ENTERPRISE
GROUP, INC.

Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three and six months ended June 30, 2014 and 2013

National Instrument 51-102
Continuous Disclosure Obligations
Notice

Pursuant to Part 4.3 (3) of National Instrument 51-102, these unaudited condensed interim consolidated financial statements of Enterprise Group, Inc. for the three and six months ended June 30, 2014 have not been reviewed by the Company's external auditors.

ENTERPRISE GROUP, INC.

Condensed Interim Consolidated Statements of Financial Position

	June 30, 2014 (unaudited)	December 31, 2013 (audited)
Assets		
Cash and cash equivalents	$ **21,411,224**	$ 4,568,288
Trade and other receivables (note 4)	**11,124,989**	7,995,050
Unbilled revenue	**4,050,151**	2,683,241
Inventories	**2,009,205**	1,248,451
Deposits and prepaid expenses	**6,322,629**	2,484,648
	44,918,198	18,979,678
Property, plant and equipment (note 5)	**65,056,815**	32,858,230
Investment property	**3,565,000**	3,565,000
Goodwill (note 6)	**9,442,304**	4,758,304
Intangible assets (note 7)	**4,417,039**	3,769,612
Deferred tax assets	**2,648,374**	2,946,484
	85,129,532	47,897,630
Total assets	$ **130,047,730**	$ 66,877,308
Liabilities		
Trade and other payables (note 4)	$ **4,918,685**	$ 6,401,932
Income taxes payable	**485,440**	389,712
Current portion of loans and borrowings (note 8)	**4,172,065**	2,510,112
	9,576,190	9,301,756
Long term portion of notes and borrowings (note 8)	**36,571,074**	23,812,918
Deferred tax liabilities	**7,038,338**	4,217,338
Total liabilities	**53,185,602**	37,332,012
Equity		
Share capital	**75,242,626**	36,650,333
Warrants (note 10b)	**4,007,454**	453,916
Convertible debenture	**63,479**	221,242
Contributed surplus	**3,406,623**	2,734,634
Deficit	**(5,858,054)**	(10,514,829)
Total equity	**76,862,128**	29,545,296
Total equity and liabilities	$ **130,047,730**	$ 66,877,308

Approved on behalf of the Board:

(Signed) "Leonard D. Jaroszuk" Director

(Signed) "John Pinsent, FCA, ICD.D." Director

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(unaudited)

	Three months June 30, 2014	Three months June 30, 2013	**Six months June 30, 2014**	Six months June 30, 2013
Revenue	**$ 14,069,617**	$ 4,831,035	**$ 35,176,922**	$ 13,735,415
Direct expenses	**(8,543,550)**	(3,159,080)	**(19,121,420)**	(6,861,493)
Gross margin	**5,526,067**	1,671,955	**16,055,502**	6,873,922
General and administrative expenses	**(3,004,602)**	(1,766,226)	**(6,161,067)**	(3,039,578)
Acquisition costs (note 3)	**-**	-	**(244,242)**	-
Depreciation of property, plant and equipment	**(1,474,607)**	(542,081)	**(2,786,875)**	(1,018,343)
Finance expense	**(631,987)**	(217,851)	**(1,202,930)**	(414,423)
Share-based payments	**(553,397)**	(607,850)	**(797,785)**	(625,250)
Amortization of intangible assets	**(172,571)**	(55,501)	**(297,573)**	(116,991)
Gain (loss) on sale of property, plant and equipment	**215,689**	(34,439)	**79,819**	(46,726)
Other income	**135,273**	9,069	**53,514**	11,348
Income (loss) before income tax	**39,865**	(1,542,924)	**4,698,363**	1,623,959
Income tax recovery (expense)	**290,094**	-	**(41,588)**	-
Net income (loss)	**$ 329,959**	$ (1,542,924)	**$ 4,656,775**	$ 1,623,959
Other comprehensive income				
Unrealized gain on marketable securities	**$ -**	$ 16,000	**$ -**	$ 16,000
Other comprehensive income	**$ -**	$ 16,000	**$ -**	$ 16,000
Net income (loss) and comprehensive income (loss)	**$ 329,959**	$ (1,526,924)	**$ 4,656,775**	$ 1,639,959
Earnings per share (note 11)				
Basic earnings per share	**$ 0.00**	$ (0.02)	**$ 0.04**	$ 0.03
Diluted earnings per share	**$ 0.00**	$ (0.02)	**$ 0.04**	$ 0.03

