ENTERPRISE

GROUP, INC.

Management's Discussion and Analysis

For the three and six months ended June 30, 2013 and 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three month and six months ended June 30, 2013 and 2012

This Management Discussion and Analysis (MD&A) should be read in conjunction with the unaudited condensed interim consolidated financial statements (the "Financial Statements") and the notes contained therein of Enterprise Group, Inc. ("Enterprise" or the "Company") for the three and six months ended June 30, 2013.

The unaudited condensed interim consolidated financial statements are prepared by management and reported in Canadian dollars, in accordance with International Accounting Standard "IAS" 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"). The unaudited condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's 2012 Consolidated Financial Statements and the notes thereto, the 2012 MD&A and the 2012 AIF filed with Canadian regulatory agencies. The documents are available at www.sedar.com and at www.enterprisegrp.ca.

This MD&A was prepared effective August 8, 2013.

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.

QUARTERLY HIGHLIGHTS

- Enterprise completed the acquisition of a specialized underground infrastructure construction company, Calgary Tunnelling & Horizontal Augering Ltd. ("CTHA"), for a purchase price of $12,000,000 plus working capital. The acquisition was funded through a combination of cash, the issuance of 727,908 common shares of the Company at a deemed price of $0.69 per share and vendor take-back financing in the amount of $1,000,000 to be paid over two years. This acquisition is aligned with the Company's strategy to focus on infrastructure and specialty rental operations and will assist to mitigate the seasonality of the Company's existing operations and provide significant future growth opportunities. The effective date of the acquisition was June 14, 2013 and combined with the wet conditions and flooding in Alberta, the impact of this acquisition on the second quarter operating results is minimal. The Company estimates that if this acquisition had occurred January 1, 2013, the Company's consolidated revenues and net income for the six months ended June 30, 2013 would have been $18,900,000 and $5,100,000 respectively.

  To assist with financing the CTHA acquisition Enterprise completed two financings:

  - The Company raised $5,999,000 by issuing unsecured convertible debentures. The debentures have a two-year term at 6% interest and are convertible into common shares at a price of $.50 per share; and
  - The Company raised $4,122,000 by issuing 8,587,586 common shares at a price of $0.48 per share.

- In May 2013, the Company accepted a term sheet presented by PNC Bank Canada Branch to increase its current senior secured finance facility to a maximum of $20,000,000 from $12,500,000. The increased limit gives Enterprise an additional financing source for future acquisitions, capital expenditures and working capital.

- In June 2013, the Company purchased land for $2,050,000 to support the new multi-million dollar service contract awarded in the first quarter to the utilities/infrastructure construction division. The land will have multiple purposes providing operational efficiencies and cost effectiveness while servicing the new contract.

- Earnings per share quarter was ($0.02) compared to $0.01 in the same period last year. For the six months ended June 30, 2013 earnings per share was $0.03 compared to $0.01 in the same period last year.

- For the six months ended June 30, 2013, net income was $1,624,000 compared to $585,000 in the same period last year, an increase of $1,039,000. Net loss for the quarter was ($1,543,000), compared to net income of $416,000 in the same period last year. Net income and loss includes a non-cash charge of $625,000 for the fair value of stock options issued and also includes various one-time charges associated with raising capital acquisitions

- Revenue for the quarter increased by $934,000 to $4,826,000 compared to the same period last year. For the six months ended June 30, 2013, revenue was $13,730,000 compared to $7,523,000 in the same period last year, and increase of $6,207,000.

- EBITDAS for the six months ended June 30, 2013 increased by $2,501,000 to $3,906,000 compared to the same period last year. EBITDAS for the quarter decreased by $805,000 to $5,000 compared to the same period last year.

COMPANY PROFILE

Enterprise Group, Inc. (TSX Exchange: Symbol “E”) is a consolidator of companies providing services to the utility, energy and construction sectors. With corporate headquarters in St. Albert, Alberta, Canada, and construction offices in Slave Lake, Innisfail, Morinville and Sherwood Park, Alberta, Enterprise is strategically located near its customers. The Company’s strategy is to acquire complementary companies in Western Canada, consolidating capital, management and human resources to support continued growth.

