Enterprise Oilfield Group, Inc (E)

Initial Report – May 30, 2012

Enterprise Oilfield Group, Inc. is active in the pipeline construction & maintenance, directional drilling & utility installation and heavy equipment rentals industries. All three divisions are performing very well, and as such the Company has experienced a significant turnaround since the second half of 2011.

With the price of oil consistently over $90 per barrel, oil companies started drilling wells again in western Canada, creating demand for the Company's pipeline construction business.

At the same time, the number of new subdivision developments in Alberta continues to increase due to low interest rates and the demand for new housing. As such, Enterprise's directional drilling & utility installation division is operating at or near capacity.

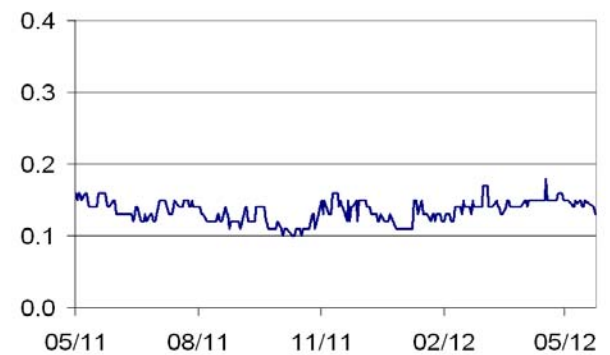
Moreover, in the third quarter of 2011 the Company started renting out its heavy equipment and has already secured contracts with several blue chip clients since. To fuel the growth of the division, Enterprise's management is considering significant capital expenditures to increase the rental fleet.

Based on the Company's increased activities and a potential acquisition we expect sales to reach $25.5 million in 2012 and we foresee earnings to come in at $5.45 million, or $0.09 per share. Therefore we initiate coverage of Enterprise Oilfield Group with a buy recommendation and a price target of $1.17, which is more than 7 times today's stock price.

ENTERPRISE
OILFIELD GROUP, INC.

✓ Ever since Enterprise Oilfield Group became a public Company it's been on a growth-by-acquisition path. In a recent interview with Smallcaps.us, Leonard Jaroszuk, the Company's President and CEO, said that Enterprise is in progress of acquiring a small rental company in northern Alberta. The target company has revenues of about $4.5 million annually, on which it earns close to $2.75 million.

✓ Additionally, the Company has a seasoned management team. Its decision, for instance, to avoid smaller margin projects when the oil industry was slow has proven to be successful as the pipeline construction & maintenance division made a positive contribution to EBITDAS in the fourth quarter of 2011. Moreover, because the Company preferred not to use its equipment over executing money loosing contracts, it was able to start the successful heavy equipment rentals division.



Market Data	
Price	$0.15
Sector	Basic Materials
52-Week Price Range	$0.09 - $0.19
Shares Issued (m)	54.77
Market Cap (m)	$8.22
Listings	E (TSE)
Website	http://www.enterpriseoil.ca

The Company

Enterprise Oilfield Group operates in three main business units for the oilfield and utility infrastructure markets in central and northern Alberta, Canada.

In August of 2005, shortly after the Company became public via a so-called Capital Pool transaction, it completed the acquisition of A.G. Grant Construction in Slave Lake, Alberta. This was a family owned business with an operating history of over 35 years, which offered small diameter pipeline construction services for oil and gas fields.

After Enterprise bought A.G. Grant it hired more men and bought more equipment to expand the business. With success. At the time of the acquisition A.G. Grant had revenues of $7 million. The first year after the take-over it ended up doing $22 million in revenues, while making a $6 million profit.

A.G. Grant became a template for the future growth of Enterprise as it basically became an acquiring Company of small ma and pa operations, where, once acquired, the Company injects capital to expand both manpower and equipment.