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements

Condensed Interim Consolidated Statements of Cash Flows

(unaudited)

	Six months June 30, 2014	Six months June 30, 2013
Cash flows from operating activities:		
Income before income tax	**$ 4,698,363**	$ 1,623,959
Adjustments for:		
Depreciation of property, plant and equipment	**2,786,875**	1,018,343
Amortization of intangible assets	**297,573**	116,991
(Gain) loss on sale of property, plant and equipment and other assets	**(79,819)**	46,726
Share-based payments	**797,785**	625,250
Finance expense	**1,202,930**	414,423
Change in non-cash working capital (note 13)	**(4,762,691)**	1,845,445
Net cash provided by operating activities	**4,941,016**	5,691,137
Cash flows from financing activities:		
Proceeds from bank loan facility	**12,874,586**	-
Proceeds from finance lease liabilities	**-**	167,679
Proceeds from convertible debenture	**-**	5,565,515
Proceeds of mortgage facility	**-**	1,500,000
Interest and borrowing costs paid on loans and borrowings	**(1,158,473)**	(228,703)
Repayment of term loan	**(639,298)**	(148,860)
Proceeds from bank loan	**-**	468,283
Repayment of finance lease liabilities	**(2,780,654)**	(58,069)
Repayment of mortgage facility	**(52,228)**	(38,485)
Issuance of common shares	**43,601,200**	-
Private placement of common shares	**-**	5,172,041
Share issue costs	**(8,224,998)**	(30,816)
Stock options exercised	**273,000**	369,000
Warrants exercised	**171,342**	1,317,419
Net cash provided by financing activities	**44,064,477**	14,055,004
Cash flows from investing activities:		
Cash paid for acquisition of subsidiary (note 3)	**(25,886,000)**	(12,780,000)
Purchase of property, plant and equipment	**(7,331,044)**	(5,030,436)
Proceeds on sale of property, plant and equipment	**1,054,487**	10,065
Net cash used by investing activities	**(32,162,557)**	(17,800,371)
Change in cash and cash equivalents	**16,842,936**	1,945,770
Cash and cash equivalents, beginning of period	**4,568,288**	1,151,616
Cash and cash equivalents, end of period	**$ 21,411,224**	$ 3,097,386

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements

ENTERPRISE GROUP, INC.

Condensed Interim Consolidated Statements of Changes in Equity

(unaudited)

	Number of common shares	Share capital	Warrants	Contributed surplus	Convertible debenture	Accumulated other comprehensive Income (loss)	Deficit	Total
Balance at December 31, 2012	56,933,363	$25,921,249	$310,797	$2,106,922	$-	$(16,000)	$(16,297,255)	$12,025,713
Issuance of common shares on acquisition	727,908	500,000	-	-	-	-	-	500,000
Private placement	12,787,586	4,802,723	550,482	-	-	-	-	5,353,205
Stock options exercised	2,400,000	523,360	-	(154,360)	-	-	-	369,000
Share issuance costs	-	(121,398)	-	-	-	-	-	(121,398)
Warrants exercised	6,343,331	1,525,425	(298,588)	-	-	-	-	1,226,837
Unrealized loss on marketable securities	-	-	-	-	-	16,000	-	16,000
Convertible debenture	-	-	-	625,250	-	-	-	625,250
Convertible debenture	-	-	-	303,036	-	-	-	303,036
Net income	-	-	-	-	-	-	1,623,959	1,623,959
Balance as at June 30, 2013	79,192,188	$33,151,359	$562,691	$2,880,848	$-	$-	$(14,673,296)	$21,921,602
Balance as at December 31, 2013	87,881,002	$36,650,333	$453,916	$2,734,634	$221,242	$-	$(10,514,829)	$29,545,296
Issuance of common shares on acquisition (note 3)	22,223,890	16,001,200	-	-	-	-	-	16,001,200
Issuance of common shares by prospectus	27,600,000	27,600,000	3,621,167	-	-	-	-	31,221,167
Stock options exercised	1,675,000	398,795	-	(125,795)	-	-	-	273,000
Share issue costs net of tax	-	(8,546,672)	-	-	-	-	-	(8,546,672)
Warrants exercised	276,736	238,970	(67,629)	-	-	-	-	171,341
Conversion of convertible debentures	5,800,000	2,900,000	-	-	(157,763)	-	-	2,742,237
Share-based payments	-	-	-	797,784	-	-	-	797,784
Net income	-	-	-	-	-	-	4,656,775	4,656,775
Balance as at June 30, 2014	145,456,628	$75,242,626	$4,007,454	$3,406,623	$63,479	$-	$(5,858,054)	$76,862,128