Enterprise provides construction services including installation of utilities/infrastructure. Enterprise’s customers include some of Canada’s largest telecommunication providers, utility service providers, energy producers, as well as the federal and provincial governments of Canada.

Utilities/infrastructure construction market

In the utilities/infrastructure construction industry, a large portion of the existing utility infrastructure is rapidly aging in the Province of Alberta, and in some areas, the utility infrastructure is beyond its intended useful life and beginning to fail. In response to this, the major stakeholders in the industry are implementing large scale, ongoing repair and replacement programs that are essential for continued growth in Alberta. Enterprise’s largest customers in the utilities and infrastructure sector have such programs in place.

In addition to the repair and maintenance programs, the continuing development of new industrial, commercial and residential properties in the province requires the installation of new infrastructure, such as full underground services.

Enterprise’s fleet of directional drills is ideal for services required in underground utility construction. Combined with its industry expertise and experienced field personnel, Enterprise has become the contractor of choice in this sector, which has enabled the Company to secure ongoing contracts with its largest customers.

Equipment rental market

The Company officially launched its heavy equipment rental line of business, E One Limited, in the first quarter of 2012. Construction contractors typically operate a core fleet and will rent when activity surpasses full utilization of their fleet. With presence in Central and Northern Alberta, E One is positioned well to take advantage of a broad based construction boom, certainly highlighted in the energy sector.

To compliment heavy equipment rentals and to provide further growth opportunities, in September of 2012 Enterprise acquired Artic Therm International Ltd. ("ATI"). Founded in 1998, ATI is an industry leader in providing flameless heat technology to the broad based construction and oil and gas industries in Western Canada. ATI rents flameless heaters ranging in heat output from 375,000 British Thermal Units (“BTU’s”) to 3,000,000 BTU’s.

Seasonality of Operations

A significant portion of Enterprise’s operations relate to services provided to utilities/infrastructure construction customers in Alberta. The demand for these types of services typically peak during the summer and fall months due to increased subdivision activity and then gradually decline in the winter months due to frozen ground.

This is followed by wet soil conditions in the spring due to spring thaw and rain. As a result, the second quarter is typically its slowest quarter of the year.

The Company’s equipment rental operations that support the energy sector 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 and other types of construction. As a result, demand for these types of services generally is the highest in the fall and winter quarters and the lowest in the second quarter.

OUTLOOK

The economy continues to gain momentum in Canada and expectations are that it will continue to grow through 2013. Economists at several Canadian banks are predicting that Western Canada will lead the nation in economic growth, and the Province of Alberta will lead all provinces in real GDP growth and employment growth in 2013 and 2014 due to robust activity in the energy and construction sectors. Management expects the Company's operations to continue to benefit from the economic growth in Western Canada.

The utilities/infrastructure construction division is currently operating at or near capacity. This division renewed a three year, multi-million dollar service contract with one of Canada's premier power suppliers and, due to the high level of service and quality of work, was also awarded a second contract from the same customer that is similar in size and scope. In addition, Enterprise's largest customers in this division have a significant backlog of work that will carry through 2013 and 2014. Enterprise expects the acquisition of Calgary Tunnelling & Horizontal Augering to double the size of this division.

The increased access to capital for many of the energy companies has resulted in an increase in the need for heavy and specialized equipment. This trend is continuing in 2013. Enterprise has begun to increase ATI's specialized equipment rental fleet to meet the growing demand.

To date, activity continues to be robust and 2013 continues to be another profitable year. Management expects to continue to demonstrate strong organic growth from its operations due to ongoing demand for the Company's services and the expansion of its new rental division and a full year of operations for ATI. Additionally, the acquisition of CTHA will contribute significantly to the overall growth of the Company.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

	Three months June 30, 2013	Three months June 30, 2012	**Six months June 30, 2013**	Six months June 30, 2012
Revenue	**$4,825,639**	$3,891,514	**$13,730,020**	$7,522,869
EBITDAS	**$4,862**	$810,231	**$3,906,165**	$1,405,172
Net (loss) income	**$(1,542,924)**	$416,776	**$1,623,959**	$585,484
Basic (loss) earnings per share	**$(0.02)**	$0.01	**$0.03**	$0.01
Diluted (loss) earnings per share	**$(0.02)**	$0.01	**$0.03**	$0.01
Weighted average common shares outstanding -basic	**68,163,781**	54,766,697	**63,894,945**	54,766,697
Weighted average common shares outstanding -diluted	**68,163,781**	55,430,384	**64,923,291**	55,519,121
Total common shares outstanding	**79,192,188**	54,766,697	**79,192,188**	54,766,697
Total assets	**$48,955,461**	$15,193,112	**$48,955,461**	$15,193,112
Total liabilities	**$27,033,589**	$5,615,292	**$27,033,589**	$5,615,292
Total equity	**$21,921,602**	$9,577,820	**$21,921,602**	$9,577,820