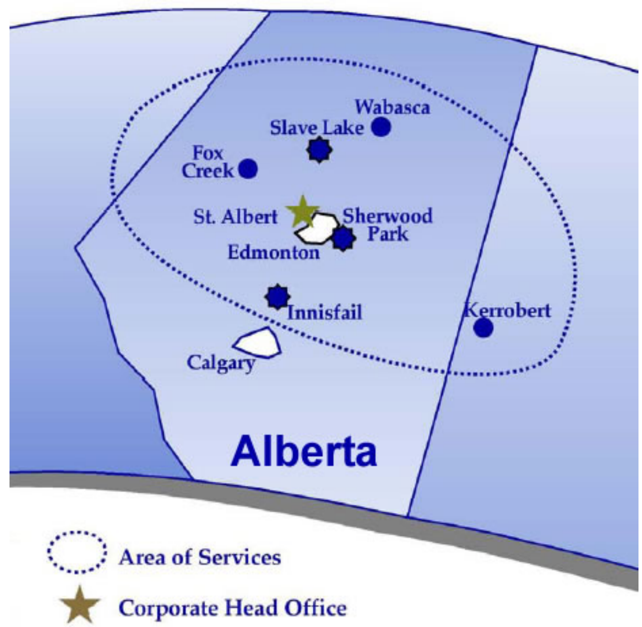
In April of 2006, Enterprise acquired Trevor King Oilfield Services Ltd, a well run company in the same industry as A.G. Grant, but located in the southern part of Alberta. This allowed Enterprise to move its equipment and employees from the north, which is predominantly a winter busy time of the year to the south where it's busier in the summertime.

In 2007, the oil industry was slowing down due to falling oil prices. Enterprise's management immediately responded to this by buying T.C. Backhoe & Directional Drilling Inc. With an operating history of over 35 years, T.C. Backhoe provides directional drilling and installation of underground power, telecommunications and natural gas lines, thus effectively reducing Enterprise's exposure to the oil and gas industry.

Additionally, in the third quarter of 2011, Enterprise began taking advantage of the limited supply of heavy equipment in the market place by renting its underutilized equipment. The pilot project was met with such success, that the Company officially launched its new rental division, E One Limited, in the first quarter of 2012. Management believes that the growth potential of this division is very strong.

The Company continues to be on the lookout to acquire complementary service companies in Western Canada to subsequently consolidate its capital, management and human resources to support continued growth. In the selection of potential acquisitions, Enterprise focuses on high margin and well managed businesses.

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.



With corporate headquarters in St. Albert, Alberta, Canada, a sales office in Calgary, Alberta, construction offices in Slave Lake, Sherwood Park, and Innisfail, Alberta, and field offices in Wabasca and Fox Creek, Alberta, Enterprise is strategically located near its customers.

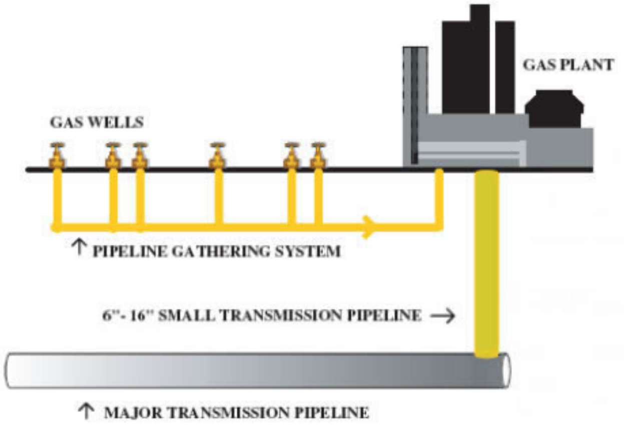
Divisions

Pipeline Construction & Maintenance

Enterprise constructs pipelines for the energy services industry throughout Western Canada utilizing a fleet of over 200 trucks and heavy construction equipment.

It specializes in pipe lines with a small diameter between 4 and 16", whereas mainline transmission pipelines have diameters of greater than 16". Its business is to hook up all the wells that an oil or gas company drills to a main storage facility, processing plant or large diameter pipeline of the mainline transmission grid.

The Company has the equipment and expertise to undertake a project from start to finish. As such, it takes care of all the ditching, installation, welding, pipefitting and hooking up to the sales line.



Gathering pipelines transport oil or natural gas from the wellhead to the processing plant, or to the mainline transmission pipeline. Enterprise focuses on the construction and tie-in of these gathering lines and related field maintenance for both oil and gas projects.

