ENTERPRISE OILFIELD GROUP, INC.

Consolidated Interim Financial Statements
(Unaudited)

For the nine month period ended September 30, 2008

ENTERPRISE OILFIELD GROUP, INC.

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 Oilfield Group, Inc. for the nine month period ended September 30, 2008 have not been reviewed by the Company's auditors.

ENTERPRISE OILFIELD GROUP, INC.

Consolidated Interim Balance Sheets

	Sept. 30, 2008 (Unaudited)	Dec. 31, 2007 (Audited)
Assets		
Current		
Cash and cash equivalents	$ **468,606**	$ 509,909
Accounts receivable	**9,507,271**	7,320,831
Income taxes refundable	**-**	171,212
Inventory	**692,853**	1,006,327
Prepaid expenses	**326,622**	335,772
	10,995,352	9,344,051
Property, plant and equipment	**15,398,770**	16,557,906
Goodwill	**15,107,935**	15,107,935
Other intangible assets	**1,371,822**	1,530,319
Portfolio investment	**83,080**	102,515
	$ **42,956,959**	$ 42,642,726
Liabilities and Shareholders' Equity		
Current		
Bank indebtedness	$ **4,139,946**	$ 4,950,988
Accounts payable and accrued liabilities	**2,797,361**	1,342,171
Income taxes payable	**212**	-
Current portion of long term debt	**3,481,905**	3,088,036
	10,419,424	9,381,195
Long term debt	**2,595,604**	4,993,846
Future income taxes	**671,000**	261,645
	13,686,028	14,636,686
Shareholders' equity		
Share capital (note 3)	**24,291,702**	24,142,242
Warrants	**-**	197,609
Contributed surplus (note 4)	**642,947**	638,298
Retained earnings	**4,353,202**	3,025,376
Accumulated other comprehensive income (loss)	**(16,920)**	2,515
	29,270,931	28,006,040
	$ **42,956,959**	$ 42,642,726

Commitments (note 6)

Approved on behalf of the Board:

____ "Leonard D. Jaroszuk" Director

____ "J.P. Stout, CA" Director

The accompanying notes are an integral part of the consolidated interim financial statements

ENTERPRISE OILFIELD GROUP, INC.

Consolidated Interim Statements of Income and Retained Earnings

(Unaudited)

	Three months Sept. 30, 2008	Three months Sept. 30, 2007	Nine months Sept. 30, 2008	Nine months Sept. 30, 2007
Revenue	$ 8,683,083	$ 8,481,102	$ 28,095,385	$ 32,086,354
Direct expenses	5,797,361	5,719,191	20,415,442	23,913,449
Gross margin	2,885,722	2,761,911	7,679,943	8,172,905
General and administrative expenses	1,372,923	1,424,492	3,826,364	4,060,588
Interest on long term debt	93,759	134,214	314,304	301,851
Amortization	595,350	586,670	1,822,669	1,612,748
	2,062,032	2,145,376	5,963,337	5,975,187
Income from operations	823,690	616,535	1,716,606	2,197,718
Other income (loss)				
Gain (loss) on sale of equipment	2,391	(31,161)	(56,688)	(50,454)
Interest and other income	8,103	15,316	76,026	119,471
	10,494	(15,845)	19,338	69,017
Income before income tax	834,184	600,690	1,735,944	2,266,735
Income taxes (recovery)				
Current	-	(277,050)	(1,237)	269,412
Future	246,000	-	409,355	-
	246,000	(277,050)	408,118	269,412
Net income	588,184	877,740	1,327,826	1,997,323
Retained earnings, beginning of period	3,765,018	2,733,307	3,025,376	1,613,724
Normal course issuer bid adjustment to retained earnings	-	(100,979)	-	(100,979)
Retained earnings, end of period	$ 4,353,202	$ 3,510,068	$ 4,353,202	$ 3,510,068
Earnings per share				
Basic earnings per share	$ 0.014	$ 0.021	$ 0.032	$ 0.056
Diluted earnings per share	$ 0.014	$ 0.020	$ 0.032	$ 0.053
Weighted average number of common shares outstanding				
Basic	41,467,787	41,279,200	41,544,441	35,611,951
Diluted	41,618,393	43,079,200	41,606,047	37,411,951

The accompanying notes are an integral part of the consolidated interim financial statements

ENTERPRISE OILFIELD GROUP, INC.