Reconciliation of EBITDAS to Historical Results

Statement of Income	**Three months June 30, 2013**	Three months June 30, 2012	**Six months June 30, 2013**	Six months June 30, 2012
Income (loss) for the period	**$(1,542,924)**	$416,776	**$1,623,959**	$585,484
Add:				
Interest *	**307,915**	78,648	**474,896**	160,099
Depreciation and amortization **	**632,021**	275,978	**1,182,060**	568,109
Share-based payments	**607,850**	38,829	**625,250**	91,480
EBITDAS	**$4,862**	$810,231	**$3,906,165**	$1,405,172

* Interest includes short term interest and interest on long-term debt

** Depreciation and amortization include (gain)/loss on sale of equipment and fair value adjustment

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Enterprise Group, Inc. is pleased to announce the Company's results, for the three and six months ended June 30, 2013. The second quarter is highlighted by the acquisition of a specialized underground infrastructure construction company, Calgary Tunnelling & Horizontal Augering Ltd., for a purchase price of $12,000,000 plus working capital. The acquisition was funded through a combination of cash, the issuance of 727,908 common shares of the Company at a deemed price of $0.68 per share and vendor take-back financing in the amount of $1,000,000 to be paid over two years. This acquisition is aligned with the Company’s strategy to focus on infrastructure and specialty rental operations and will assist to mitigate the seasonality of the Company’s existing operations and provide significant future growth opportunities during the remainder of 2013 and into 2014. The effective date of the acquisition was June 14, 2013, and combined with the wet conditions and flooding in Alberta, the impact of this acquisition on the second quarter operating results is minimal.

The Company’s enhanced business strategy has resulted in a significant improvement in operating results over the six months ended June 30, 2013. Improved economic factors, the acquisition of Artic Therm International and additional sales and marketing efforts have all contributed to improved performance. As expected the second quarter was not as strong as the first quarter, due to warming weather and spring break-up. Also, the heavy rains and flooding in Alberta during the month of June postponed many infrastructure and construction projects. We expect the revenue from that work will be deferred to the third quarter. Net income for the six months ended June 30, 2013 was $1,624,000, an increase of $1,039,000 over the same period last year. Revenue for the Company was $13,730,000 for the six months ended June 30, 2013, an increase of $6,207,000 or 83%. EBITDAS was $3,906,000, an increase of 178% for the six months compared to the same period last year.

The Company continues to monitor overhead and reduce costs where necessary while maintaining the effectiveness of the operations. A more detailed analysis of operating expenses is included in the section titled "Selected Consolidated Expenses" in this MD&A.

During the second quarter, the Company closed its financing arrangement with Difference Capital Funding Inc. and raised gross proceeds of $5,999,000 by way of unsecured convertible debentures. The debentures will have a two-year term, an annual coupon of 6%, and will be convertible into common shares at a price of $.50 per share. Proceeds were used to complete the acquisition of CTHA.

Also during the second quarter, the Company closed a private placement of 8,587,586 common shares at $0.48 per share and raised gross proceeds of $4,122,000. The agents received a cash commission of 6% and 515,255 broker warrants equal to 6% of gross proceeds. Each broker warrant will entitle the holder to purchase one common share at $0.49 per share for a period of one year. Proceeds were used for the acquisition and integration costs associated with CTHA and working capital.

And in June of the second quarter, the Company acquired all of the issued and outstanding common shares of a company for total consideration of $2,050,000. This acquisition is not a business combination and the purchase price has been allocated to the only asset acquired, which was land. Enterprise obtained a mortgage facility in the amount of $1,500,000, repayable over 180 months and bears interest at prime plus 1% with monthly blended payments of $11,095. The mortgage is secured by a promissory note, first charge on the land and corporate guarantees.