The performance of the pipeline construction sector in Alberta is heavily dependent on the price of oil. With oil hovering around the $100 per barrel mark the last several quarters, capital expenditure budgets for oil companies are increasing and the energy sector is expected to continue its rapid growth. BMO analysts reported that as of October 2011, oil production in Alberta increased by 9.3% year over year with 2012 and 2013 forecasted to be even busier.

A direct result of the higher oil price is that oil and gas companies have increased their number of wells drilled in the Western Canadian Sedimentary Basin (WCSB) in 2011. On November 8, 2011 The Canadian Association of Oilwell Drilling Contractors (CAODC) forecasted that the drilling rig fleet in the WCSB will expand by 34 units in 2012, adding that the industry has not seen this kind of growth since 2007. According to the CAODC, drill rig utilization in the first quarter of 2012 was 68%, compared with 26%, 41% and 54% in 2009, 2010 and 2011 respectively.

	2009	2010	2011	Q1 2012
Drill Rig Utilization	**26%**	**41%**	**54%**	**68%**

Drill rig utilization in Western Canada. Source: CAODC

Most oil and gas exploration & production companies award contracts to pipeline builders based on their past performance and bidding prices, which are primarily determined by the pipeline's length. As a consequence of the increased activity in the industry, margins on bid projects are rising.

A final advantage for Enterprise Oilfield is that many of the new projects are located in Northern Alberta, which makes the Company ideally located. The Company's clients include Apache Canada, PennWest Petroleum, and Canadian Natural Resources.

Connecting producing wells with small diameter steel pipes involves the clearing of soil, excavating trenches, welding and coating pipeline segments, and testing the pipeline system. This picture illustrates field operations of Enterprise constructing small diameter pipelines.

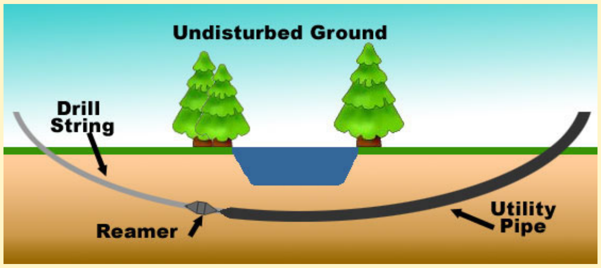
In Alberta, the Company faces competition in the small diameter pipeline business form a number of small to mid-sized local businesses, along with two large multi-regional operators called Flint Energy Services Ltd. and Big Country Energy Services.

Directional Drilling & Utility Installation

A large portion of the existing underground utility infrastructure in the Province of Alberta is rapidly aging. In fact, in some areas the infrastructure is beginning to fail as it's beyond its intended useful life. 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 customers in the utilities and infrastructure sector are companies like Fortis, which is the major electrical supplier in Canada, Telus and Bell, two important phone distributors, Shaw Cable, which does all the underground cables for internet and cable T.V., and ATCO Natural Gas, which does major gas lines.

DIRECTIONAL DRILLING



Directional drilling is a steerable trenchless method of installing underground pipes, conduits and cables in a shallow arc along a prescribed bore path by using a surface launched drilling rig, with minimal impact on the surrounding area. It's used when trenching or excavating is not practical and is suitable for a variety of soil conditions and jobs including road, landscape and river crossings.

These features make directional drilling ideal to install infrastructure such as telecommunications and power cable conduits, water lines, sewer lines, gas lines, oil lines, product pipelines, and environmental remediation casings. It's used for crossing waterways, roadways, shore approaches, congested areas and environmentally sensitive regions.

As a result, directional drilling is used extensively in urban areas for developing subsurface utilities as it helps in avoiding extensive open cut trenches, which cause traffic disruption. Other advantages are shorter completion times, and lower costs.

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. A large portion of Enterprise's customers are property developers and contribute significantly to the bottom line of the Company.

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

The main driver for the directional drilling division is the economy. And as the economy is growing, so do the opportunities to bring in new utilities for new subdivisions or for upgrading existing utilities.

The number of new subdivision developments in Alberta is also expected to increase in 2012 and 2013 due to low interest rates and the demand for new housing. As such, Enterprise's largest customers in the subdivision industry are forecasting significant growth over the next two years.

Directional drilling activities from Enterprise Oilfield.