Consolidated Interim Statements of Comprehensive Income (Loss)

(Unaudited)

	Three months Sept. 30, 2008	Three months Sept. 30, 2007	Nine months Sept. 30, 2008	Nine months Sept. 30, 2007
Net income	**$ 588,184**	$ 877,740	**$ 1,327,826**	$ 1,997,323
Other comprehensive (loss):				
Change associated with portfolio investment, net of future income taxes	**-**	-	**(16,920)**	-
Total comprehensive income, end of period	**$ 588,184**	$ 877,740	**$ 1,310,906**	$ 1,997,323

The accompanying notes are an integral part of the consolidated interim financial statements

ENTERPRISE OILFIELD GROUP, INC.

Consolidated Interim Statements of Accumulated Other Comprehensive Income (Loss)

(Unaudited)

	Three months Sept. 30, 2008	Three months Sept. 30, 2007	**Nine months Sept. 30, 2008**	Nine months Sept. 30, 2007
Accumulated other comprehensive income (loss), beginning of period	**$ (16,920)**	$ -	**$ 2,515**	$ -
Other comprehensive (loss):				
Change associated with portfolio investment, net of future income taxes	**-**	-	**(19,435)**	-
Accumulated other comprehensive (loss), end of period	**$ (16,920)**	$ -	**$ (16,920)**	$ -

The accompanying notes are an integral part of the consolidated interim financial statements

ENTERPRISE OILFIELD GROUP, INC.

Consolidated Interim Statements of Cash Flows

(Unaudited)

	Three months Sept. 30, 2008	Three months Sept. 30, 2007	Nine months Sept. 30, 2008	Nine months Sept. 30, 2007
Cash provided by (used for) the following:				
Operating activities				
Net income for the period	**$ 588,184**	$ 877,740	**$ 1,327,826**	$ 1,997,323
Items not affecting cash:				
Amortization of property, plant and equipment	**542,518**	566,071	**1,664,172**	1,562,753
Amortization of intangible assets	**52,832**	20,599	**158,497**	49,995
(Gain) loss on sale of equipment	**(2,391)**	31,161	**56,688**	50,454
Future income tax	**246,000**	-	**409,355**	-
	1,427,143	1,495,571	**3,616,538**	3,660,525
Changes in non-cash working capital related to operating activities (note 10)	**1,243,172**	(5,366,924)	**(237,204)**	(3,564,745)
	2,670,315	(3,871,353)	**3,379,334**	95,780
Financing activities				
Proceeds from long term debt	**111,217**	1,194,150	**386,672**	9,216,427
Proceeds from issue of common shares, net of share issue costs and share repurchase	**(43,500)**	1,644	**(43,500)**	9,206,220
Financing costs	**-**	(6,708)	**-**	(116,023)
Repayment of long term debt	**(644,570)**	(860,313)	**(2,391,045)**	(5,472,507)
	(576,853)	328,773	**(2,047,873)**	12,834,117
Investing activities				
Purchase of property, plant and equipment	**(429,415)**	(316,037)	**(717,941)**	(4,578,014)
Proceeds on disposition of equipment	**43,400**	23,559	**156,219**	53,219
Acquisition of subsidiary	**-**	(31,351)	**-**	(11,220,097)
	(386,015)	(323,829)	**(561,722)**	(15,744,892)
Increase (decrease) in cash and cash equivalents	**1,707,447**	(3,866,409)	**769,739**	(2,814,995)
Cash and cash equivalents (bank indebtedness), beginning of period	**(5,378,787)**	(1,018,656)	**(4,441,079)**	(2,070,070)
Cash and cash equivalents (bank indebtedness), end of period	**$ (3,671,340)**	$ (4,885,065)	**$ (3,671,340)**	$ (4,885,065)
Supplementary information				
Interest paid	**$ 145,566**	$ 224,002	**$ 562,912**	$ 607,940
Income taxes paid	**-**	35,218	**-**	140,110
Cash and cash equivalents (bank indebtedness) consists of				
Cash	**$ 468,606**	$ 458,729	**$ 468,606**	$ 458,729
Bank indebtedness	**(4,139,946)**	(5,343,794)	**(4,139,946)**	(5,343,794)
	$ (3,671,340)	$ (4,885,065)	**$ (3,671,340)**	$ (4,885,065)

