

ENTERPRISE OILFIELD GROUP, INC.

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED
DECEMBER 31, 2011

Dated: March 29, 2012

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APPENDIX A - AUDIT COMMITTEE MANDATE

FORWARD LOOKING STATEMENTS

Certain statements contained in this Annual Information Form are forward-looking statements or forward-looking information within the meaning of applicable securities laws (collectively, “forward-looking information”). These statements relate to future events or the Corporation’s future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “*anticipate*”, “*plan*”, “*continue*”, “*estimate*”, “*expect*”, “*may*”, “*will*”, “*project*”, “*predict*”, “*potential*”, “*should*”, “*believe*”, and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Annual Information Form should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this Annual Information Form.

In particular, this Annual Information Form contains forward-looking statements pertaining to the following:

- the Corporation’s objectives and strategies;
- financial condition;
- results of operations and industry conditions;
- operational activity levels and seasonality;
- oil and gas prices and demand;
- other development trends of the oil and gas industry; and
- expansion and growth of the Corporation’s business and operations.

With respect to forward looking statements listed above and contained in the AIF, the Corporation has made assumptions regarding, among other things:

- no significant adverse changes to energy markets, competitive conditions, the supply and demand for crude oil and natural gas;
- no significant disruption of the Corporation’s operations such as may result from harsh weather, natural disaster, accident or other calamitous event;
- no significant unexpected technological or commercial difficulties that adversely affect the Corporation's operating activities;
- continuing demand for the Corporation's services; and
- stability of general domestic and global economic, market and business conditions.

The actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this Annual Information Form:

- the impact of industry conditions and general economic conditions;
- volatility of oil and gas prices and stock market volatility;
- oil and gas product supply and demand;
- risks inherent in the Corporation’s ability to generate sufficient cash flow from operations to meet its current and future obligations;
- increased competition;
- the lack of availability of qualified personnel or management;
- access to additional financing; and
- opportunities available to or pursued by the Corporation.

The foregoing list of factors is not exhaustive. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required pursuant to applicable securities laws. The forward-looking statements contained in this Annual Information Form are expressly qualified by this cautionary statement.

ENTERPRISE OILFIELD GROUP, INC.

(the “Corporation” or “Enterprise”)

ANNUAL INFORMATION FORM
For the Year Ended December 31, 2011

CORPORATE STRUCTURE

Name, Address and Incorporation

The Corporation was incorporated on March 23, 2004 pursuant to the provisions of the *Business Corporations Act* (Alberta) (the “ABCA”) under the name “Enterprise Oil Limited”. On May 13, 2004, the Corporation amended its Articles of Incorporation to provide for the issuance of common shares (“Common Shares”) and preference shares, issuable in series, to convert outstanding shares into Common Shares, to cancel authorized but unissued shares and to remove “private issuer” restrictions. On May 23, 2007, the Corporation changed its name to “Enterprise Oilfield Group, Inc.”.

The head office of the Corporation is located at Suite #2, 64 Riel Drive, St. Albert, Alberta T8N 5B3 and the registered and records office of the Corporation is located at 1900, 520 - 3rd Avenue S.W., Calgary, Alberta T2P 0R3.

Intercorporate Relationships

The Corporation owns all of the voting securities of Enterprise Energy Services Inc. and E One Limited, each being corporations formed by amalgamation pursuant to the ABCA. In addition, E One Limited has a wholly-owned subsidiary, T.C. Backhoe Holdings Inc., which is incorporated pursuant to the ABCA and Enterprise Energy Services Inc. owns 99.99% of the limited partnership units of T.C. Backhoe & Directional Drilling Limited Partnership, a limited partnership formed pursuant to the laws of Alberta.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

In December 2009, the Corporation completed a non-brokered private placement of an aggregate of 6,300,000 Common Shares at a price of \$0.17 per share for gross proceeds of \$1,105,000.

On December 9, 2010, the Corporation announced the appointment of Brian Stasynek as Chief Financial Officer of the Corporation.

On June 30, 2011, the Corporation completed a non-brokered private placement of 6,084,997 units at a price of \$0.15 per unit for gross proceeds of \$912,750. Each unit consisted of one Common Share and one Common Share purchase warrant exercisable at a price of \$0.20 for a period of two years.

On August 15, 2011, the Corporation announced the appointment of Kevin Spitzmacher as Chief Financial Officer of the Corporation, replacing Brian Stasynek.

In November 2011, the Corporation announced that it had secured an additional financing facility in the amount of \$1.8 million which, together with conventional financing of \$1.6 million, had enabled the Corporation to fully repay certain high interest asset based loans.