Recognizing the opportunity at hand, management has begun executing its plan to increase this division's production capacity by adding key personnel and equipment. In addition to organic growth, management has identified several potential acquisition targets that, if acquired, will contribute significantly to the growth.

Heavy Equipment Rentals

The Company launched its heavy equipment rentals division in the third quarter of 2011, securing contracts with several blue chip clients. The opportunity was basically handed to Enterprise on a silver platter as a void was formed in the equipment rental industry.

The void was created by an existing rental company called River Valley Equipment Sales that was servicing most of Northern Alberta and North Eastern British Colombia. That company was bought out by Emeco, a billion dollar mining developer and rental company out of Australia. Emeco purchased River Valley so that it could move into Fort McMurray and get involved in the oil sands industry, where major mining equipment is put to work. As Emeco moved into the bigger and larger equipment however, they sold off their smaller equipment which created a need.

Because Enterprise had parked much of its equipment when the oil industry was slow, the Company had the opportunity to rent it out to bigger construction and development companies in the oil patch and construction business like Ledcor, North American Construction and Flint Energy. Since most of the rental equipment is bought and paid for, it's generating over 80% net profits to the Company.

According to the BMO Blue Book from February 2012, more investing and hiring is on the horizon in the oil and gas sector. BMO analysts noted: "Our customers tell us that while 2012 will be a strong year, 2013 will be even better. Of particular note, companies that have contracts for rented equipment are keeping that equipment, even if they aren't using it. In short, they anticipate more work very soon."

To fuel the growth of the rental division, management is contemplating significant capital expenditures to increase the rental fleet, and has also identified several potential acquisition targets that, when completed, will contribute to the growth of this division. The growth will be funded through a combination of working capital from operations, new lease and term debt facilities as well as raising capital through private placements.

Financials

First Quarter 2012 Results

Mid May 2012, Enterprise Oilfield announced its third consecutive quarter of profitability. The Company recorded a consolidated net income of $169 thousand for the three months ended March 31, 2012, compared to a net loss of $386 thousand over the same period last year. Revenues decreased by 14% to $3.6 million compared to $4.2 million in the same quarter of 2011.

Revenues in the Pipeline Construction & Maintenance division were $643,628 compared to $691,397 in the same quarter last year, a decreased by 7%. However, gross profits grew 134% compared with the first quarter last year to approximately $224,000. Gross margins also increased substantially to 34.8%, compared with gross margins of 13.8% in the first quarter of 2011. This is primarily the result of the launch of the Company's rental division; E One Limited.

Note that because the heavy equipment rental unit was only set up as a separate division early 2012, its revenues and earnings for the first quarter of 2012 are still included in the Pipeline Construction & Maintenance division.

Revenues for the Directional Drilling & Utility Installation division were $3.0 million in the first quarter of 2012, compared to $3.5 million in the prior year, a decrease of 16%. Similar to the other division, gross profits grew to about $1 million, up 11%. The decrease in revenue for this division is largely due to the mild winter leading up to the end of 2011. The mild conditions allowed for a number of projects to be completed sooner and more efficiently.

As a result, the amount of work carried over into the new year was slightly less than anticipated. Gross margins for the three months ended March 31, 2012, increased to 33.5%, compared to 25.5% for the same period in 2011.

Amounts in $000's	**03/31/12**	**03/31/11**
Net Sales	3,631	4,231
Cost of Goods Sold	2,405	3,231
S, G & A Expenses	698	810
Pre-Tax Income (Loss)	**169**	**(386)**
Unrealized gain on Securities	36	32
Net Income (Loss)	**205**	**(354)**
Diluted Shares Outstanding	55,499	48,682
Diluted Earnings Per Share	0.00	(0.01)

Most important income statement data for the quarters ending March 31, 2012 and March 31, 2011. Source: Company Filings

It's great to see that despite a drop in sales, the Company is still profitable. In part, this is thanks to the cost saving measures, which the Company enacted over the past two years. Enterprise continues to monitor its overheads and reduces costs where necessary while maintaining the effectiveness of the operations. Equipment costs, operational costs and G&A costs are continually under review.

Moreover, the return to profitability enables the Company to begin using its $9.7 million of non capital losses to offset any income taxes payable. As a result, the Company's profits are effectively tax free until the non capital losses are fully utilized.