The accompanying notes are an integral part of the consolidated interim financial statements

1. Nature of operations

Enterprise Oilfield Group, Inc. (“Enterprise” or the “Company”) was incorporated under the *Alberta Business Corporations Act* on March 23, 2004 and is publicly traded on the TSX Exchange under the symbol “E”, effective August 13, 2007. The Company provides pipeline construction and directional drilling services to the energy and utilities industries in Western Canada. On May 23, 2007 the Company filed a Certificate of Amendment with the *Alberta Business Corporations Act* changing its name to Enterprise Oilfield Group, Inc. from Enterprise Oil Limited. The Company has changed its fiscal year end to December 31 from September 30 commencing with the fifteen month period ended December 31, 2007.

2. Significant accounting policies

Basis of consolidation and preparation of consolidated interim financial statements

These consolidated interim financial statements of the Company are prepared in accordance with accounting principles generally accepted in Canada ("Canadian GAAP") for interim financial statements. The consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries: Enterprise Energy Services Inc. ("EES") and Enterprise Pipeline Company Inc. ("EPC"). All significant inter-company accounts and transactions have been eliminated on consolidation.

Except as described below, the statements have been prepared following the same accounting policies and application methods as those described in the Company’s audited consolidated financial statements for the fifteen months ended December 31, 2007. However, these interim consolidated financial statements do not include all information and disclosures required under GAAP for annual audited financial statements. Accordingly, these unaudited consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements, and the notes thereto, for the fifteen months ended December 31, 2007.

New accounting standards and policies

Effective January 1, 2008, the Company adopted Canadian Institute of Chartered Accountants (“CICA”) Handbook Sections: 1535, *Capital Disclosures*; 3031, *Inventories*; 3862, *Financial Instruments – Disclosures*; and 3863, *Financial Instruments – Presentation*.

Capital disclosures

On January 1, 2008, the Company adopted CICA Handbook Section 1535 *Capital disclosures*, which requires the disclosure of both qualitative and quantitative information that provides users of financial statements with information to evaluate the entity's objective, policies and processes for managing capital.

Inventories

On January 1, 2008, the Company adopted the CICA Handbook Section 3031 *Inventories*, which establishes that inventories should be measured at the lower of cost and net realizable value, and also provides guidance on the issues of cost determination and inventory related disclosures. This new standard had no impact on the consolidated interim financial statements.

Financial instruments – disclosures and presentation

On January 1, 2008, the Company adopted CICA Handbook Sections 3862 and 3863 *Financials instruments – disclosures and presentation*. The objective of Section 3862 is to provide users with information to evaluate the significance of the financial instruments on the entity's financial position and performance, the nature and extent of risks arising from financial instruments, and how the entity manages those risks. The provisions of Section 3863 deal with the classification of financial instruments, related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset.

Going concern

CICA Section 1400 *General standards of financial statement presentation* was amended to include requirements to assess and disclose an entity's ability to continue as a going concern. The requirements of this amended Section were adopted by the Company on January 1, 2008. The adoption of this Section had no impact on the Company's financial statements.

Recent accounting pronouncements

Goodwill and intangible assets

The CICA issued a new standard, Section 3064 *Goodwill and intangible assets*. Standards concerning goodwill are unchanged from the previous Handbook Section 3062, however, this new section provides guidance for the treatment of preproduction and start up costs and requires these costs be expensed as incurred. This new section is effective for fiscal years beginning on or after October 1, 2008.

International financial reporting standards

In March 2008, the CICA announced that Canadian publicly accountable enterprises will adopt *International Financial Reporting Standards* ("IFRS") effective January 1, 2011. The Company is currently assessing the impact IFRS will have on its consolidated financial statements.

