ENTERPRISE OILFIELD GROUP, INC.

Management's Discussion and Analysis ("MD&A")
For The Three and Twelve Month Periods Ended
September 30, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

For The Three and Twelve Month Periods Ended September 30, 2007

This discussion should be read in conjunction with the unaudited consolidated interim financial statements of Enterprise Oilfield Group, Inc. (the "Company" and/or "Enterprise") for the three and twelve month periods ended September 30, 2007, as well as the supporting MD&A for that period. This MD&A was prepared effective November 13, 2007.

This report contains forward-looking statements which reflect management's expectations regarding the Company's future plans and intentions, results of operations, performance and business prospects and opportunities. Words such as "may", "will", "should", "could", "anticipate", "believe", "expect", "intend", "plan", "potential", "continue", and similar expressions have been used to describe these forward-looking statements. These statements reflect management's current beliefs and are based on the information currently available to management. Forward-looking statements involve significant risk and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, changes in general economic and market conditions and other risk factors. Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, management cannot assure that actual results will be consistent with these forward-looking statements.

Throughout this MD&A a certain measure has been used that is not a recognized measure under Canadian generally accepted accounting principles ("GAAP"). The specific measures used are earnings before interest, taxes, depreciation and amortization ("EBITDA") and earnings before interest, taxes, depreciation, amortization and stock-based compensation ("EBITDAS"). Please review the discussion of this measure in the "NON-GAAP Measures" section of this MD&A.

COMPANY PROFILE

Enterprise Oilfield Group, Inc. (TSX Exchange: Symbol "E") is a growing company specializing in energy and pipeline construction services and directional drilling and utility services in Central and Northern Alberta. With office headquarters in St. Albert, Alberta, Canada, sales offices in Calgary, Alberta, construction offices in Slave Lake, Wainwright, Sherwood Park and Debolt, Alberta, and field offices in Wabasca, Red Earth and Fox Creek, Alberta; Enterprise is strategically located near our customers. The Company's objective is to acquire, integrate and operate specialized, small to mid-sized growth oriented companies in the energy and construction services, and utility and directional drilling services sectors throughout Northern, Central and Western Alberta regions.

The Company reported segmented information commencing with the three-month period ended September 30, 2007 for energy and construction services, and utility and directional drilling services.

Energy and Construction Services

Enterprise constructs pipelines throughout Northern and Central Alberta, with a growing asset base of over $19 million including a fleet of over 260 trucks and heavy construction equipment. Our major projects are divided evenly between oil and gas markets, with the majority of work in construction of pipeline, up to 12" diameter steel.

Enterprise is focused on providing pipeline construction and oilfield maintenance services to the energy services industry. These services include pipeline construction, repairs and maintenance, wellhead tie-ins, water injection lines, facilities construction, oilfield hauling and directional drilling. Enterprise has the equipment and expertise to undertake a project from start to finish.

Enterprise's customers include some of the world's largest energy producers. Enterprise will increase the collective customer base and overall revenues by developing a skilled labor force supported by a complete fleet of vehicles and equipment, thereby providing wide geographic coverage of energy services in Alberta.

Utility and Directional Drilling Services

Enterprise's acquisition of T.C. Backhoe & Directional Drilling Inc. (TC) provides directional drilling and installation of underground power, telecommunications and natural gas lines. TC's customers include some of Canada's largest providers of telecommunications, cable television, electricity and natural gas services.

SEASONALITY OF OPERATIONS

A significant portion of the Company's operations relate to the energy 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 types of services generally is the highest in the fall and winter quarters and the lowest in the spring quarter, which ends June 30.

The utility and directional drilling services sector operates more evenly throughout the year but its spring quarter is also the slowest quarter of the year.

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.

NON-GAAP MEASURES

In addition to using financial measures prescribed by GAAP (Generally Accepted Accounting Policies), certain non-GAAP measures are also used in this MD&A. These non-GAAP measures are "EBITDA" and "EBITDAS".

References in this MD&A to EBITDA are to net income before interest, taxes, depreciation and amortization. References in this MD&A to EBITDAS are to net income before interest, taxes, depreciation, amortization and stock-based compensation.