The Company made great strides forward and has been profitable as of the second half of 2011. Both the energy services division and the underground utilities and directional drilling division contributed to the positive growth of the Company.

In addition to these two markets, the Company successfully started renting out its heavy equipment in the third quarter of 2011. This division continues its rapid growth and has already secured contracts with several blue chip clients.

Balance Sheet As Of March 31, 2012

Along with returning to profitability, one of the Company's top priorities in 2011 was to replace its existing high interest term debt with conventional forms of debt financing. In June of 2011, the Company secured a $1.8 million demand loan facility that was used to pay down part of a high interest term loan, and in October of last year, Enterprise secured another $1.5 million in new financing that paid out the remaining portion of this loan. As a result of this payout, the Company will save approximately $805,000 in interest costs over the next two years.

	03/31/12	03/31/11
Cash and Cash Equivalents	755,822	357,203
Accounts Receivable	3,800,280	4,817,204
Inventories	635,042	601,510
Total Current Assets	5,876,758	7,019,011
Property, Plant and Equipm.	8,797,008	8,863,130
Total Assets	**15,465,266**	**16,674,016**
Trade and Other Liabilities	1,375,059	2,575,341
Current Portion of Term Loan	303,184	301,458
Bank Loan	1,525,663	1,611,295
Other Loans Payable	381,689	405,009
Total Current Liabilities	5,123,568	6,514,939
Long Term Loans	1,179,484	1,254,221
Total Liabilities	**6,303,052**	**7,769,160**
Total Stockholder Equity	9,162,214	8,904,856

Most important balance sheet data for the periods ending March 31, 2012 and March 31, 2011. Source: Company Filings

In addition to the new loan facility outlined above, the Company entered into a financing arrangement with a Canadian chartered bank to increase its revolving operating line capacity by from $1.1 million to $1.6 million. The financing will assist in the organic growth of the Company.

Growth Drivers

Turnaround in Progress

During the second half of 2011, Enterprise experienced a significant turnaround. With a price of oil consistently around $100 per barrel, together with increased access to capital, oil companies again started drilling wells in western Canada. This allowed Enterprise to bid on jobs with a higher margin, which hardly were available the last couple of years.

At the same time, western Canada has become very robust with a lot of new development, which creates demand for new utility line installations. As a result, the outlook for the underground utilities construction and maintenance division remains excellent. Expansion of the Canadian economy and infrastructure will drive this sector for at least another decade.

The management of Enterprise believes that the balanced and diversified positions in both the infrastructure and energy services sectors are the best path to generating continued growth and shareholder value.

Acquisitions

Enterprise Oilfield Group is a growth-by-acquisition Company. With the recent positive financial performance and strong outlook, the Company is gaining access to more capital, which it intends to use to take over one or more companies.

Although the Company has a couple of targets, in a recent interview with Smallcaps.us, Leonard Jaroszuk, the Company's President and CEO, said that Enterprise is in progress of acquiring a small rental company in northern Alberta. The target company has revenues of about $4.5 million annually, on which it earns close to $2.75 million. It's again a situation where a husband and wife are looking for a financial partner to come in because they want to retire.

Outlook & Valuation

Enterprise Oilfield Group has turned a corner. The economy is recovering, activity in the energy sector is increasing, and demand for underground and directional drilling services is growing. In fact, in fiscal year 2011 Enterprise recorded a year end profit for the first time since 2007.

The Directional Drilling & Utility Installation division for example is currently operating at or near capacity. The multi-year contract with Fortis, one of Canada's premier power suppliers is now well underway and revenues are increasing as production is ramped up to meet the customer's growing demand. In addition to this contract, Enterprise's other customers in the Directional Drilling & Utility Installation division have a significant backlog of work that will carry through 2012.

Enterprise's customers include some of Canada's largest energy producers, telecommunication providers, utility service providers and the federal and provincial governments of Canada.

Additionally, the Company has a seasoned management team. Its decision, for instance, to avoid projects with smaller margins in the Pipeline Construction & Maintenance sector has proven to be successful as the division made a positive contribution to EBITDAS in the fourth quarter of 2011. Moreover, because the Company preferred not to use its equipment over executing money loosing contracts, it was able to start the successful Heavy Equipment Rental division.