3. Share capital

(a) Authorized and issued capital

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

	Nine months Sept. 30, 2008 (Unaudited)		Fifteen months Dec. 31, 2007 (Audited)	
	Shares	**Amount**	Shares	Amount
Shares outstanding, beginning of period	**41,449,200**	**$24,142,242**	25,405,700	$12,769,513
Normal course issuer bid (note 3 (b))	**(20,000)**	**(11,649)**	(189,800)	(96,650)
Private placements for cash	**-**	**-**	13,354,000	10,000,500
Share cancellation (note 3 (c))	**(150,000)**	**(36,500)**	-	-
Shares issued for acquisition of TCB		**-**	1,500,000	1,200,000
Warrants exercised		**-**	1,217,000	912,750
Stock options exercised	**-**	**-**	160,000	101,000
Agent options exercised	**-**	**-**	2,300	1,725
Fair value of exercised options (note 4)	**-**	**-**	-	30,293
Adjust warrants to fair market value	**-**	**-**	-	(197,609)
Share issue costs	**-**	**197,609**	-	(579,280)
Shares outstanding, end of period	**41,279,200**	**$24,291,702**	41,449,200	$24,142,242

(b) Normal course issuer bid

In July 2008, the Company received approval from the TSX to repurchase up to 1,000,000 common shares at market price beginning July 21, 2008 and ending July 20, 2009. During the three month period ended Sept. 30, 2008, 20,000 common shares were purchased and cancelled at an average cost of $0.58 per common share. The aggregate cost of the total common shares purchased and cancelled was $7,000, of which $11,649 was recorded as a charge against share capital with the balance charged against contributed surplus.

3. Share capital continued:

(c) Share cancellation

On Sept. 24, 2008, the Company purchased and cancelled a 150,000 share certificate at par with an aggregate cost of the total common shares purchased of $36,500, which was all charged against share capital.

(d) Stock options

The table below sets out the changes in stock options, with their weighted average prices, during the nine month period ended Sept. 30, 2008:

	Nine months Sept. 30, 2008 (Unaudited)			Fifteen months Dec. 31, 2007 (Audited)		
	Number	**Weighted average exercise price**		Number	Weighted average exercise price	
Stock options, outstanding, beginning of period	**3,490,000**	**$**	**1.20**	2,410,000	$	1.20
Granted	700,000		0.42	1,330,000		0.82
Exercised	-		-	(160,000)		(0.69)
Expired	(140,000)		(0.82)	(90,000)		(0.82)
Stock options, outstanding, end of period	**4,050,000**	**$**	**0.74**	3,490,000	$	0.74
Exercisable stock options: Expiry date						
August 6, 2009	340,000	$	0.25	340,000	$	0.25
August 25, 2010	80,000		0.25	80,000		0.25
January 9, 2011	375,000		0.72	375,000		0.72
July 20, 2011	730,000		0.82	750,000		0.82
April 3, 2011	385,000		0.82	485,000		0.82
April 3, 2011	180,000		0.82	200,000		0.82
May 2, 2009	1,260,000		0.82	1,260,000		0.82
	3,350,000	**$**	**0.74**	3,490,000	$	0.74

4. Contributed surplus		**Nine months Sept. 30, 2008 (Unaudited)**		Fifteen months Dec. 31, 2007 (Audited)
Balance, beginning of period	**$**	**638,298**	$	416,534
Fair value of exercised options (note 3 (a))		**-**		(30,293)
Stock-based compensation expense		**-**		252,057
Normal course issuer bid adjustment (note 3 (b))		**4,649**		-
Balance, end of period	**$**	**642,947**	$	638,298

5. Related party transactions

The Company paid $36,000 for the nine month period ended Sept. 30, 2008 (Nine month period ended Sept. 30, 2007 - $36,000) for premises rented for the Slave Lake Division and $4,500 for the nine month period ended Sept. 30, 2008 (Nine month period ended Sept. 30, 2007 - $nil) for director fees to a company controlled by a director of the Company.

The Company paid $250,000 for the nine month period ended Sept. 30, 2008 (Nine month period ended Sept. 30, 2007 - $412,211) to companies controlled by a director of the Company and $30,000 for the nine month period ended Sept. 30, 2008 (Nine month period ended Sept. 30, 2007 - $30,000) to a company controlled by an officer for executive management services.

These transactions were recorded at the amounts established and agreed to by the parties based on standard commercial terms. All transactions were rendered in the normal course of business during the period.

6. Commitments

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

2009	$	456,885
2010		329,641
2011		124,370
2012		60,000
	$	970,896

7. Risk management and financial instruments

Capital management

The primary objective of capital management is to ensure the Company has sufficient capital to support its business and maximize shareholder value. The Company manages its capital in proportion to risk of the underlying assets and makes adjustments in light of changes in economic conditions and risks. The Company's strategy remains unchanged from the prior periods. Management considers its capital structure to include all related debt and equity of the Company.