In the first quarter, the Company closed a non-brokered private placement of 4,200,000 units of the Company at a price of $0.25 per unit for aggregate gross proceeds of $1,050,000. Each unit is comprised of one common share in the capital of the Company and one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at an exercise price of $0.35 for a period of six months from the closing of the offering, subject to accelerated expiry in certain circumstances.

Selected Consolidated Expenses

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

Selected Consolidated Expenses	**Three months June 30, 2013**	Three months June 30, 2012	**Six months June 30, 2013**	Six months June 30, 2012
Depreciation and amortization	**$597,582**	$305,930	**$1,135,334**	$610,190
Management and administrative salaries and fees *	**$613,663**	$300,755	**$1,157,220**	$643,036
Professional and consulting fees	**$525,968**	$113,555	**$860,533**	$185,902
Interest and bank charges	**$307,914**	$78,648	**$474,896**	$160,099
Advertising and promotion	**$151,885**	$50,040	**$247,702**	$94,202

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

Management and administrative salaries and fees amounted to $614,000 or 12.7% of revenue and $1,157,000 or 8.4% for the three and six months ended June 30, 2013 respectively, compared to $301,000 or 7.7% and $643,000 or 8.5% of revenue for the same periods last year. The increase is from additional personnel to help execute the Company's growth plans and from management fees related to new financings.

Professional and consulting fees amounted to $526,000 or 10.9% of revenue and $861,000 or 6.3% of revenue for three and six months ended June 30, 2013 respectively, compared to $114,000 or 2.9% of revenue and $186,000 or 2.5% of revenue for the same periods last year. This increase is associated with financing and acquisition costs and are not related to revenue generating operations of the business.

Interest and bank charges amounted to $308,000 or 6.4% of revenue and $475,000 or 3.5% for the three and six months ended June 30, 2013, compared to $79,000 or 2.0% and $160,000 or 2.1% of revenue for the same periods last year. The increase in interest expense is consistent with the issuance of convertible debentures and using the new credit facility for operations, capital and acquisitions.

Advertising and promotions amounted to $152,000 or 3.1% of revenue and $248,000 or 1.8% of revenue for three and six months ended June 30, 2013 respectively, compared to $50,000 or 1.3% of revenue and $94,000 or 1.3% of revenue for the same periods last year. The increase is consistent with increased investor relations activities and costs associated with the advertising and promotion of E One Limited and Artic Therm International.

Segmented Information

The Company operates in two main business segments in Western Canada, installation and maintenance of underground utilities and directional drilling in the utility and transportation infrastructure industry sector, along with pipeline/facilities construction and maintenance and equipment rental in the energy sector. The business segments presented reflect the management structure of the Company and the way the Company's management reviews business performance. The accounting policies and practices of the reportable segments are the same as those described in the Company's consolidated financial statements for the fiscal year ended December 31, 2012.

	Utilities/ infrastructure construction		Equipment rentals		Corporate		Consolidated	
Three months ended June 30	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Revenue	**$4,303,201**	$3,684,255	**$522,438**	$207,255	**$nil**	$nil	**$4,825,639**	$3,891,510
EBITDAS	**$1,335,550**	$1,317,572	**$(203,833)**	$(133,150)	**$(1,126,855)**	$(374,191)	**$4,862**	$810,231
Depreciation, amortization and impairment losses	**$226,509**	$141,474	**$356,608**	$156,118	**$14,509**	$8,339	**$597,582**	$305,931
Fair value adjustment	**$nil**	$(29,953)	**$nil**	$nil	**$nil**	$nil	**$nil**	$(29,953)
Interest and bank charges	**$107,648**	$32,661	**$128,394**	$28,824	**$71,872**	$17,163	**$307,914**	$78,648
Loss (gain) on sale of equipment	**$6,491**	$nil	**$27,948**	$nil	**$nil**	$nil	**$34,439**	$nil
Share-based payments	**$nil**	$nil	**$nil**	$nil	**$607,850**	$38,829	**$607,850**	$38,829
Income (loss) before taxes	**$994,903**	$1,173,390	**$(716,740)**	$(318,092)	**$(1,821,087)**	$(438,522)	**$(1,542,924)**	$416,776
Total identifiable assets	**$27,626,731**	$8,610,702	**$15,832,136**	$5,669,538	**$5,496,594**	$912,872	**$48,955,461**	$15,193,112