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

Amounts in $000's	2010	2011	2012E
Total Revenue	15,623	17,884	25,500
Net Income	(5,564)	79	5,450

Annual sales and earnings FY 2010 – 2012E. Source: Company Filings and Smallcaps.us estimates

The financial results in the last nine months have positioned the Company for continued growth in 2012. Activity in 2012 continues to be robust and is setting up to be a highly profitable year. Management expects substantial organic growth from its operations due to ongoing demand for the Company's services and the expansion of its new rental division. Additionally, the Company has identified several potential acquisition targets that, when completed, will also contribute to the overall growth of the Company.

Peer Comparison

Enterprise Oilfield Group competes with several companies in each of its division. For example, Macro Industries out of Fort St. John B.C., is a competitor in the pipeline construction and services industry. There's also Cordy Oilfield Services (TSX: CKK) out of Calgary, which is more like Enterprise as it has four divisions, including a pipeline construction segment.

Although Enterprise faces competition in all its divisions, it's hard to identify a peer group of companies, because there's no other Company that's active in exactly the same sectors. Moreover, some of these other companies that engage in the Company's line-of-business do so through divisions or subsidiaries that are not publicly-traded.

For reason of comparison, we have placed the Company in the basic materials industry, under which the oil & gas equipment and services companies are listed. The average P/E ratio for a Company in the basic materials industry is 13.26x.

Valuation

The Company hasn't given a sales and earnings projection for fiscal year 2012, so we've used our own estimates and calculations. These will probably have to be adjusted when we have a clearer picture of the actual numbers, but for now we have a sales and earnings projection for the full year of $25.5 million and $5.45 million respectively.

In these numbers we've taken into account a new acquisition that might be closed in the coming weeks and which will most likely be immediately accretive to earnings. As with the Company's previous acquisitions, part of the payment may be in shares. So, for the earnings per share calculation, we've used 62 million shares (currently Enterprise has 54.7 million shares outstanding).

A profit of $5.45 million in 2012 and 62 million shares outstanding result in approximately 0.09 earnings per share.

Using the $0.09 EPS projection for FY 2012 and applying the 13.26x P/E multiple from the basic materials industry, we reach the following calculation: $0.09 estimated EPS multiplied by 13.26 = $1.17.

Based on these calculations, we initiate coverage of Enterprise Oilfield Group with a buy recommendation and a price target of $1.17, which is more than 7 times today's stock price.

Share Data & Ownership

As of May 11, 2012 Enterprise Oilfield Group had 54,766,697 common shares issued and outstanding. It also had 3,700,000 stock options outstanding with exercise prices ranging between $0.15 and $0.25 per option with various expiration dates.

Type of Securities	Number of Securities
Common shares	54,766,697
Options	3,700,000
Warrants	7,284,997

Outstanding shares, warrants and options for Enterprise Oilfield Group as of May 11, 2012. Source: Company Filings

Additionally, the Company had 7,284,997 warrants outstanding entitling the holder to acquire one common share per warrant at an exercise price of between $0.20 and $0.25 per share.

The largest shareholder of Enterprise is Leonard Jaroszuk, the Chairman and CEO of the Company, owning approximately 10 million shares, or about 18% of shares outstanding.

We continue to believe that it's a big plus when the management of a company is a major shareholder, as it will try to advance the company, and its share price, while keeping dilution to a minimum.

Enterprise Oilfield partly pays in shares when it takes over another company. As a result, many of the former owners are principal shareholders of the Company's common stock. For example, Ron Ingram, the previous owner of A.G. Grant, owns over 2.5 million shares. Also the past owners of T.C. Backhoe still ows close to 6 million shares of Enterprise.

Additionally, there about 13 institutions out of New York and Toronto that are substantial shareholders of the Company.

Management

- **Leonard D. Jaroszuk - Chairman, Chief Executive Officer & President**

Over the past 28 years Mr. Jaroszuk has been involved in, and managed, several public companies engaged in the Real Estate, Construction, Natural Resources and Exploration business. Mr. Jaroszuk took a lead role in developing Enterprise's growth in its first year of operations. His understanding of the industry has enabled Enterprise Oilfield Group to develop a strategic and tactical course to become a leader in the pipeline construction industry. Mr. Jaroszuk currently also serves as a director on several other Oil and Gas service and manufacturing companies.