NARRATIVE DESCRIPTION OF THE BUSINESS

General

The Corporation provides pipeline construction and oilfield maintenance services to oil and gas companies and directional drilling services to utility providers primarily in central and northern Alberta. The majority of the Corporation's work is related to construction of small to medium diameter steel gathering system pipelines.

Operations

The Corporation operates through its subsidiary Enterprise Energy Services Inc. ("Enterprise Energy Services"). The Corporation maintains construction offices in Slave Lake, Sherwood Park, and Innisfail, Alberta, and provides pipeline construction and oilfield maintenance services in central and northern Alberta. Enterprise Energy Services employs 75 employees during its slow season and increases its work force through seasonal employment during peak periods to approximately 150 employees.

Energy and Construction Services

Enterprise Energy Services constructs pipelines throughout northern and central Alberta, which includes a modern fleet of trucks and heavy construction equipment. Projects are divided between oil and gas markets, with the majority of work in construction of pipeline up to 12" diameter steel. The Corporation is focused on providing pipeline construction, oilfield maintenance services and heavy equipment rentals to the energy services and construction industry. These services include pipeline construction, repairs and maintenance, wellhead tie-ins, water injection lines, facilities construction, oilfield hauling and directional drilling. Enterprise's customers include some of the world's largest energy producers. The Corporation has increased its collective customer base and overall revenues by developing a skilled labor force supported by a complete fleet of vehicles and equipment, thereby providing wide geographic coverage of energy services in Alberta.

Utility and Directional Drilling Services

Enterprise Energy Services' Sherwood Park construction office provides directional drilling and installation of underground power, telecommunications and natural gas lines to the utility infrastructure segment. This location is operating as T.C. Backhoe and Directional Drilling, maintaining the namesake of a business unit that has provided services to customers since 1975. Customers include some of Canada's largest providers of telecommunications, cable television, electricity and natural gas services.

During the year ended December 31, 2011, the energy and construction services division and the utility and directional drilling division represented 22.6% and 77.4% of total consolidated revenue of the Corporation, respectively, and during the year ended December 31, 2010, the energy and construction services division and the utility and directional drilling services division represented 32.2% and 67.8% of total consolidated revenue, respectively.

Facilities and Equipment

The Corporation's head office is located in leased premises at Suite #2, 64 Riel Drive, St. Albert, Alberta which is located a short distance from the City of Edmonton. Management of the Corporation, including approximately nine full time staff, are located at the St. Albert office.

In Slave Lake, Alberta, facilities consist of an office, shop and storage yard on a site approximately five acres in size. The Corporation owns a portion of this site and leases the remainder. There are four full

time staff that work at the Slave Lake office. This location employs core crews of approximately 35 field workers which can increase to over 200 workers at peak times.

In Sherwood Park, Alberta, the Corporation leases facilities that consist of an office, shop and storage yard on a site approximately 2.5 acres in size. There are 5 full time staff that work at the Sherwood Park office. The Sherwood Park location employs core crews of approximately 45 field workers.

In addition, the Corporation maintains a construction office and yard in Innisfail, Alberta. This location services the south central Alberta region and can employ crews of up to 40 field workers.

The Corporation owns an extensive fleet of modern equipment. As of December 31, 2011, the Corporation owned approximately 200 pieces of heavy equipment (excavators, pipelayers and dozers, trenchers, directional drills), transport vehicles (transport trucks and trailers), pickup trucks and specialized all terrain vehicles.

Marketing

The Corporation obtains contracts to complete pipeline construction, oilfield maintenance and utility infrastructure construction projects through competitive bidding and promoting its services to engineering firms, oil and gas companies and utility providers. Oilfield construction services are handled by a Calgary-based representative who is responsible for maintaining customer relationships and bidding on new projects. The Corporation's customers typically consist of large established oil and gas companies that are based in Calgary and have operations within the primary service areas covered by the Corporation's business units.

The Corporation's utility and directional drilling services unit historically has not required a sales and marketing representative. Project loads have been significant enough to keep this segment of the Corporation operating at nearly 100% utilization throughout the calendar year.

Economic Dependence

Management estimates that its largest ten customers accounted for 76% of revenue during the year ended December 31, 2011. Revenue concentration tends to result from some companies having more extensive operations in the Corporation's primary services areas, rather than being reliant on relationships with specific companies.