	Utilities/ infrastructure construction		Equipment rentals		Corporate		Consolidated	
Six months ended June 30	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Revenue	**$8,152,411**	$6,671,984	**$5,577,609**	$850,885	**$nil**	$nil	**$13,730,020**	$7,522,869
EBITDAS	**$2,426,841**	$2,210,661	**$3,320,662**	$(52,337)	**$(1,841,338)**	$(753,152)	**$3,906,165**	$1,405,172
Depreciation, amortization and impairment losses	**$386,164**	$279,458	**$721,522**	$313,889	**$27,648**	$16,843	**$1,135,334**	$610,190
Fair value adjustment	**$nil**	$(29,953)	**$nil**	$nil	**$nil**	$(7,128)	**$nil**	$(37,081)
Interest and bank charges	**$159,485**	$69,913	**$237,845**	$56,469	**$77,566**	$33,717	**$474,896**	$160,099
Loss (gain) on sale of equipment	**$17,329**	$nil	**$29,397**	$(5,000)	**$nil**	$nil	**$46,726**	$(5,000)
Share-based payments	**$nil**	$nil	**$nil**	$nil	**$625,250**	$91,480	**$625,250**	$91,480
Income (loss) before taxes	**$1,863,863**	$1,891,243	**$2,331,898**	$(417,695)	**$(2,571,802)**	$(888,064)	**$1,623,959**	$585,484
Total identifiable assets	**$27,626,731**	$8,610,702	**$15,832,136**	$5,669,538	**$5,496,594**	$912,872	**$48,955,461**	$15,193,112

SUMMARY OF QUARTERLY RESULTS

	2013		2012				2011	
	Jun. 30	**Mar. 31**	**Dec. 31**	**Sep. 30**	**Jun. 30**	**Mar. 31**	**Dec. 31**	**Sep. 30**
Revenue	$4,825,639	$8,904,381	$6,647,631	$4,333,529	$3,891,514	$3,631,355	$6,225,300	$4,811,670
Net income (loss) for the period	$(1,542,924)	$3,166,882	$1,832,752	$70,351	$416,780	$168,707	$886,406	$743,483
Earnings (loss) per share - Basic and Diluted	$(0.02)	$0.05	$0.03	$0.00	$0.01	$0.00	$0.02	$0.01

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

OUTSTANDING SHARE DATA

	August 8, 2013	**June 30, 2013**	**December 31, 2012**
Common shares outstanding	82,859,188	79,192,188	56,933,363
Stock options outstanding	4,725,000	5,025,000	4,550,000
Warrants outstanding	2,415,255	5,590,255	7,218,331
Total	89,999,443	89,807,443	68,701,694

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." Enterprise does not have any other off-balance sheet arrangements as at June 30, 2013.

RELATED PARTY TRANSACTIONS

The Company has entered into various transactions with corporations that are controlled by officers and directors of the Company and corporations that have common ownership. Related party transactions not otherwise disclosed in this MD&A are below. These transactions were recorded at the exchange amount established and agreed to by the parties. All transactions were rendered in the normal course of business.

	Three months June 30, 2013	**Six months June 30, 2013**
Rental/ purchase of equipment	**$351,167**	**$465,667**
Management and consulting fees	**205,225**	**385,725**
Total	**$556,392**	**$851,392**

In March 2013, the Company advanced $100,000 to a corporation controlled by two officers three directors, and a former director of the Company. The note bears interest at 12% per annum and is due in the current year. The balance outstanding at June 30, 2013 is $100,000 and the Company accrued interest income of $4,794 and $6,591 in the three and six months ended June 30, 2013, respectively.

SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed interim consolidated financial statements are prepared by management and reported in Canadian dollars, in accordance with *International Accounting Standard "IAS" 34, "Interim Financial Reporting*" as issued by the *International Accounting Standards Board ("IASB")*. These unaudited condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's 2012 Consolidated Financial Statements and the notes thereto.

The unaudited condensed interim consolidated financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in the Company's Consolidated Financial Statements for the fiscal year ended December 31, 2012.