EBITDA and EBITDAS are not earnings measures recognized by GAAP and do not have standardized meanings prescribed by GAAP. Management believes that EBITDA and EBITDAS are appropriate measures in evaluating the Company's performance.

EBITDA and EBITDAS should not be construed as an alternative to net income or cash flow from operating activity (as determined under GAAP) as indicators of financial performance or to cash flow from operating activities (as determined under GAAP) as a measure of liquidity and cash flow. The Company's method of calculating EBITDA and EBITDAS may differ from the methods used by other issuers and, accordingly, the Company's EBITDA and EBITDAS may not be comparable to similar measures used by other issuers. These non-GAAP performance measures such as EBITDA and EBITDAS do not have any standardized meaning prescribed by GAAP and therefore are unlikely to be comparable to similar measures presented by other companies. Accordingly, they are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

OVERALL PERFORMANCE

The Company realized revenue of $8.5 million for the fourth quarter and $36.7 million for the 12 months ended September 30, 2007 versus $7.0 million and $32.3 million for the comparative periods in 2006. The Company had EBITDAS of $1.4 million and generated net earnings of $877,000 during the fourth quarter of operations, ended September 30, 2007 compared to EBITDAS of $822 thousand and net earnings of $1.1 million for its fourth quarter of 2006. Enterprise earned $1.4 million during fiscal 2007 versus $2.4 million during fiscal 2006. Earnings were negatively impacted by higher amortization costs associated with the growth in assets, professional fees associated with evaluating prospective acquisitions and the Company's graduation to the TSX, as well as higher costs to operate an expanding branch office network.

The Company's fourth quarter, as with many of its oilfield services sector peers and competitors, experienced lower than normal utilization rates. The acquisition of TC Backhoe & Directional Drilling (TC), and subsequent expansion of the utility and directional drilling division has proven very timely and will allow Enterprise to weather the downturn in the energy industry. The acquisition of TC generated $5.6 million of new revenue that offset the revenue decrease in the energy and construction services division. This division derives approximately 80% of its revenues from outside the oil and gas industry. However, management expects to extract tangible synergy from TC in its conventional pipelining operations. EBITDAS increased 69% during the fourth quarter of 2007 relative to the same quarter last year, but for the full year decreased 8%. This is reflective of lower activity levels in the Company's energy and construction services division countered by robust demand for the Company's utility and directional drilling services. This is very positive in the face of uncertain oil patch operating conditions, as the Company continues to assign additional resources to its utility and directional drilling services.

Typically the Company's pipeline construction and maintenance services division experiences a ramping up of activity levels in the fourth quarter. Fourth quarter activity levels were negatively impacted by continued low natural gas prices and the Provincial Government of Alberta's Royalty Review. These elements created further levels of uncertainty and contributed to a weak quarter for the entire Canadian oilfield services sector.

The Company's asset base grew substantially during the past year, increasing 88% to more than $46 million. Enterprise has invested more than $18 million over the past 12 months through a combination of equity and debt financings. These investments have provided the Company with significant opportunities to continue its growth mandate balanced by a diversity of revenue streams.

OVERVIEW OF OPERATIONS

A summary of selected financial information for the three and twelve month periods ended September 30, 2007 and 2006 is set out below:

Statement of Income Information	Three months ended Sept. 30, 2007	Three months ended Sept. 30, 2006	Twelve months ended Sept. 30, 2007	Twelve months ended Sept. 30, 2006
Revenue	**$8,481,102**	$7,000,785	**$36,748,088**	$32,282,333
EBITDA	**1,390,763**	883,803	**4,067,076**	4,266,424
EBITDAS	**1,390,763**	822,000	**4,231,163**	4,581,008
Net income	**877,740**	1,072,932	**1,413,281**	2,420,981
Basic earnings per share	**$0.021**	$0.046	**$0.040**	$0.139
Diluted earnings per share	**$0.020**	$0.041	**$0.038**	$0.118
Weighted average common shares outstanding – basic	**41,279,200**	23,541,185	**35,717,723**	19,133,611
Weighted average common shares outstanding – diluted	**43,079,200**	26,146,972	**37,517,723**	22,545,435