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements

1. Reporting entity

Enterprise Group, Inc. ("Enterprise" or the "Company") is a public company incorporated under the Alberta Business Corporations Act and its shares are listed on the Toronto Stock Exchange under the symbol "E". Enterprise is a consolidator of businesses providing services to the utility, energy and construction industries. The Company has a fleet of trucks and heavy equipment to install underground utilities and pipelines and to provide tunnelling services. Additionally, the Company rents heavy equipment, flameless heating units and oilfield site service infrastructure throughout Western Canada. Enterprise's head office is located at #2, 64 Riel Drive, St. Albert, Alberta, T8N 4A4.

The financial statements of the Company as at June 30, 2014, and December 31, 2013, are comprised of the Company and its wholly owned subsidiaries. The consolidated financial statements were authorized for issue by the Board of Directors on August 8, 2014.

2. 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 2013 Audited 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 Audited Consolidated Financial Statements for the fiscal year ended December 31, 2013.

3. Business acquisitions

Hart Oilfield Rentals Ltd.

On January 3, 2014, the Company acquired all of the issued and outstanding common shares of Hart Oilfield Rentals Ltd. ("Hart"), a privately held oilfield site service infrastructure company, for an aggregate purchase price of $22,600,000 subject to certain adjustments. The fair value of of the total consideration paid was $26,618,000. The acquisition of Hart is consistent with the Company's strategy to acquire complementary companies in Western Canada consolidating capital, management and human resources to support continued growth. The Company accounted for the acquisition using the acquisition method and the operations of Hart have been included in the consolidated financial statements from the date of acquisition. Goodwill acquired with Hart comprises the value of expected synergies arising from the acquisition and the expertise and reputation of the assembled workforce. In addition to the consideration paid at closing, the final purchase price is subject to adjustment based on working capital long-term debt, approved capital commitments, and rental equipment under construction. Goodwill and intangible assets acquired are $5,629,000 and the goodwill is non-deductible for income tax purposes.

The preliminary allocation of the purchase price of the net identifiable assets based on their estimated fair values at the date of acquisition are as follows:

Working capital	$	2,881,000
Property, plant and equipment		20,929,000
Patent - estimated useful life of nine years (note 7)		103,000
Customer relationship - estimated useful life of ten years (note 7)		842,000
Goodwill (note 6)		4,684,000
Deferred tax liability		(2,821,000)
Net assets acquired	$	26,618,000

The Company acquired the following in working capital:

Trade and other receivables	$	3,792,000
Inventory, deposits and prepaids		440,000
Trade and other payables		(1,351,000)
Fair value	$	2,881,000

The Company acquired the following in property, plant and equipment:

Leasehold improvements	$	353,000
Computers and communication equipment		9,000
Small equipment		251,000
Light automotive equipment		1,169,000
Heavy automotive, construction and portable rental equipment		19,147,000
Fair value	$	20,929,000

The fair value of the purchase consideration is comprised of the following:

Cash	$	25,886,000
Common shares - 1,388,890 with a deemed value of $0.72 per share		1,000,000
Common shares - fair value adjustment		(268,000)
Total consideration paid	$	26,618,000

The above purchase price allocation is preliminary and was conducted based on a preliminary evaluation of the fair value of the assets and liabilities acquired. The purchase price allocation will remain preliminary until the Company completes its final evaluation, which is anticipated to be in the third quarter of the year.

