ENTERPRISE OILFIELD GROUP, INC.

Management's Discussion and Analysis

For The Three and Nine Months Ended

September 30, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

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This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited consolidated interim financial statements and the notes contained therein, of Enterprise Oilfield Group, Inc. (the "Company" or "Enterprise") for the three and nine months ended September 30, 2009. In addition, this MD&A should be read in conjunction with the MD&A and audited consolidated financial statements for the year ended December 31, 2008. The unaudited consolidated interim financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP") and are expressed in Canadian dollars. This MD&A was prepared effective November 16, 2009.

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. Please review the "Forward-Looking Information" section of this MD&A.

Throughout this MD&A a certain measure has been used that is not a recognized measure under GAAP. The specific measure used is 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 construction services provided to the energy, utility and infrastructure markets within Western Canada. With office headquarters in St. Albert, Alberta, Canada, a sales office in Calgary, Alberta, construction offices in Slave Lake, Sherwood Park, Peace River and Innisfail, 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 energy and construction services, and utility and directional drilling services sectors throughout Western Canada.

Industry and Markets

Enterprise provides construction services including pipeline construction, repairs and maintenance, wellhead tie-ins, water injection lines, facilities construction, oilfield hauling, transportation infrastructure, directional drilling and installation of underground utility infrastructure. Enterprise's customers include some of the Canada's largest energy producers, telecommunication providers, utility service providers as well as the federal and provincial governments of Canada.

Enterprise constructs pipelines throughout Western Canada, with an equipment cost base of approximately $18 million, including a fleet of over 240 trucks and heavy construction equipment. Our major projects relate to the construction of pipeline which include up to 12" diameter steel pipe. We have the equipment and expertise to undertake a project from start to finish. 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 Western Canada.

With the existing utility infrastructure rapidly aging in the province, an ongoing repair and replacement program is essential for continued growth in Alberta. Enterprise's customers in the utilities and infrastructure sector include some of Canada's largest providers of telecommunication, cable television, electricity and natural gas and they all have such programs in place.

In addition to the repairs and maintenance programs, the development of industrial, commercial and residential properties requires the installation of new infrastructure such as full underground services. The directional drills in Enterprise's fleet are ideal for this type of construction, and as a result, Enterprise has become the supplier of choice in this sector and has secured ongoing contracts with its largest customers.

Directional drills can also be used to provide directional drilling services to the energy sector. Enterprise's plan is to grow its utility and infrastructure operation in its core market while expanding its directional drilling services to the energy sector.

Seasonality of Operations

A significant portion of the Company's operations relate to energy production customers in Alberta. The Company's earnings follow the seasonal activity pattern of Alberta's oil and gas exploration industry whereby activity peaks in the winter months and declines during the spring thaw. During spring thaw, roads become incapable of supporting the heavy equipment needed to drill and tie-in oil and gas wells. 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.

Our services to utility, telecommunication, and infrastructure customers are provided more evenly throughout the year but the spring quarter is also the slowest quarter of the year.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

($000's except per share amounts)	Three months ended Sep. 30, 2009	Three months ended Sep. 30, 2008	Nine months ended Sep. 30, 2009	Nine months ended Sep. 30, 2008
Revenue	$6,585	$8,683	$20,508	$28,095
EBITDAS*	(183)	1,573	(391)	4,178
Net income (loss)	(1,081)	588	(2,310)	1,328
Basic earnings (loss) per share	$(0.026)	$0.014	$(0.055)	$0.032
Diluted earnings (loss) per share	$(0.026)	$0.014	$(0.055)	$0.032
Weighted average common shares outstanding – basic	42,182	41,468	42,196	41,544
Weighted average common shares outstanding – diluted	42,182	41,618	42,196	41,606
Total common shares outstanding	42,182	41,279	42,182	41,279
Total Assets	$23,810	$42,957	$23,810	$42,957
Total Liabilities	$10,036	$13,686	$10,036	$13,686
Shareholders' Equity	$13,774	$29,271	$13,774	$29,271