RISKS AND UNCERTAINTIES

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk through cash and cash equivalents and trade and other receivables. The Company manages the credit risk associated with its cash and cash equivalents by holding its funds in financial institutions with high credit ratings. Credit risk for trade and other receivables are managed through established credit monitoring activities.

The Company has trade receivables from customers in the infrastructure and utilities industry, as well as customers in the oil and gas industry. Credit risk is mitigated due to significant customers being large industry leaders, following a program of credit evaluation and limiting the amount of customer credit where deemed necessary. The Company monitors trade receivables monthly to identify any amounts which are past due and considers if they are impaired. This assessment is done on an invoice by invoice basis.

At June 30, 2013, $1,144,000 or 22% of trade receivables were from one customer compared to $982,746 or 16% of trade receivables from one customer at December 31, 2012. The Company's maximum exposure to credit risk from trade and other receivables at June 30, 2013 is as follows:

	Total	1 – 90 days	91 – 120 days	121+ days
Accounts Receivable - 2013	$5,139,668	$4,573,061	$323,337	$243,270

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations. On an ongoing basis the Company manages liquidity risk by maintaining adequate cash and cash equivalents balances and appropriately utilizing available lines of credit. Management believes that forecasted cash flows from operating activities, along with available lines of credit, will provide sufficient cash requirements to cover the Company's forecasted normal operating activities, commitments and capital expenditures.

The following are the principal repayment requirements of the Corporation's financial obligations for the next five fiscal years and thereafter based on the Company's current repayment schedules as at June 30, 2013:

Contractual Obligations	Total	2014	2015	2016	2017	2018	After 5 years
Trade and other payables	$2,642,683	$2,642,683	$nil	$nil	$nil	$nil	$nil
Loans and borrowings	$21,527,434	$1,194,451	$7,254,322	$11,391,018	$310,401	$291,894	$1,085,348
Operating lease commitments	$2,013,636	$559,720	$529,724	$346,488	$346,488	$231,216	$nil
Total contractual obligations	$26,183,753	$4,396,854	$7,784,046	$11,737,506	$656,889	$523,110	$1,085,348

The Company has no significant commitments to capital resources other than those disclosed in this MD&A.

Market Risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's income or the value of the financial instruments. Management has assessed the effect of a 1% interest rate increase or decrease in the prime lending rate at June 30, 2013 to impact the Company's annual interest expense by approximately $123,000. The Company has not entered into any derivative agreements to mitigate this risk.

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. 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 marketable securities. The Company's objectives when managing capital are to finance its operations and growth strategies and to provide an adequate return to shareholders. In order to maintain or adjust the capital structure, the Company may issue new shares, or sell assets to reduce debt.

Financial Instruments and Business Risks

The Company classifies financial assets and liabilities as either fair value through profit and loss, available-for-sale or loans and receivables. The classification of a financial asset or liability is determined at the time of initial recognition. Financial instruments are initially recognized at fair value and are measured subsequently as described below.

i. Available-for-sale financial instruments

The Company's marketable securities are classified as available-for-sale. Fair value is determined by reference to the quoted closing bid price at the reporting date. Fair value changes, other than impairment losses, are recognized in other comprehensive income.

ii. Loans and receivables

The Company's cash and cash equivalents and trade and other receivables are classified as loans and receivables. Loans and receivables are subsequently measured at amortized cost using the effective interest method.

iii. Loans and borrowings

The Company's loans and borrowings and trade and other payables are classified as loans and borrowings. Loans and borrowings are subsequently measured at amortized cost using the effective interest method.

Financial instruments are classified into one of the following levels of fair value hierarchy.

Level 1 – Fair value measurements based on unadjusted quoted market prices.

Level 2 – Fair value measurements are based on inputs other than quoted prices included in Level 1 that are derivable from the asset or liability either directly or indirectly.

Level 3 – Fair value measurements on unobservable market information.

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. The Company also rents flameless heaters which are in greater demand during cold weather. The extent of cold weather and the duration of winter will have a significant impact on operating results. To mitigate this risk, the Company is diversifying the use of the flameless heaters in warmer months.

- 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 – Although the current economic environment is recovering from the recent recession, the recovery is still fragile. Should economic environment slide into a double dip 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 continuing to implement cost control measures and possibly expand its services into other industries in order to manage through the recession. Management has already implemented some cost cutting measures and is continuing to review other areas for possible cost savings.