The Company incurred acquisition costs of $244,242, which were expensed through the statement of income. This amount was comprised of due diligence, legal and interest costs.

As at the date of acquisition, the gross contractual amount of accounts receivable acquired were $3,792,000 of which 100% were estimated to be collectable.

Hart's revenues and EBITDA for the period since acquisition were $12,590,000 and $3,577,000 respectively.

4. Financial instruments and risk management

(a) Fair value of financial instruments

The estimated fair value of the Company's financial instruments approximates the amount for which the financial instrument could currently be exchanged in an arm's length transaction between willing parties who are under no compulsion to act. The carrying value of trade and other receivables, trade and other payables, and loans and borrowings approximate fair value because of the near term to maturity of these instruments.

The carrying amounts presented in the balance sheet relate to the following categories of assets and liabilities.

	June 30, 2014	December 31, 2013
Financial assets		
Loans and receivables		
Cash and cash equivalents	**$21,411,224**	$4,568,288
Trade and other receivables	**$11,124,989**	$7,995,050
Financial liabilities		
Trade and other payables	**$4,918,685**	$6,401,932
Loans and borrowings	**$40,743,139**	$26,323,030

Financial risk management

The Company's activities expose it to a variety of financial risks such as credit risk, liquidity risk and market risk. The Board of Directors oversees management's establishment and execution of the Company's risk management framework.

(b) 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 utilities/infrastructure construction 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. Losses from trade accounts receivable have not historically been significant. As such the Company has recorded a provision of doubtful accounts at June 30, 2014 of $nil (2013 - $nil).

At June 30, 2014, $1,141,000 or 11% of trade receivables was from one customer compared to $925,000 or 12% from one customer as at December 31, 2013.

	June 30, 2014	December 31, 2013
Current (less than 90 days)	**$ 8,353,289**	$ 6,638,227
Past due (more than 90 days)	**2,771,700**	1,356,823
Total	**$ 11,124,989**	$ 7,995,050

Included in trade receivables past due (more than 90 days) is $1,089,354 (2013 - 398,000) of holdback receivables.

(c) 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 undiscounted contractual maturities of financial liabilities, including estimated interest at June 30, 2014, and December 31, 2013:

June 30, 2014	**Carrying amount**	**Contractual cash flows**	**Due within one year**	**Two-five years**	**More than five years**
Trade and other payables	$ 4,918,685	$ 4,918,685	$ 4,918,685	$ -	$ -
Long term loans and borrowings including current portion	40,743,139	46,997,581	6,383,152	39,416,134	1,198,295
Operating lease commitments	-	2,975,734	849,140	2,095,294	31,300
	$ 45,661,824	**$ 54,892,000**	**$ 12,150,977**	**$ 41,511,428**	**$ 1,229,595**

December 31, 2013	Carrying amount	Contractual cash flows	Due within one year	Two-five years	More than five years
Trade and other payables	$ 6,401,932	$ 6,401,932	$ 6,401,932	$ -	$ -
Long term loans and borrowings including current portion	26,323,030	28,977,648	3,827,516	23,885,266	1,264,866
Operating lease commitments	-	2,261,590	656,022	1,605,568	-
	$ 32,724,962	$ 37,641,170	$ 10,885,470	$ 25,490,834	$ 1,264,866

(d) Market risk

Market risk is the risk of changes in market prices, such as interest rates, which will affect the Company's income or the value of its financial instruments. Management has assessed the effect of a 1% interest rate increase or decrease in the prime lending rate at June 30, 2014, to impact the Company's annual interest expense by approximately $295,000 (2013 - $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 the 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, convertible debenture 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 its shareholders. In order to maintain or adjust the capital structure, the Company may issue new shares, or sell assets to reduce debt.

The Company has met all its capital objectives at June 30, 2014.