** EBITDAS (earnings before interest, taxes, depreciation, amortization and stock-based compensation) is not a recognized measure under Canadian Generally Accepted Accounting Principles (GAAP) and therefore is unlikely to be comparable to similar measures presented by other companies. Accordingly, EBITDAS is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. Management believes that in addition to net income from continuing operations, EBITDAS is a useful supplemental financial measure 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.*

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

For the three months ended September 30, 2009, the consolidated revenue of Enterprise amounted to $6.6 million, compared to $8.7 million for the same period last year, a decrease of $2.1 million. The consolidated revenue for the nine month period ended September 30, 2009 was $20.1 million compared to $28.1 million for the nine months ended September 30, 2008, a decrease of $8.0 million. The decrease in revenue is attributed to less than anticipated projects in the industry resulting from tight capital markets, decreased capital expenditures and lower oil and natural gas prices. The Company had negative EBITDAS of $183 thousand and a net loss of $1.1 million during the three month period ended September 30, 2009, compared to EBITDAS of $1.6 million and net income of $588 thousand for the three month period ended September 30, 2008. Negative EBITDAS for the nine months ended September 30, 2009 was $391 thousand with a net loss of $2.3 million compared to EBITDAS of $4.2 million and a net income of $1.3 million for the nine months ended September 30, 2008. The reduction of EBITDAS is attributable to lower than expected revenue and margins on energy sector projects. The low margins in the energy sector were offset by significantly higher margins in the utilities and infrastructure sector.

The company continues to monitor its overheads and reduce costs where necessary while maintaining the effectiveness of the operations. Equipment costs, operational costs and G&A costs are all under review. For the third quarter ended September 30, 2009 management targeted old, redundant and underutilized equipment. This equipment was sold resulting in proceeds on disposal of $788 thousand. These proceeds were used to pay down long term debt and contribute towards operating capital. For the nine months ended September 30, 2009, proceeds on disposal of equipment totaled $1.0 Million. In addition to managing our equipment fleet, we continued with aggressive repayment of our long term debt, repaying $1.1 million in the third quarter of 2009, and $3.4 million for the nine months ended September 30, 2009.

The Company has re-negotiated its long term debt, credit facilities and associated covenants with its lender. The result is a more conventional debt repayment plan with a positive effect on cash flow that will enable the Company the flexibility to implement its strategic initiatives and preserve cash. Our required principal payments on long term debt have been reduced by approximately $92 thousand per month.

Gross margin

For the three month period ending September 30, 2009, the Company's gross margin was 9.3%, a decrease from 33.2% for the three months ended September 30, 2008. The gross margin for the nine months ended September 30, 2009 was 12.2%, compared to 27.3% for the nine months ended September 30, 2008. The decrease in gross margin is the direct result of customers and competition in the energy sector driving prices down in order to secure the limited contracts available. The drop in overall gross margin has been offset by a strong gross margin in the utility and infrastructure sector. Gross margins in this sector are 44.3% for the quarter ending September 30, 2009 and 42.9% for the nine months ending September 30, 2009. The company expects this sector to continue operating at or near full capacity, with consistently high margins through 2010.

Selected Consolidated Expenses

A summary of selected financial information pertaining to consolidated expenses is set out below:

Selected Consolidated Expenses ($000's)	**Three months ended Sep. 30, 2009**	**Three months ended Sep. 30, 2008**	**Nine months ended Sep. 30, 2009**	**Nine months ended Sep. 30, 2008**
Amortization	$458	$595	$1,409	$1,823
Management and administrative salaries and fees	295	652	1,173	1,721
Professional fees	34	35	121	48
Interest on long-term debt	30	94	121	314
Insurance	127	153	394	391

Management and administrative salaries and fees include those expenses associated with the operations of the Company's head office.