EBITDA (earnings before interest, taxes, depreciation and amortization) and EBITDAS (earnings before interest, taxes, depreciation, amortization and stock-based compensation) are not recognized measures under Canadian generally accepted accounting principles (GAAP) and therefore are unlikely to be comparable to similar measures presented by other companies. Accordingly, EBITDA and EBITDAS are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. Management believes that in addition to net income from continuing operations, EBITDA and EBITDAS are useful supplemental financial measures of the Company's operating results, which assist investors' understanding of the level of Enterprise's earnings and their assessment of the Company's performance. We believe that conventional financial measures of performance prepared in accordance with GAAP do not fully illustrate our earnings.

A summary of selected financial information pertaining to consolidated interim general and administrative expenses is set out below:

Consolidated General and Administrative Expenses	Three months ended Sept. 30, 2007	Three months ended Sept. 30, 2006	Twelve months ended Sept. 30, 2007	Twelve months ended Sept. 30, 2006
Amortization	**$566,071**	($239,886)	**$1,934,954**	$809,894
Management/administrative salaries and fees	**629,461**	208,415	**2,229,762**	356,915
Professional fees	**196,637**	(17,573)	**613,732**	297,050
Interest on long-term debt	**134,214**	85,927	**404,822**	184,425
Insurance	**210,300**	218,316	**567,714**	218,316

Management/administrative salaries and fees include those expenses associated with the operations of the Company's head office and branch office management. Professional fees include TSX listing fees and other fees associated with the audit and evaluation of prospective acquisitions.

A summary of quarterly financial results is set out below:

Summary of Quarterly Results	June 30, 2006	September 30, 2006	December 31, 2006	March 31, 2007	June 30, 2007	September 30, 2007
Revenue	$6,077,844	$7,000,787	$4,736,735	$18,843,200	$4,762,047	$8,481,102
Net Income (loss)	(1,273,371)	1,072,931	(584,042)	2,117,643	(998,060)	877,740
Earnings (loss) per share - Basic	$(0.06)	$0.05	$(0.02)	$0.08	$(0.025)	$0.02
Earnings (loss) per share - Diluted	$(0.06)	$0.04	$(0.02)	$0.07	$(0.025)	$0.02

A summary of quarterly and annual cash flow information is set out below:

Cash Flow Information	Three months ended September 30, 2007	Three months ended September 30, 2006	Twelve months ended September 30, 2007	Twelve months ended September 30, 2006
Cash provided by (used in) operating activities:				
Net income and non-cash items	**$1,495,571**	$755,370	**$3,630,823**	$3,759,586
Changes in non-cash working capital	**(5,366,924)**	849,380	**(4,122,585)**	(3,427,639)
Cash provided by (used in) operating activities				
Investing	**(330,537)**	(2,160,788)	**(18,228,734)**	(13,900,616)
Financing	**335,481**	818,353	**13,486,761**	13,982,781
Increase (decrease) in cash	**(3,866,409)**	262,315	**(5,233,735)**	414,112
Cash (deficiency) – beginning of period	**(1,018,656)**	86,355	**348,670**	(65,442)
Cash (deficiency) – end of period	**(4,885,065)**	348,670	**(4,885,065)**	348,670

RECONCILIATION OF EBITDA AND EBITDAS TO HISTORICAL RESULTS (GAAP)

Statement of Income (Loss)	Three months ended September 30, 2007	Three months ended September 30, 2006	Twelve months ended September 30, 2007	Twelve months ended September 30, 2006
Net income	**$877,740**	$1,072,932	**$1,413,281**	$2,420,981
Add:				
Income taxes (recovery)	**(277,050)**	(52,004)	**64,412**	757,000
Interest	**224,002**	87,761	**654,429**	263,549
Amortization	**566,071**	(239,886)	**1,934,954**	809,894
EBITDA	**1,390,763**	883,803	**4,067,076**	4,266,424
Add:				
Stock-based compensation	**0**	(61,803)	**164,087**	314,584
EBITDAS	**1,390,763**	822,000	**4,231,163**	4,581,008

