,000 warrants expiring December 23, 2006. The private placement included 460,000 shares placed through an agent. The agent was granted 46,000 units. Each unit entitles the agent to purchase an equal number of common shares at $0.75, expiring November 26, 2006, and each common share carries a warrant at $0.75, expiring December 23, 2006.

February 22, 2006
The second private placement consisted of 4,788,600 common shares at $1.10 with an equal number of warrants at $1.50 expiring February 22, 2007. This private placement was placed through an agent. The agent received 478,860 units. Each unit entitles the agent to purchase an equal number of common shares at $1.10, expiring November 26, 2006, and each common share carries a warrant at $1.50, expiring February 22, 2007.

At December 31, 2006, 4,788,600 warrants were outstanding. However, nil agent units and nil agent warrants are outstanding.

(c) Stock options

The Company has a stock option plan for directors, officers, consultants and employees to purchase common shares over a period of five years from the date the option is granted at prices approximating market prices at the date of grant. The options are subject to a 120 day hold period following the date of grant.

The table below sets out the changes in stock options, with their weighted average prices, during the quarter:

	Dec. 31, 2006			Sept. 30, 2006		
	Number		**Weighted average exercise price**	Number		Weighted average exercise price
Stock options, outstanding, beginning of period	**2,410,000**	**$**	**1.20**	980,000	$	0.25
Granted	-		-	1,980,000		0.72 - 2.06
Exercised	(10,000)		(0.25)	(550,000)		(0.25)
Stock options, outstanding, end of period	**2,400,000**	**$**	**1.20**	2,410,000	$	0.25
Exercisable stock options:						
	420,000	$	0.25	430,000	$	0.25
	525,000		0.72	525,000		0.72
	770,000		1.45	770,000		1.45
	485,000		1.80	485,000		1.80
	200,000		2.06	200,000		2.06
	2,400,000	**$**	**1.20**	**2,410,000**	$	1.20

13. Stock-based compensation

The company recorded stock-based compensation expense of $164,087 (Three month period ended December 31, 2006 - $1,840) during the quarter. The weighted average value of options granted was $0.21 (Three month period ended December 31, 2005 -$0.02) estimated using the Black-Scholes option pricing model, under the following assumptions:

Expected term	2 years
Risk-free interest	3.18%
Expected dividends	Nil
Expected volatility	20%

14. Commitments

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

2007	$	226,107
2008		306,300
2009		264,688
2010		197,542
2011		-
	$	994,637

15. New accounting standards

Financial instruments and other comprehensive income
New accounting standards will be in effect for fiscal years beginning on or after October 1, 2006 for recognition and measurement of financial instruments and disclosure of comprehensive income. The company is currently investigating the impact of these new standards.

16. Financial instruments

Financial instruments consist of recorded amounts of accounts receivable which will result in future cash receipts, as well as bank indebtedness, accounts payable and accruals, and long-term debt which will result in future cash outlays.

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

Credit risk

Credit risk arises from the potential that a customer will fail to perform its obligations. The company is exposed to credit risk from customers. However, to mitigate this risk the company regularly reviews customer credit limits.

Fair Value

The carrying values of the financial instruments noted above approximate their fair values.

Interest rate risk

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

17. Comparative amounts

Some of the comparative figures have been reclassified to conform to the current quarter's presentation.

18. Seasonality of operations

A significant portion of the Company's operations relate to the oilfield services and construction segment in Alberta. The Company's earnings follow a seasonal activity pattern of Alberta's oil and gas exploration industry whereby activity peaks in the winter months and declines during the spring thaw. Due to the spring thaw, frost comes out of the ground, which makes roads incapable of supporting heavy equipment resulting in making drilling for oil and gas more difficult. As a result, demand for these type of services generally is the highest in the fall and winter quarters and the lowest in the spring quarter.

ENTERPRISE OIL LIMITED

Schedule 1

Consolidated Interim Direct Expenses

(Unaudited)

For the three month period ended December 31, 2006

	Dec. 31, 2006	Dec. 31, 2005
Trades and sub-contracts	**$ 1,421,328**	$ 1,327,794
Employee wages and benefits	**1,327,547**	1,211,383
Rentals	**345,706**	140,693
Repairs and maintenance	**212,265**	140,333
Supplies	**277,938**	323,178
Camp and lodging	**237,696**	201,988
Fuel	**251,020**	266,596
Freight	**12,677**	18,464
	$ 4,086,177	$ 3,630,429

ENTERPRISE OIL LIMITED

Schedule 2

Consolidated Interim General and Administrative Expenses

(Unaudited)

For the three month period ended December 31, 2006

	Dec. 31, 2006	Dec. 31, 2005
Amortization of property, plant and equipment	$ 351,282	$ 175,334
Management/administrative salaries and fees	378,970	40,500
Stock-based compensation	164,087	1,840
Professional fees	98,511	88,419
Interest on long-term debt	102,971	22,913
Insurance	64,174	-
Office, travel and accomodation	89,654	49,684
Advertising and promotion	75,963	-
Rent and utilities	43,276	5,262
Interest and bank charges	41,482	1,635
Telephone and communications	34,778	-
Exchange and listing fees	13,785	-
Business taxes, licences and memberships	5,759	-
Amortization of intangible assets	18,678	10,300
	$ 1,483,370	$ 395,887

ENTERPRISE OIL LIMITED

Schedule 3

Consolidated Interim Changes in Non-Cash Working Capital

For the three month period ended December 31, 2006

		Dec. 31, 2006		Dec. 31, 2005
Account receivable	**$**	**(111,206)**	$	(3,978,387)
Inventories		**(264,466)**		(170,934)
Prepaid expenses		**(3,961)**		(50,579)
Accounts payable and accrued charges		**293,559**		619,196
Income taxes payable		**(1,308,320)**		290,323
	$	**(1,394,394)**	$	(3,290,381)