The Company's amortization expense for the three months ended September 30, 2009 amounted to $458 thousand compared to $595 thousand for the same period last year, a decrease of $137 thousand. For the nine months ended September 30, 2009 the Company's amortization expense was $1.4 million compared to $1.8 million for the same period last year, a decrease of $414 thousand. The decrease in amortization expense is mainly due to a change in the estimate of amortization pertaining to construction equipment and their related salvage values.

During the first quarter of 2009, the Company evaluated the amortization of its construction equipment. As a result of this review it was determined to include salvage values in the calculation of amortization. This change has been accounted for on a prospective basis with effect from January 1, 2009. For the nine month period ended September 30, 2009, amortization is $338 thousand lower than it would have been had no salvage values been estimated. The Company has determined this will provide a more reasonable allocation of the cost of the assets to the periods in which they are used.

Management and administrative salaries and fees amounted to $295 thousand or 4.5% of revenue for the three months ended September 30, 2009, compared to $652 thousand or 7.5% of revenue for the three months ended September 30, 2008. For the nine months ended September 30, 2009 management and administrative salaries and fees were $1.2 million or 5.7% of revenue, compared to $1.7 million or 6.1% of revenue for the nine months ended September 30, 2008.

Interest on long term debt for the three months ended September 30, 2009 amounted to $30 thousand, compared to $94 thousand for the three months ended September 30, 2008 and $121 thousand, compared to $314 thousand for the nine month periods ended September 30, 2009 and September 30, 2008 respectively. This decrease was due to the Company's aggressive repayment plan resulting in less long term debt outstanding on which interest is charged.

Cash Flow Information

A summary of cash flow information for the three and nine month periods ended September 30, 2009 and three and nine month periods ended September 30, 2008 is set out below:

Cash Flow Information ($000's)	**Three months ended Sep. 30, 2009**	**Three months ended Sep. 30, 2008**	**Nine months ended Sep. 30, 2009**	**Nine months ended Sep. 30, 2008**
Cash provided by (used in) operating activities:				
Net income (loss) and non-cash items	$(280)	$1,427	$(704)	$3,616
Changes in non-cash working capital	1,561	1,243	5,822	(237)
Cash used in operating activities	1,281	2,670	5,118	3,379
Financing activities	(1,850)	(2,377)	(5,599)	(3,245)
Investing activities	720	(274)	544	(175)
Increase (decrease) in cash	151	19	63	(41)
Cash and cash equivalents – beginning of period	519	450	607	510
Cash and cash equivalents – end of period	670	469	670	469

Financial Statistics and Ratios	**Three months ended Sep. 30, 2009**	**Three months ended Sep. 30, 2008**	**Nine months ended Sep. 30, 2009**	**Nine months ended Sep. 30, 2008**
Gross margin as a percentage of revenue	9.3%	33.2%	12.2%	27.3%
Net income (loss) as a percentage of revenue	(16.4%)	6.8%	(11.3%)	4.7%
EBITDAS as a percentage of revenue	(2.8%)	18.1%	(1.9%)	14.9%

OTHER SIGNIFICANT EVENTS DURING THE PERIOD ENDED SEPTEMBER 30, 2009

In October 2009, the Company refinanced its non-revolving bank loans. The loans were amalgamated into a non-revolving prime based facility in the amount of $2,190,052. The loan is currently at an interest rate of prime plus 3.5% (5.75%) with monthly payments of $66,400 amortized over a 36 month period. The loan is secured by a general security agreement on all the assets of the Company.

The Company's equipment acquisition line has been reduced to $1,000,000 and will not be available to the Company until March 2010. Net capital expenditures for the 2009 year are not expected to exceed $450,000.

The Company's mortgages and revolving lines of credit were not significantly affected by the refinancing agreement.