REVENUE BY SEGMENTED SERVICES

Revenue by Segmented Services	Three months ended September 30, 2007	Three months ended September 30, 2006	Twelve months ended September 30, 2007	Twelve months ended September 30, 2006
Energy and construction services	**$2,882,528**	$7,000,785	**$28,725,310**	$32,282,333
Utility and directional drilling services	**5,598,574**	0	**8,022,778**	0
Total	**$8,481,102**	$7,000,785	**$36,748,088**	$32,282,333

FINANCIAL POSITION

Balance Sheet Information	September 30, 2007	September 30, 2006
Working capital	**$188,321**	$2,915,718
Total assets	**45,942,665**	24,551,777
Total debt	**17,823,342**	9,167,962
Shareholders' equity	**28,119,323**	15,383,815
Total common shares outstanding	**41,279,200**	25,405,700

Working capital is defined as current assets less current liabilities. Total debt includes current liabilities, long term debt and future income taxes.

Financial Statistics and Ratios	Three months ended September 30, 2007	Three months ended September 30, 2006	Twelve months ended September 30, 2007	Twelve months ended September 30, 2006
Gross margin as a percentage of revenue	**32.6%**	18.5%	**24.0%**	19.2%
Net income as a percentage of revenue	**10.3%**	15.3%	**3.8%**	1.3%
EBITDA as a percentage of revenue	**16.4%**	12.6%	**11.2%**	11.1%
EBITDAS as a percentage of revenue	**16.4%**	11.7%	**11.6%**	11.6%

Financial Statistics and Ratios	September 30, 2007	September 30, 2006
Working capital (deficiency) ratio (1)	**1.02:1**	1.54:1
Total funded debt to capitalization (2)	**0.58:1**	0.52:1
Net capital assets to long-term debt	**2.06:1**	1.76:1

(1) Working capital is current assets less current liabilities

(2) Capitalization includes funded debt, subordinated debt and shareholders' equity

ADOPTION OF NEW FINANCIAL STATEMENT PER CICA HANDBOOK

Beginning October 1, 2006, the Company has been required to adopt new sections of the Canadian Institute of Chartered Accountants' Handbook and as a result has introduced a new financial statement to complement the consolidated balance sheets, consolidated statements of income and retained earnings, and consolidated statements of cash flows. This new statement, the consolidated statement of comprehensive income, adjusts the net income with changes in the fair value of financial instruments, which, under the new standards, must all be reflected on the consolidated balance sheet. The result is a new measure of income (or loss), comprehensive income (or loss) in addition to net income (or loss). The cumulative changes in the fair value of recognized financial instruments are contained as an item of equity on the balance entitled "Other comprehensive income (loss)" until settlement of the related financial instruments, at which time the cumulative changes are realized in net income.

CAPITAL RESOURCES AND LIQUIDITY

The Company has working capital of $188,321 as at September 30, 2007. The Company is in compliance with the Bank's working capital ratio requirement as at September 30, 2007.
The Company has authorized revolving bank lines of credit available as follows:

AGG	$4,500,000
TKO	$3,500,000
TC	$1,000,000

The Company has bank capital term loans used to finance capital assets acquired in amounts of $2,437,992 as at September 30, 2007.

On May 4, 2007 the Company borrowed $2,250,000 as a capital term loan from the bank to finance the equipment acquired during the acquisition of T.C. Backhoe & Directional Drilling Inc.

The Company has a bank capital line of credit facility of $2,500,000 to finance future equipment acquisitions. The Company has $ 62,008 available on its capital line as at September 30, 2007.

The Company has a bank term loan facility of $5,000,000 to assist in the financing of future company acquisitions.

The Company's estimated principal repayments over the next twelve months are $3,260,280. The Company anticipates that its current cash resources will be sufficient to meet all anticipated obligations throughout the next fiscal year.