Financial instruments consist of the Company's cash and cash equivalents, portfolio investment, accounts receivable, bank indebtedness, accounts payable and accrued liabilities, and long term debt.

The bank requires that the Company maintain certain covenants and restrictions at all times to support its indebtedness. The Company was in compliance with all financial covenants as at Sept. 30, 2008.

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.

7. Risk management and financial instruments continued:

Fair value

The carrying values of the financial instruments noted above approximate their fair values. The Company's portfolio investment is subject to market price and liquidity risk.

Liquidity risk

Liquidity risk is defined as the risk associated with the Company not being able to meet its financial obligations as they come due. Liquidity risk is mitigated by the Company ensuring it has sufficient cash and credit facilities to meet its obligations under both normal and adverse conditions.

Cash includes $450,924 held in term deposits bearing interest at 2.5% maturing on Oct. 6, 2008.

The Company has accounts receivable from the oil and gas industry, as well as the utilities and infrastructure industry. The risk is mitigated due to the Company's diverse customer based; following a program of credit evaluation and limiting the amount of customer credit where deemed necessary. As at Sept. 30, 2008 the Company's exposure to credit risk in this area was as follows:

	Total	Current 1 - 90 days	91 - 120 days	121+ days
Accounts receivable	$9,507,271	$8,086,085	$624,242	$796,944

Accounts payable and accrued liabilities as at Sept. 30, 2008 totaled $2,797,361 of which $2,477,788 is payable within 30 days.

The Company has an authorized revolving line of credit available of $9,000,000 with $3,370,000 outstanding as at Sept. 30, 2008. The revolving demand loan bears interest at prime plus 0.75%.

The Company has a capital line of credit available in the maximum amount of $2,500,000 to finance equipment acquisitions. The various loans bear interest at prime plus 1% and are repayable in monthly blended payments over terms ranging from 24 to 48 months. The Company has $984,024 available on its capital line of credit as at Sept. 30, 2008.

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.

8. Comparative amounts

These comparative consolidated interim financial statements have been reclassified, where applicable to conform to the presentation used in the current period.

9. Segmented reporting

The Company provides pipeline construction and directional drilling services to the energy and utilities industries in Western Canada. The accounting policies of the segments are the same as those described in note 2. The Company eliminates sales and transfers between segments.

For the nine month period ended Sept. 30, 2008	Pipeline Construction	Directional Drilling	Total
Revenue	**$17,137,843**	**$10,957,541**	**$28,095,385**
Gross margin	**2,403,042**	**5,276,901**	**7,679,943**
Goodwill	**6,941,576**	**8,166,359**	**15,107,935**

For the nine month period ended Sept. 30, 2007	Pipeline Construction	Directional Drilling	Total
Revenue	$24,063,576	$8,022,778	$32,086,354
Gross margin	4,060,598	4,112,307	8,172,905
Goodwill	6,941,576	8,166,359	15,107,935

The long term assets of the Company can not be identified by segment with the exception of goodwill, as the assets are utilized by both segments and are not reviewed separately by the Company's chief operating decision maker.

10. Changes in non-cash working capital

	Three months Sept. 30, 2008	Three months Sept. 30, 2007	**Nine months Sept. 30, 2008**	Nine months Sept. 30, 2007
Account receivable	**$(230,284)**	$(3,477,854)	**$(2,186,440)**	$(2,173,814)
Inventory	**20,786**	(1,028,155)	**313,474**	(2,468,150)
Prepaid expenses	**14,141**	(215,437)	**9,150**	(104,836)
Accounts payable and accrued liabilities	**1,438,186**	(332,991)	**1,455,188**	974,199
Income taxes payable	**343**	(312,487)	**171,424**	207,856
	$1,243,172	$(5,366,924)	**$(237,204)**	$(3,564,745)

11. Subsequent event

On Oct. 31, 2008, the Company completed a non-brokered private placement of 1,200,000 units at $0.17 per unit for gross proceeds of $204,000. Each unit consists of one common share in the capital of the Company and one common share purchase warrant exercisable at $0.25 per common share purchase warrant. The common share purchase warrants vest on May 1, 2009, and expire Oct. 31, 2009. The private placement was with a company controlled by a director of the Company.