SUMMARY OF QUARTERLY RESULTS

($000's except per share amounts)	2009			2008					2007
	Sep. 30	Jun. 30	Mar. 31	Total	Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31
Revenue	$6,585	$4,952	$8,971	$39,762	$11,666	$8,683	$6,752	$12,661	$10,474
Net Income (loss)	(1,081)	(1,174)	(55)	(12,270)	(13,597)	588	(1,117)	1,856	(485)
Earnings (loss) per share – Basic	(0.03)	(0.03)	0.00	(0.30)	(0.32)	0.01	(0.03)	0.04	(0.01)
Earnings (loss) per share – Diluted	$(0.03)	$(0.03)	$0.00	$(0.30)	$(0.32)	$0.01	$(0.03)	$0.04	$(0.01)

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

OUTSTANDING SHARE DATA

	Nov. 16, 2009	Sep. 30, 2009	Sep. 30, 2008
Common shares outstanding	42,181,700	42,181,700	41,279,200
Stock options outstanding	4,270,000	4,270,000	4,050,000
Warrants outstanding	1,200,000	1,200,000	nil
Total	47,651,700	47,651,700	45,329,200

OFF-BALANCE SHEET ARRANGEMENTS

Enterprise enters into short term and long term operating leases with various vendors to provide office space and equipment in our normal course of operations. Our commitments under operating leases are disclosed in the table labeled contractual obligations in our 2008 annual MD&A. There are no material changes to our commitments at September 30, 2009. Enterprise does not have any other off-balance sheet arrangements as at September 30, 2009.

RELATED PARTY TRANSACTIONS

The Company paid $36,000 for the nine month period ended September 30, 2009 (nine month period ended September 30, 2008, $36,000) to a company controlled by a director, for premises rented for the Company's office in Slave Lake. These transactions were recorded at the exchange amount 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.

OUTLOOK

Management believes the outlook for its construction services including pipeline construction, repairs and maintenance, facilities construction, oilfield hauling, transportation infrastructure, directional drilling and installation of underground utility infrastructure is positive. October appears to be the beginning of a turnaround for the industries.

Although the global financial and economic turmoil continues to add to the uncertainty for commodity prices in 2009, we believe the bottom has been reached and the downward trend in the energy sector has ended as the world wide economic stimulus packages begin to take hold. Certain indicators support this assessment.

Crude oil has been trading in the above $70 a barrel for several months; capital expenditure budgets in 2010 for conventional oil based assets have increased for the first time since 2006. In some cases the increases are 50% greater than 2009 levels. Oil sands projects that were put on hold in late 2008 and early 2009 are coming back on line; and finally, several large oil companies have released for tender, large pipeline constructions projects in Northern Alberta that are to begin in late 2009 and carry into 2010.

Enterprise is well positioned geographically for these projects with our flagship operation for the energy sector located in Slave Lake, Alberta. Slave Lake is in the middle of all of the conventional oil activity in Northern Alberta, including the projects mentioned above.

Not only is the volume of projects larger than expected but the size of the projects are larger than anticipated as well. We believe this will lead to higher revenue for the fourth quarter of 2009 and into 2010. In combination with the projected higher revenue, we also anticipate higher margins for the remainder of 2009 and into 2010 as we continue to monitor our overheads and cut costs where necessary, while maintaining the effectiveness of the energy sector operations.

In addition to the energy sector, the Company has diversified its oil and gas pipeline construction to include transportation infrastructure, in which we have found strong synergies exist. Both types of construction use the same heavy equipment and construction processes, and we have field staff within the Company that have many years of expertise in the transportation infrastructure business. The season for transportation infrastructure begins in the spring and winds down in the fall, making this an excellent complement to oil and gas pipeline construction.

The economic stimulus packages provided by the government have also had a positive effect on our utilities and infrastructure sector. This sector continues to operate at or near full capacity with margins in the 43% to 50% range. Our largest clients have a significant back log of work through 2010 for which we are the primary contractor. We are also able to use our directional drills and hydrovac trucks in the energy sector at these high margins.