Fair value determination

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

5. Property, plant and equipment

Cost or deemed cost	Balance at December 31, 2013	Additions	Disposals	Balance at June 30, 2014
Land	$ 375,000	$ -	$ -	$ 375,000
Buildings	603,524	-	-	603,524
Leasehold improvements	185,642	459,064	-	644,706
Computers and communication equipment	231,479	72,147	-	303,626
Small equipment	2,611,574	423,462	(16,717)	3,018,319
Light automotive equipment	2,442,364	2,415,093	(89,142)	4,768,315
Heavy automotive, construction and portable rental equipment	34,237,668	31,159,263	(1,755,181)	63,641,750
Portable rental equipment under construction	1,215,941	1,646,646	(215,549)	2,647,038
	$ 41,903,192	**$ 36,175,675**	**$ (2,076,589)**	**$ 76,002,278**

	Accumulated depreciation				Carrying amounts	
	Balance at December 31, 2013	Depreciation for the period	Disposals	Balance at June 30, 2014	Balance at December 31, 2013	Balance at June 30, 2014
Land	$ -	$ -	$ -	$ -	$ 375,000	$ 375,000
Buildings	20,999	3,293	-	24,292	582,525	579,232
Leasehold improvements	134,650	10,723	-	145,373	50,992	499,333
Computers and communication equipment	121,933	20,279	-	142,212	109,546	161,414
Small equipment	1,047,864	161,908	(9,231)	1,200,541	1,563,710	1,817,778
Light automotive equipment	845,947	307,341	(71,314)	1,081,974	1,596,417	3,686,341
Heavy automotive, construction and portable rental equipment	6,873,569	2,283,331	(805,829)	8,351,071	27,364,099	55,290,679
Portable rental equipment under construction	-	-	-	-	1,215,941	2,647,038
	$ 9,044,962	**$ 2,786,875**	**$ (886,374)**	**$ 10,945,463**	**$32,858,230**	**$65,056,815**

Included in the carrying amount $65,056,815 is $2,647,038, (2013 - $1,215,941), of Heavy automotive, construction and portable rental equipment under construction, which is not being depreciated as it is not yet available for use.

Included in the additions of $36,175,675 is $20,929,000 of property plant and equipment related to the Hart acquisition.

Depreciation and impairment charge

The depreciation and impairment of property, plant and equipment, and any eventual reversal thereof, are recognized in depreciation expense in profit or loss.

6. Goodwill

Carrying amount of goodwill allocated to each CGU	June 30, 2014	December 31, 2013
Artic Therm International Ltd.	**$ 1,558,530**	$ 1,558,530
Calgary Tunnelling & Horizontal Augering Ltd.	**3,199,774**	3,199,774
Hart Oilfield Rentals Ltd.	**4,684,000**	-
	$ 9,442,304	$ 4,758,304

7. Intangible assets

Cost or deemed cost	Balance at December 31, 2013	Additions (note 3)	Balance at June 30, 2014
Patent	$ 350,284	$ 103,000	$ 453,284
Customer relationships	4,589,638	842,000	5,431,638
	$ 4,939,922	**$ 945,000**	**$ 5,884,922**

	Accumulated amortization			Carrying amounts	
Amortization and impairment losses	Balance at December 31, 2013	Amortization for the year	Balance at June 30, 2014	Balance at December 31, 2013	Balance at June 30, 2014
Patent	$ 54,211	$ 30,489	$ 84,700	$ 296,073	$ 368,584
Customer relationships	1,116,099	267,084	1,383,183	3,473,539	4,048,455
	$1,170,310	**$ 297,573**	**$1,467,883**	**$3,769,612**	**$ 4,417,039**

8. Loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortized cost.

	June 30, 2014	December 31, 2013
Current loans and borrowings		
Current portion of vendor take-back loans	**$ 1,040,790**	$ 1,025,878
Term loan facilities	**313,715**	332,118
Current portion of finance lease liabilities	**2,717,330**	1,051,189
Current portion of mortgage facilities	**100,230**	100,927
Total current loans and borrowings	**4,172,065**	2,510,112
Non-current portion of loans and borrowings		
Bank loan facility	**28,014,272**	15,187,137
Vendor take-back loans	**-**	492,601
Convertible debenture	**1,382,596**	4,050,780
Term loan facilities	**482,500**	596,435
Finance lease liabilities	**5,090,166**	1,836,837
Mortgage facilities	**1,601,540**	1,649,128
Total non-current portion loans and borrowings	**36,571,074**	23,812,918
Total loans and borrowings	**$ 40,743,139**	$ 26,323,030