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. Further, the Company commenced active operations and providing operational services on August 24, 2005 following completion of its Qualifying Transaction, acquiring the business assets, excluding real property, and operations of A&G Grant Construction (1983) Inc. held by A.G. Grant Construction Ltd.

OTHER SIGNIFICANT EVENTS DURING THE QUARTER ENDED SEPTEMBER 30, 2007

Corporate Reorganization and Change of Fiscal Year End

Effective October 1, 2007 the Company completed a reorganization of its subsidiary companies, A.G. Grant Construction Ltd., Trevor King Oilfield Services Ltd., T.C. Backhoe & Directional Drilling Inc. and ESI Management Inc. The Company has amalgamated all its operating companies under the name Enterprise Energy Services Inc. Its asset holdings have also been consolidated under Enterprise Pipeline Company Inc. This reorganization allows the Company to market all its services under the "Enterprise" banner, and is expected to reduce administrative costs. Under this banner Enterprise's customers will be provided with expert pipeline construction and horizontal drilling services throughout North-Central Alberta from construction offices in Slave Lake, Wainwright and Debolt, and field offices in Fox Creek, Wabasca and Red Earth. As this is an internal reorganization, there will be no change in the presentation of the Company's consolidated financial results. Enterprise has changed its fiscal year end to December 31. This change will facilitate ease of financial comparison to the Company's publicly traded peers.

Consolidation of Borrowing Facilities

The Company has consolidated the revolving facilities of each subsidiary Company to one revolving facility for $9 million.

Graduation of Shares to TSX and Expansion of Governance Policies

On August 13, 2007 the Company commenced trading on the TSX Exchange, TSX; Symbol "E". The Company previously traded on the TSX Venture Exchange, TSX-V, Symbol "EON", recently changed to "E". Graduation to the TSX is considered to be an important milestone for Enterprise Oilfield Group as it is expected to provide the company with improved access to capital and broader market recognition. Our corporate governance practices comply with the guidelines for effective corporate governance established by the Toronto Stock Exchange. We are committed to high standards of corporate governance and will continue to review and update our corporate governance practices to ensure we meet the evolving standards and guidelines.

Other

On October 12, 2006 the Company filed a notice of intention, with TSX Venture Exchange, to make a normal course issuer bid which commenced on October 23, 2006, terminating October 23, 2007. The Company intended to acquire up to 1,267,185 of issued common shares. As of September 30, 2007 the Company has acquired for cancellation 189,800 common shares of Enterprise Oilfield Group, Inc. The normal course issuer bid expired October 23, 2007.

SUBSEQUENT EVENTS

There were no material subsequent events at the time of this report.

RISKS AND UNCERTAINTIES

This document contains forward-looking information based upon current expectations that involve a number of business risks and uncertainties. These business risks and uncertainties may cause actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking information.

Financial Instruments and Business Risks

The Company holds various forms of financial instruments. The nature of these instruments and the manner in which the Company operates exposes the Company to interest rate, credit and fair value risk. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

The Company's primary activities revolve around providing energy and pipeline construction services and directional drilling and utility services in Central and Northern Alberta. The demand, price and terms of these services are dependent on the level of activity in the industry, which in turn depends on several other factors.

Interest Rate Risk

The Company's short-term borrowings are based on floating rates and are subject to interest rate cash flow risk as the required cash flows to service the debt will fluctuate with changes in market rates. Interest on fixed rate debt varies between 0.00 % and 7.95%. The Company estimates that the interest rate approximates the prevailing market rates for the Company's debt instruments, and therefore the fair value of these debt instruments approximate their carrying value.

Credit Risk

A significant portion of the Company's trade accounts receivable is from companies in the oil and gas industry and, as such, the Company is exposed to all the risks associated with that industry.

All of the Company's cash is held at one institution and as a result the Company has concentration of credit risk.

Other Risks

Other risks include, for example:

- 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.

- 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.

- 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 the discussion is to highlight for the reader what are typical risks for this industry.