The Company recognizes the value of infrastructure and unities sector and is committed to growing this portion of the operation organically and through acquisition. In 2010 we expect to see the high margins continue and our production capacity to increase. The addition of key expertise and equipment are fueling the organic growth and identifying potential acquisition targets for 2010 will help fuel the overall growth of the Company.

The Company expanded into the Peace River area in late 2008. Peace River holds tremendous potential for pipeline services work due to significant heavy oil production in the area and the Company is continuing to explore opportunities to work with existing companies in the area.

One of the Company’s goals is to increase the level of customer service with the best and safest practices, the newest equipment and the best field staff. The plan is working with continued success. Enterprise purchased several pieces of new equipment during the year and sold off older and underutilized equipment in order to maintain a more efficient and cost effective fleet.

The Company has a history of success due to the commitment of its field staff to provide excellent service to its customers regardless of industry conditions, and the commitment of its management team to prudent financial management. Consequently, Enterprise will continue to actively pursue opportunities to enter new geographic territories and make strategic acquisitions. With the Company’s belief that we have reached the bottom of the market turmoil, we are certainly upbeat about the positive indicators we are seeing.

Conclusion

Management’s outlook for its services is positive. We believe that the downward trend in the energy sector has ended, and Enterprise is relatively well positioned due to the diversity of its business and strong operational performance. Management also believes that a balanced and diversified position in utilities and infrastructure, pipeline construction services, and transportation infrastructure is the best path to generating shareholder value.

Enterprise's customers include some of Canada's largest energy producers, telecommunication providers, utility service providers and the federal and provincial governments of Canada. The Company hired additional management experienced in infrastructure projects to spearhead more civic-related construction and maintenance as there are inherent synergies in the equipment, crews and services provided.

Over the last few quarters, Enterprise's competitive landscape has shrunk with some competing companies choosing to cease operations and exit the industry, while others were forced to file for creditor protection. Our Company will continue to exercise fiscal and operational prudence by monitoring overheads and reducing costs where necessary while maintaining the effectiveness of the operations. Equipment costs, operational costs, long term debt and G&A costs are all under review.

Management 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 throughout the Western Canadian provinces and strives to provide excellent customer service. Management is excited about Enterprise's future prospects.

Our overall outlook for the remainder of 2009 and 2010 is positive. We believe that the industry has turned a corner in October 2009 and with the diversification of our construction services, combined with focus of streamlining operations, updating our equipment fleet and our cash management measures, Enterprise is relatively well positioned operationally and financially for 2010.

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 prior periods. Management considers its capital structure to include net debt and adjusted capital of the Company, as reflected in the table below:

The Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders

- to provide an adequate return to shareholders by pricing services commensurately with the level of risk, and

- to finance its operations and growth strategies

In order to maintain or adjust the capital structure, the Company may issue new shares, or sell assets to reduce debt.

The Company monitors capital on the basis of the net debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debt (as shown in the balance sheet less accounts payable and accrued liabilities) and less cash and cash equivalents. Adjusted capital comprises all components of equity (share capital, contributed surplus, warrants and deficit), other than amounts in accumulated other comprehensive income relating to the portfolio investment, and includes subordinated debt.

	Sep. 30, 2009	Dec. 31, 2008
Total debt	$6,941,637	$11,983,496
Less: cash and cash equivalents	(669,918)	(607,286)
Net debt	6,271,719	11,376,210
Total equity	13,774,039	15,868,444
Add: subordinated debt instruments	Nil	500,000
Add: amounts in accumulated other comprehensive (loss) relating to portfolio investment	(48,320)	(54,000)
Adjusted capital	13,725,719	$16,314,444
Net debt-to-adjusted capital ratio	0.46	0.70

The improved net debt-to-adjusted capital ratio resulted primarily from the reduction in net debt that occurred on the sale of property, plant and equipment, as well as the accelerated long-term debt repayment schedule.