(a) Bank loan facility

On January 3, 2014, the Company increased its available bank loan facility from $20,000,000 to a maximum of $35,000,000, and changed the capital expenditure covenant allowing the Company's 2014 capital expenditure program to grow from $11,000,000 to $20,000,000. As a result of the amendment, the Corporation is required to maintain on a rolling twelve-month basis, a senior leverage ratio (ratio of senior debt to trailing twelve month EBITDA) of not greater than 3.25:1.0, 3.00:1.0 beginning March 31, 2014, 2.75:1.0 beginning June 30, 2014, 2.50:1.0 beginning September 30, 2014, 2.25:1.0 beginning December 31, 2014 and thereafter 2.00:1.0 beginning March 31, 2015 until the facility matures, September 7, 2017. All other terms and conditions of the facility have not changed. As at June 30, 2014, the Company is in compliance with the required covenants.

9. Share capital

Authorized:

Unlimited	Common shares
Unlimited	Preferred shares, issuable in series, terms to be set at issuance

Changes in issued share capital are described in the Share-based payments note contained in these financial statements.

10. Share-based payments

(a) Stock option program (equity-settled)

The Company has a stock option plan to purchase common shares over a period ranging from two to five years from the date the option is granted at prices approximating market prices on the day prior to the date of grant.

The Company issued 3,965,000 options for the three and six months ended June 30, 2014. The weighted average fair value of the options granted was $0.41 estimated using the Black-Scholes Option Pricing Model with the following assumptions: expected term of 2 years; risk free interest rate of 1.08%; volitility of 80%; fortieture rate of 0%.

Outstanding stock options June 30, 2014	Number		Weighted average exercise price	Weighted average remaining contractual life (months)
Stock options, beginning of period	**8,100,000**	**$**	**0.62**	27
Granted	**3,965,000**		**0.95**	33
Exercised	**(975,000)**		**0.16**	4
Stock options, end of the period	**11,090,000**	**$**	**0.73**	43
Exercisable stock options, June 30, 2014	**3,877,223**	**$**	**0.58**	24

(b) Share purchase warrants

Share purchase warrants June 30, 2014	Number		Weighted average exercise price		Value
Warrants, outstanding, beginning of period	**1,411,541**	**$**	**0.76**	**$**	**453,916**
Issued	**11,797,500**		**1.00**		**3,621,167**
Exercised	**(276,736)**		**0.62**		**(67,629)**
Warrants outstanding, June 30, 2014	**12,932,305**	**$**	**0.98**	**$**	**4,007,454**

On December 13, 2013, the Company closed an overnight marketed public offering (the Offering) of subscription receipts of the Company. On January 3, 2014, proceeds from the offering were released from escrow and the 20,835,000 subscription receipts, at a price of $0.72 per subscription receipt for aggregate gross proceeds of $15,001,200, were converted into 20,835,000 common shares and 10,417,500 common share purchase warrants. Each share purchase warrant will entitle the holder thereof to acquire one common share at an exercise price of $1.00 per share for a period of 24 months following closing of the Offering. The share purchase warrants were valued at $3,031,493 using the Black-Scholes Option Pricing Model.

The fair value of the common share purchase warrants was estimated using Black-Scholes Option Pricing Model with the following weighted average inputs.

	2014
Share price	$0.79
Exercise price	1.00
Expected term	24 months
Risk-free interest	1.07%
Expected dividends	nil
Volatility	80%

In addition, the Company issued to the Underwriters 1,250,100 of non-transferable common share purchase warrants (broker warrants) equal to 6% of the total number of subscription receipts issued pursuant to the Offering. Each broker warrant will entitle the holder thereof to acquire one common share at an exercise price of $0.80 per share for a period of 24 months following closing of the Offering. The broker warrants were valued at $425,534 using the Black-Scholes Option Pricing Model.