- 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.

- Integration of Acquisitions - The Company is expected to continue to grow through acquisitions. The Company may experience difficulties in integrating an acquired business into the existing operations, including but not limited to integrating administrative functions, financial reporting, operational and information systems, improvements in operational effectiveness, standardization of controls, policies and procedures and recognizing the synergistic opportunities of the combined entity. The success of the integration also depends on the ability to retain key employees of the acquired company.

- Entering New Business Lines - The Company may enter into new business lines with new acquisitions or other opportunities for growth related to the current business of the Company. There is no guarantee that these new business lines will be successful in the marketplace to which they are directed. Management makes its best efforts to research and forecast future profitability of any new business ventures prior to commencing in any new endeavor, however there are underlying risks that are intangible at the time of entry. The success of any new venture is also dependent on the areas of sales and marketing, customer demand, market stability, existing barriers to entry, and other factors of product introduction.

- Dependence on Key Personnel - The success of the Company will be dependent on the services of the members of its senior management. The experience and talents of these individuals will be a significant factor in the success and growth of the Company. The loss of one or more of these individuals could have a material adverse effect on the operations and business prospects of the Company. Furthermore, as part of the Company's growth strategy, it must continue to hire highly qualified individuals, including financial, sales and operations personnel. There can be no assurance that the Company will be able to attract and retain qualified personnel in the future. The compensation program in place includes salary, benefits, and bonus structures, and is designed to provide fair compensation to all personnel and adequate performance incentives. Other non-monetary measures including training and development and recognition are used to ensure the culture stays focused on key personnel retention.

- Workplace Safety, Health and Wellness - The Company's employees may face workplace health and safety risks and hazards, which could potentially result in injury or lost time. The Company's Safety Program is in place to reduce risks to people, the environment and the Company's business, and is continually updated as new risks and hazards are identified. These risks and hazards could result in personal injury, loss of life, environmental damage, or other damage to the Company's property or the property of others. The Company cannot fully protect or insure against all these risks, and could become liable for damages arising from these events against which are not insured.

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.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, and has designed internal controls to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Management has used a recognized framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) to evaluate the effectiveness of internal controls over financial reporting.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has evaluated the design and operation of the Company's internal control over financial reporting as of June 30, 2013, and has concluded that such internal controls over financial reporting were effective. There are no material weaknesses that have been identified by management in this regard.

NON-IFRS MEASURES

In addition to using financial measures prescribed by IFRS, a certain non IFRS measure is also used in this MD&A. This non IFRS measure is "EBITDAS". References in this MD&A to EBITDAS are to earnings before interest, taxes, depreciation, amortization, impairment losses and share based payments. EBITDAS is not an earnings measure recognized by IFRS and does not have a standardized meaning prescribed by IFRS.

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 IFRS) as an indicator of financial performance or to cash flow from operating activities (as determined under IFRS) 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 IFRS performance measure, EBITDAS, does not have any standardized meaning prescribed by IFRS 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 IFRS. This measure has been described and presented in the same manner in which the chief operating decision maker makes operating decisions and assesses performance.

CONCLUSION

Management's outlook for the Company and its services is optimistic. The economy is recovering, activity in the energy sector is increasing, and the service demands for equipment, and infrastructure and utility construction and services are growing. Management believes that Enterprise is well positioned due to the diversity of its business and operational performance. Management also believes that a balanced and diversified position between infrastructure and utilities construction and equipment rental 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 employs 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.

With the diversification of our construction services, streamlining of our operations, our cash management measures, the acquisition of ATI, and the acquisition of CTHA, we believe that Enterprise is well positioned operationally to take advantage of the increased economic activity which should allow for improvement in financial performance.

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 and is excited about its future prospects.

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.enterprisegrp.ca.

MANAGEMENT TEAM / BOARD OF DIRECTORS

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

Desmond O'Kell, Vice President, Director and Corporate Secretary

Warren Cabral, CA, Chief Financial Officer (started January 2013)

Doug Bachman, Chief Operating Officer (started March 2013)

John Pinsent, FCA, ICD.D., Director

Manu Sekhri, Director (elected June 2013)

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