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.

Debt Management

Under its long term credit facilities, the Company must maintain certain ratios. The Company was not in compliance with the Working Capital Ratio, the Funded Debt to EBITDA Ratio and the Fixed Charge Coverage Ratio at September 30, 2009. This non-compliance resulted from lower than anticipated earnings before interest, taxes, depreciation, amortization for the nine months ended September 30, 2009.

In October 2009, the Company refinanced its non-revolving bank loans. The loans were amalgamated into a non-revolving prime based facility in the amount of $2,190,052. The loan is currently at an interest rate of prime plus 3.5% (5.75%) with monthly payments of $66,400 amortized over a 36 month period. The loan is secured by a general security agreement on all the assets of the Company.

The Company's mortgages and revolving lines of credit were not significantly affected by the refinancing agreement.

Financial Instruments and Business Risks

The Company holds various forms of financial instruments. 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 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 construction services to energy, utility and infrastructure markets in Western Canada. 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.

Fair value

The carrying amounts of cash and cash equivalents, accounts receivable, bank indebtedness and accounts payable and accrued liabilities approximate fair value due to the short term maturity of these instruments. The fair value of long term debt approximates its carrying value as the interest rates on these instruments do not differ significantly from current market rates. The Company's portfolio investment is subject to market price and liquidity risk.

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. This risk is elevated in the current year due to the impact of the current credit market and economy on its customers. The Company's maximum exposure is the value of its accounts receivable. However, to mitigate this risk the Company regularly reviews customer credit limits.

The Company has accounts receivable from customers in the oil and gas industry, as well as the utilities and infrastructure industry. Credit risk is mitigated due to the Company's significant customers being large industry leaders, following a program of credit evaluation and limiting the amount of customer credit where deemed necessary. Included in accounts receivable at September 30, 2009 was $1,760,215 or 30%, of total accounts receivable owing from two customers due to the significant contracts in progress at September 30, 2009. As at September 30, 2009 the Company's exposure to credit risk in this area was as follows:

	Total	Current 1 – 90 days	91 + days
Accounts Receivable	$5,904,318	$4,849,781	$1,054,537

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

Liquidity Risk and Capital Resources

Liquidity risk is defined as the risk associated with the Company not being able to meet its financial obligations as they come due. The Company manages liquidity risk to ensure it has sufficient cash and credit facilities to meet its obligations under both normal and adverse conditions, by managing net working capital, monitoring cash flow requirements and maintaining flexibility with its line of credits.

The Company has an authorized revolving line of credit of $9,000,000, of which $3,650,000 was available based on margins as at September 30, 2009. $3,742,508 of bank indebtedness was outstanding as at September 30, 2009, comprised of $3,550,000 of revolving line of credit and $192,508 of bank overdraft balances. The revolving demand loan bears interest at prime plus 0.75% as at September 30, 2009.

The Company has a capital line of credit available in the maximum amount of $2,500,000 to finance equipment acquisitions. The Company has $1,278,641 available on its capital line of credit as at September 30, 2009. During October 2009, the Company’s equipment acquisition line has been reduced to $1,000,000 and will not be available to the Company until March 2010.

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.

Management has assessed the effect of a 1% interest rate increase or decrease in the prime lending at September 30, 2009 rate to impact the Company's annual interest expense by approximately $65,400. The Company has not entered into any derivative agreements to mitigate this risk.

The Company’s estimated principal repayments on long term debt over the next twelve months are $1,066,588. The Company anticipates that its current cash resources will be sufficient to meet all anticipated obligations throughout the next fiscal year.