The fair value of the broker warrants was estimated using Black-Scholes Option Pricing Model with the following weighted average inputs.

	2014
Share price	$0.79
Exercise price	0.80
Expected term	24 months
Risk-free interest	1.07%
Expected dividends	nil
Volatility	80%

On March 25, 2014, the Company closed a bought deal of 27,600,000 common shares, at a price of $1.00 per common share for aggregate gross proceeds of $27,600,000. In addition, the Company issued to the Underwriters 1,380,000 of non-transferable common share purchase warrants (broker warrants) equal to 5% of the total number of common shares issued pursuant to the Offering. Each broker warrant will entitle the holder thereof to acquire one common share at an exercise price of $1.00 per share for a period of 24 months following closing of the Offering. The broker warrants were valued at $589,674 using the Black-Scholes Option Pricing Model.

The fair value of the broker warrants was estimated using Black-Scholes Option Pricing Model with the following weighted average inputs.

	2014
Share price	$0.99
Exercise price	1.00
Expected term	12 months
Risk-free interest	1.06%
Expected dividends	nil
Volatility	80%

11. Earnings per share

The income available to common shareholders and weighted average number of common shares outstanding for comparative basic and diluted earnings per share at June 30 are:

	Three months June 30, 2014	Three months June 30, 2013	**Six months June 30, 2014**	Six months June 30, 2013
Weighted average common shares outstanding – basic	**145,068,400**	68,163,781	**129,765,605**	63,849,945
Effect of stock options and warrants	**2,809,042**	-	**2,887,626**	1,073,346
Weighted average common shares – diluted	**147,877,442**	68,163,781	**132,653,231**	64,923,291
Net income	**$ 329,959**	$ (1,542,924)	**$4,656,775**	$1,623,959
Basic earnings per share	**$ 0.00**	$ (0.02)	**$0.04**	$0.03
Diluted earnings per share	**$ 0.00**	$ (0.02)	**$0.04**	$0.03

In calculating diluted earnings per common share for the six months ended June 30, 2014, the Company excluded nil stock options, the convertible debentures and 11,797,500 warrants (2013 – nil stock options and nil warrants respectively), as their impact was anti-dilutive.

12. Related party transactions

The Company has entered into various transactions in the normal course of business with corporations controlled by officers and directors of the Company and corporations that have common ownership. These transactions were recorded at the exchange amount established and agreed to by the parties.

Six months ended June 30	**2014**	2013
Rental / purchase of equipment	**$-**	$465,667
Management and consulting fees	**342,340**	385,725
	$342,340	$851,392

13. Supplemental cash flow information

Six months ended June 30	**2014**	2013
(a) Changes in non-cash working capital:		
Trade and other receivables	**$4,454,061**	$3,057,915
Unbilled revenue	**(1,366,910)**	(1,135,594)
Inventories	**(320,754)**	219,476
Deposits and prepaid expenses	**(3,397,981)**	(1,178,216)
Trade and other payables	**(4,131,107)**	881,864
	$(4,762,691)	$1,845,445
(b) Other non-cash transactions:		
Equipment purchased under finance leases	**$6,985,934**	$167,679

14. Segmented information

The Company operates in two main business segments in Western Canada, utilities/infrastructure construction and equipment rental. 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 note 2.

Six months ended June 30, 2014	**Utilities/ infrastructure construction**	**Equipment rental**	**Corporate**	**June 30, 2014**
Revenues	$ 16,788,960	$ 18,387,962	$ -	$ 35,176,922
EBITDAS [1]	4,771,499	7,224,667	(2,292,459)	9,703,707
Depreciation and amortization	998,431	2,076,375	9,642	3,084,448
Interest and bank charges	596,106	569,448	37,376	1,202,930
Loss (gain) on sale of property, plant and equipment	304,765	(384,584)	-	(79,819)
Share-based payments	-	-	797,785	797,785
Income (loss) before taxes	**$ 2,872,197**	**$ 4,963,428**	**$ (3,137,262)**	**$ 4,698,363**
Total assets	**$ 46,624,155**	**$ 56,540,496**	**$ 26,883,079**	**$ 130,047,730**

For the six months ended June 30, 2014, the Company generated 37% of revenue from two customers (24% from one customer in the equipment rental division and 13% from one customer in the utilities/infrastructure construction division). No other customers comprise more than 10% of revenues.