DISCLOSURE CONTROLS AND PROCEDURES

Management has established and maintained disclosure controls and procedures for the Company in order to provide reasonable assurance that material information relating to the Company is made known to it in a timely manner, particularly during the period in which the annual and quarterly filings were being prepared. As of the date of this report, management has evaluated the effectiveness of the Company's disclosure controls and procedures, as defined in Multilateral Instrument 52-109, and believes them to be effective in providing such reasonable assurances.

INTERNAL CONTROLS AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer, together with other members of management, have designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial reporting in accordance with GAAP. It should be noted, that the Company's control system, no matter how well designed, can provide only reasonable, but not absolute, assurance of detecting, preventing, and deterring errors or fraud.

APPROVAL

The Board of Directors of the Company has approved the disclosures contained in this Management Discussion and Analysis. A copy of this Management Discussion and Analysis will be provided to anyone who requests it.

OUTLOOK

Energy industry activities for the balance of 2007 and 2008 continue to reflect uncertainties caused by changes to the Alberta provincial royalty regime and lower natural gas drilling levels. A consensus view has not emerged from industry forecasters regarding the timing of a return to higher levels of natural gas drilling. Both the Canadian Association of Oilwell Drilling Contractors and The Petroleum Services Association of Canada are forecasting significantly decreased drilling activity for the remainder of 2007 and for 2008 as compared to the record levels achieved during 2005 and 2006 activity.

The Company is responding to these negative market forces by continuing to proactively manage its business and consolidation opportunities. Management is focusing internally on operating costs and continued management of its strong balance sheet, seeking additional cost reduction initiatives and growth opportunities where appropriate. The combination of Enterprise's diversified revenue base, which includes the burgeoning utility sector, in combination with our continued commitment to cost controls leaves us well positioned as we enter the traditionally busier time of year. The Company still maintains a significant backlog with some of its major customers. The outlook for this sector is exceptional.

The introduction of our directional drilling services to existing and prospective customers of the oil and gas industry will enhance continued revenue growth within the energy and construction services sector. The non-seasonal nature of this business provides the Company with a steady source of revenue and positive cash flow. The Company's introduction of providing directional drilling and installation of underground power, telecommunications and natural gas lines enables us to expand our customer base independent of the energy industry. The Company has already provided additional capital equipment, human resources and management expertise to our directional group to continue to expand their utility and directional drilling services, realizing on the high customer demands within this sector.

The synergies created between our two pipeline subsidiaries continue to create sales growth opportunities. Both subsidiaries have operated at 100% capacity during past winter months. Enterprise expanded its geographical operating regions to now include central, northern and western Alberta. The Company anticipates increased revenue for the energy and construction services commencing in the first and second quarter of fiscal 2008 based on customer activities and proposed plans currently being reviewed on an ongoing basis. Enterprise expects to continue distancing itself from its peers by delivering profits in a challenging operating environment.

Enterprise remains confident in its strategic and operational plans and has a seasoned leadership team to guide the Company. Enterprise is committed to the further expansion of its customer base in central and northern Alberta and, where necessary, will streamline operations in response to lower activity levels. Despite the current uncertain market conditions in the Alberta oil patch, management is excited about its future prospects.

OTHER

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.enterpriseoil.ca.

MANAGEMENT TEAM / BOARD OF DIRECTORS

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

David Chittle CA, Chief Financial Officer

Desmond O'Kell, Vice President – Corporate Development

Ron Ingram, Director

Michael S. Aberant, CA. Director

Douglas C. Bachman, Director

Nick Demare CA, Director

PIPELINE CONSTRUCTION BOARD OF ADVISORS

Doug Watt, Project Manager. – Slave Lake Operations

Trevor King, General Manager – Wainwright Operations

Kurt Fletcher, Project Manager – Wainwright Operations

Tom Lavender, General Manager – Sherwood Park Operations

James Chorney, Independent Advisor – Engineering & Pipeline Construction

OFFICE TEAM

Colette Dziwenka, Corporate Controller

Brenda Schwenk, Controller Wainwright Operations

Wendy McKen, Controller Slave Lake Operations

Darlene Hubscher, Controller Sherwood Park Operations

Angela Hatt, Human Resources / Safety Coordinator

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