- **Desmond O'Kell - Vice President, Corp Secretary & Director**

Mr. O'Kell has 23 years business operations and finance experience in the public marketplace. Prior to the inception of Enterprise Oilfield Group he was President of Rochester Resources, a producing gold & silver mining company listed on the TSX-Venture Exchange. Mr. O'Kell also serves as a director of another Canadian listed resource company.

- **Kevin Spitzmacher - Chief Financial Officer**

Mr. Spitzmacher is the founder of Encore Capital Advisors, a corporate finance firm specializing in mergers & acquisitions, divestitures and financing transactions. Prior to founding Encore, Mr. Spitzmacher was the Vice President and Director of Corporate Finance with Tamarack Capital Advisors managing the Edmonton office. Preceding Tamarack he was an Investigative Accountant with the Enforcement Section of the Alberta Securities Commission.

- **Ron Ingram - Director**

As Director, Mr. Ingram brings to Enterprise Oilfield Group, over 17 years experience running an oilfield services company with over $10 Million in sales. His invaluable knowledge in pipeline construction and oilfield maintenance services is a definite asset to the success of Enterprise.

- **Nick DeMare - Director**

Mr. DeMare holds a Bachelor of Commerce degree from the University of British Columbia and is a member in good standing of the Institute of Chartered Accountants of British Columbia. Since May 1991, Mr. DeMare has been the President of Chase Management Ltd., a private company which provides a broad range of administrative, management and financial services to private and public companies engaged in mineral exploration and development, gold and silver production, oil and gas exploration and production and venture capital. Mr. DeMare currently serves as an officer and/or director of several public companies listed on the TSX, AMEX and the TSX-V.

- **Fredy Ramsoondar - Director**

Mr. Ramsoonar has a career in corporate finance spanning some 15 years, including areas of business expansion through franchising acquisitions and strategic alliances. Mr. Ramsoondar received a B.Comm degree from the University of South Africa in 1994 and articled under International Financial Reporting Standards ("IFRS"). He was the Chief Financial Officer of United Protection Security Group Inc. (TSX-V) before becoming the Chief Executive Officer in February 2011. He is also a Director of Samoth Oilfield Inc. since August 2009.

Annual Income Statement FY 2008 – FY 2011

All numbers in thousands

PERIOD ENDING	FY 2008	FY 2009	FY 2010	FY 2011
Total Revenue	**39,762**	**27,699**	**15,623**	**17,883**
Cost of Revenue	29,691	25,564	13,833	13,173
Gross Profit	**10,070**	**2,135**	**1,790**	**4,710**
General and Administrative Expenses	(5,304)	(4,147)	(3,315)	(3,149)
Depreciation of Property, Plant and Equipment	-	-	(1,425)	(1,114)
Impairment Losses of Property, Plant and Equipment	-	-	-	(73)
Amortization of Intangible Assets	(2,572)	(1,846)	(146)	(146)
Loss on Sale of Property, Plant and Equipment	(309)	(1,748)	(188)	(55)
Fair Value Adjustment	-	-	-	121
Finance Expenses	(396)	(164)	(202)	(808)
Interest and Other Income (Loss)	30	(43)	22	591
Goodwill Write-Down	(15,108)	-	-	-
Income (Loss) Before Income Tax	**(13,587)**	**(5,813)**	**(3,464)**	**79**
Deferred Expenses	(1,318)	(1,285)	(2,100)	
Income (Loss) for the Year	**(12,269)**	**(4,528)**	**(5,564)**	**79**
Unrealized (Loss) Gain on Marketable Securities			8	(12)
Net Income Applicable To Common Shares	**$(12,269)**	**$(4,528)**	**$(5,556)**	**$67**

Annual Income Statement FY 2008 – FY 2011. Source: Company Filings

Toronto Stock Exchange: E

Company Headquarters
64 Riel Drive, Suite 2
St. Albert, Alberta T8N 5B3
Canada

Company Contact
.Leonard D. Jaroszuk, President & CEO
Phone: (780) 418-4400
contact@enterpriseoil.ca

This Company Report is prepared and distributed by Smallcaps.us
editor@smallcaps.us

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