Six months ended June 30, 2013		Utilities/ infrastructure construction	Equipment rental	Corporate	June 30, 2013
Revenues	$	8,157,806 $	5,577,609 $	- $	13,735,415
EBITDAS [1]		2,426,841	3,320,662	(1,841,338)	3,906,165
Depreciation and amortization		386,164	721,522	27,648	1,135,334
Interest and bank charges		159,485	237,845	77,566	474,896
Gain on sale of property, plant and equipment		17,329	29,397	-	46,726
Share-based payments		-	-	625,250	625,250
Income (loss) before taxes	$	1,863,863 $	2,331,898 $	(2,571,802)$	1,623,959
Total assets	$	27,626,731 $	15,832,136 $	5,496,594 $	48,955,461

Three months June 30, 2014		Utilities/ infrastructure construction	Equipment rental	Corporate	June 30, 2014
Revenues	$	8,311,555 $	5,758,062 $	- $	14,069,617
EBITDAS		2,403,741	1,349,265	(1,096,271)	2,656,735
Depreciation and amortization		539,121	1,103,194	4,860	1,647,175
Interest and bank charges		314,963	293,521	23,503	631,987
Gain on sale of property, plant and equipment		100,084	(315,773)	-	(215,689)
Share-based payments		-	-	553,397	553,397
Income (loss) before taxes	$	1,449,573 $	268,323 $	(1,678,031)$	39,865
Total assets	$	46,624,155 $	56,540,496 $	26,883,079 $	130,047,730

For the three months ended June 30, 2014, the Company generated 35% of revenue from two customers (24% from one customer in the equipment rental division and 11% from one customer in the utilities/infrastructure construction division). No other customers comprise more than 10% of revenues.

Three months June 30, 2013		Utilities/ infrastructure construction	Equipment rental	Corporate	June 30, 2013
Revenues	$	4,308,597 $	522,438 $	- $	4,831,035
EBITDAS		1,335,550	(203,833)	(1,126,855)	4,862
Depreciation and amortization		226,509	356,564	14,509	597,582
Interest and bank charges		107,648	128,394	71,873	307,915
Loss on sale of property, plant and equipment		6,491	27,948	-	34,439
Share-based payments		-	-	607,850	607,850
Income (loss) before taxes	$	994,902 $	(716,739)$	(1,821,087)$	(1,542,924)
Total assets	$	27,626,731 $	15,832,136 $	5,496,594 $	48,955,461

(1) EBITDAS represents earnings or loss before interest, income taxes, depreciation and amortization, and share-based payments. EBITDAS is not a standard measure that has any standardized meaning prescribed by *IFRS* and is considered to be a non-IFRS measure. Therefore, this measure may not be comparable to similar measures presented by other companies. This measure has been described and presented in the same manner in which the chief operating decision-maker makes operating decisions and assesses performance.

15. Post-reporting date events

On July 31, 2014, Enterprise announced it has signed a letter of intent to acquire a privately-owned oilfield site services rental company (the "Acquisition Target") based in Fort St. John, British Columbia. The purchase price will be based on the Acquisition Target's most recent financial statements which are in the process of being audited. The acquisition will be funded by a combination of shares, cash, and vendor take-back financing. Over the past ten years, the Acquisition Target has developed a highly-regarded full-service oilfield site infrastructure company that fulfills multiple equipment rental needs for a variety of oil and gas customers. The Acquisition Target's equipment fleet currently consists of approximately 350 owned pieces. This acquisition expedites Enterprise's plans to be operating three of its subsidiaries in Fort St. John by the fourth quarter of 2014. Enterprise expects to complete the transaction in the month of September 2014. This completion will be subject to negotiation of a definitive share purchase agreement, the Company's finalization of satisfactory due diligence, and customary closing conditions.

16. Comparative numbers

Comparative numbers have been reclassified to conform to the current year presentation.