The Company's contractual principal repayment obligations as at October 2009 are as follows:

Contractual Obligations	Total	2010	2011	2012	2013	2014	After 5 years
Long-term debt including capital leases	$3,199,129	$1,066,588	$959,832	$846,558	$59,503	$44,324	$222,324
Operating leases	739,002	381,938	227,592	122,178	7,294	nil	nil
Total	$3,938,131	$1,448,526	$1,187,424	$968,736	$66,797	$44,324	$222,324

Financial Statistics and Ratios	Sep. 30, 2009	Sep. 30, 2008
Working capital ratio[(1)]	1.04:1	1.06:1
Net capital assets to long-term debt	3.95:1	2.53:1

[(1)] *Working capital is current assets less current liabilities*

There are no material changes other than discussed herein to The Company's contractual obligations and commitments from those identified in the Company's 2008 Annual MD&A.

Other Risks

Other risks include:

- Commodity pricing – Fluctuation in the price of petroleum products is a business risk that impacts the Company directly. Oil and gas prices determine the economic feasibility of exploration and drilling activity in the oil and gas industry, to which the Company provides its services. High prices increase demand for the Company's services, while adverse or lower prices impact the Company's ability to generate revenues.

- Production declines and new discoveries – New discoveries of oil and gas reserves lead to an increase in the demand for the Company's services. On the other hand, declines in production result in decreased demands for the Company's services. Either situation directly impacts the operating results of the Company.

- Access to capital – The Company is dependent on access to equity or debt financing to fund capital expansion programs when operating cash flows are not sufficient to do so. To date, sufficient capital has been obtained to meet the Company's capital expansion and acquisition requirements. Any further capital expansion or acquisitions that cannot be funded through operating cash flows will require external financing, the availability of which is dependent on economic factors such as interest rates, investor and creditor confidence, and industry profitability.

- Weather – The Company operates heavy equipment, the movement of which requires reasonable weather and road conditions. In the spring season this is especially true, with spring breakup making many secondary roads impassable. Since heavy equipment cannot be moved under these conditions, the Company's operating results are subject to significant decreases during this time period. To mitigate this risk, the Company is diversifying its operations to other industries enabling the Company to perform services elsewhere during the spring.

- Available workforce – The ability to perform services is contingent upon sufficient and appropriately skilled staff being available. Obtaining personnel is crucial to the Company's ability to meet demand for its services.

- Recession Risk – Should the current challenging economic environment slide into a deep recession, demand for the Company's services would be reduced and have a negative impact on revenues and earnings. This would result in the company implementing cost control measures and possibly expanding its services into other industries in order to manage through the recession. Management has already implemented some cost cutting measures and is currently reviewing other areas for possible cost savings. In addition, due to the Company's aggressive repayment plan on long term debt, Enterprise is not heavily leveraged, limiting the Company's exposure.

- Cyclicality – The Company has a significant portion of its revenues tied directly to oil and gas pipeline construction industry in Western Canada. These revenues are subject to any cyclicality of the industry. To mitigate this risk the Company has diversified its revenue stream to include pipeline maintenance, transportation infrastructure, and directional drilling and installation of underground utility infrastructure, all of which are less seasonal than pipeline construction.

- Insurance – The Company believes the insurance coverage it has in place is appropriate for the nature of its services provided and its associated risks, however such coverage may not be adequate. To mitigate this risk, management reviews the Company's insurance coverage on a regular basis.

- Competition – The Company's ability to provide cost-effective, quality service to its customers is essential to help mitigate the Company's business risk of competition.

A change in any one of these factors could have a material impact on the financial performance of the Company. The above discussion of risks is not intended to be all-inclusive. The intention of the discussion is to highlight for the reader what are typical risks for this industry.

ADOPTION OF NEW ACCOUNTING POLICIES

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 was effective for the fiscal year beginning on January 1, 2009. The adoption of this standard has no impact on the Company's financial statements.

RECENT ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED

International Financial Reporting Standards

In March 2008, the Canadian Accounting Standards Board ("AcSB") confirmed that the use of International Financial Reporting Standards ("IFRS") would be required for Canadian publicly accountable enterprises for years beginning on or after January 1, 2011, and the Company will implement it as at January 1, 2011. The AcSB also stated that, during the transition period, enterprises will be required to provide comparative figures in accordance with IFRS. The IFRS will require additional financial statement disclosures and, while the organization's conceptual framework is similar to GAAP, companies will have to take into account differences in accounting principles. The Company assessed the impact that IFRS will have on its financial statements, in conjunction with their auditors and has compiled an in-depth report detailing its conversion plan.

INTERNAL CONTROLS OVER DISCLOSURE AND FINANCIAL REPORTING

Disclosure Controls and Procedures

Management, including the Chief Executive Officer and Chief Financial Officer, have 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. Management has evaluated the effectiveness of the Company's disclosure controls and procedures. The evaluation included documented review, enquiries and observation of the process and control performance. Based upon this evaluation, management believes the Company's disclosure and controls procedures, as defined in Multilateral Instrument 52-109, to be effective in providing such reasonable assurances as at September 30, 2009.

Internal Controls over Financial Reporting

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. The control framework used to evaluate the Company's internal controls over financial reporting is issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). 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. During the period ended September 30, 2009, no changes were made to internal controls over financial reporting that would have materially affected, or would likely materially affect, such controls.

NON-GAAP MEASURES

In addition to using financial measures prescribed by GAAP, a certain non-GAAP measure is also used in this MD&A. This non-GAAP measure is "EBITDAS".

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

EBITDAS is not an earnings measure recognized by GAAP and does not have a standardized meaning prescribed by GAAP. Management believes that EBITDAS is an appropriate measure in evaluating the Company's performance.

EBITDAS should not be construed as an alternative to net income or cash flow from operating activity (as determined under GAAP) as an indicator 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 EBITDAS may differ from the methods used by other issuers and, accordingly, the Company's EBITDAS may not be comparable to similar measures used by other issuers. This non-GAAP performance measure, EBITDAS, does not have any standardized meaning prescribed by GAAP and therefore is unlikely to be comparable to similar measures presented by other companies. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

Reconciliation of EBITDAS to Historical Results (GAAP)

Statement of Income (Loss) ($000's)	**Three months ended Sep. 30, 2009**	**Three months ended Sep. 30, 2008**	**Nine months ended Sep. 30, 2009**	**Nine months ended Sep. 30, 2008**
Net income (loss)	$(1,081)	$588	$(2,310)	$1,328
Add:				
Income taxes (recovery)	(395)	246	(896)	408
Interest *	97	146	312	563
Amortization **	1,196	593	2,274	1,879
Stock-based compensation	nil	nil	229	nil
EBITDAS	$(183)	$1,573	$(391)	$4,178

* *Interest includes short term interest and interest on long term debt*
** *Amortization includes (gain)/loss on sale of equipment*

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.

ADDITIONAL INFORMATION

Additional information, including the Company’s Annual Information Form, can be found on SEDAR at www.sedar.com or the Company web site at www.enterpriseoil.ca.

MANAGEMENT TEAM / BOARD OF DIRECTORS

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

Desmond O'Kell, Vice President and Corporate Secretary

Ron Ingram, Director

Jason Krueger, CFA, Director

James P. Stout, CA, Director

Nick Demare, CA, Director

PIPELINE CONSTRUCTION BOARD OF ADVISORS

Troy Thompson, Project Manager – Central Alberta

Tom Lavender, General Manager – Sherwood Park Operations

Rick Wesolowski, General Manager - Peace River Operations

James Chorney, Independent Advisor – Engineering & Pipeline Construction

OFFICE TEAM

Colette Dziwenka, Interim Chief Financial Officer/Corporate Controller

Francine Coleman, Divisional Controller, Peace River Maintenance Operations

Yvette Butz, Divisional Controller, Pipeline Operations

Darlene Hubscher, Divisional Controller, Sherwood Park Operations

Angela Hatt, Human Resources / Safety Coordinator

CONTACT INFORMATION

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