Competition

Energy and Construction Services

The Corporation provides services primarily to the field operation locations of oil and gas exploration and production companies with producing assets located in central and northern Alberta. The market in which the Corporation operates is highly competitive and in order to be successful, Enterprise Energy Services must provide services that meet the specific needs of their clients at competitive prices. The principal competitive factors in the markets in which the Corporation operates are service quality, availability, reliability and performance of equipment used to perform its services, technical knowledge, experience and reputation for safety and price. The Corporation competes with several smaller and larger regional competitors. Competitors offer similar services in all geographic regions in which the Corporation operates.

Utility and Directional Drilling Services

The Corporation provides directional drilling services and installs underground power, telecommunications and natural gas lines to the utility infrastructure segment. The focused service area is within 150 kilometers of the metro Edmonton, Alberta region. The principal competitive factors in the markets in which the Corporation operates are service quality, availability, reliability and performance of equipment used to perform its services, technical knowledge, experience and reputation for safety and price. The Corporation competes with several smaller and larger regional competitors.

Seasonality

The Corporation provides services to the oil and gas industry and infrastructure utility sectors. The oil and gas industry is affected by the seasonal nature of that industry. In general, the level of activity in the Canadian oil and gas industry is influenced by seasonal weather patterns. Wet weather and the spring thaw can make the ground unstable. Consequently, municipalities and provincial transportation authorities enforce road bans that restrict movement of rigs and other heavy equipment, thereby reducing activity levels. Additionally, certain oil and gas producing areas are located in areas that are inaccessible other than during the winter months because the ground surrounding the drilling sites in these areas consists of swampy terrain. Seasonal factors and unexpected weather patterns may lead to declines in the activity levels of exploration and production companies and corresponding declines in the demand for the services of the Corporation.

Services provided to the utility infrastructure sector tend to be more evenly distributed throughout the calendar year although the spring thaw does affect movement of equipment even in the urban/suburban areas resulting in April and May being the slowest months of the year historically.

Health and Safety

The Corporation's business has an inherent degree of risk. To mitigate this risk, the Corporation has incorporated comprehensive safety, environmental and loss management processes into its business activities. This commitment is demonstrated in its certified safety manual, which provides clear management expectations, detailing employee responsibilities and serving as a mechanism for ongoing stewardship and continuous improvement. It is the goal of the Corporation to develop and implement the industry's most advanced employee and environmental safety programs.

Environmental Protection

Enterprise's operations and the operations of its customers are subject to various federal, provincial and local laws and regulations relating to the environment. In particular, the oil and natural gas industry is currently subject to environmental regulations pursuant to a variety of provincial and federal legislation. Such legislation provides for restrictions and prohibitions on the release or emission of various substances produced in association with certain oil and gas industry operations. Compliance with such legislation can require significant expenditures and a breach of such requirements may result, amongst other consequences, in suspension or revocation of necessary licenses and authorizations, civil liability for pollution damage, and the imposition of material fines and penalties.

The Corporation operates from a number of properties in Alberta where it stores and maintains trucks and heavy equipment. In the event of contamination of properties while such properties are owned or occupied by Enterprise, Enterprise could also be exposed to direct claims for the costs for environmental clean up.

In addition, if the Corporation, in the performance of its services at a customer's project site causes the escape of contaminants or environmental damage, it could be exposed to claims from its customers for

site remediation or indemnification for any claims (whether made by the customer or a third party), arising out of such contamination or damage to the environment.

While management is not aware of any situation involving an environmental claim that would likely have a material impact on its operations, it is possible that an environmental claim with respect to one or more of the Corporation's current businesses or a business or property that one of its predecessors owned or used, could arise and could have an adverse impact on the affairs of the Corporation.

Regulatory Environment

The Corporation is subject to typical regulatory requirements for operating companies, including worker's compensation and the registration and licensing of heavy equipment. The Corporation is also obligated to comply with provincial regulatory requirements relating to pipeline construction services and facilities installation businesses.

Risk Factors

The following is a description of the principal risk factors relating to the Corporation and its business.

Volatility of Industry Conditions

The oilfield services business is directly affected by fluctuations in the levels of exploration, oil and natural gas development and production activity carried on by its customers, which in turn is dictated by numerous factors, including world energy prices and government policies. The demand, pricing and terms for oilfield services largely depend upon the level of industry activity for Canadian oil and natural gas exploration and development. Industry conditions are influenced by numerous factors over which the Corporation has no control, including: the level of oil and gas prices; expectations about future oil and gas prices; the cost of exploring for, producing and delivering oil and gas; the expected rates of declining current production; the discovery rates of new oil and gas reserves; available pipeline and other oil and gas transportation capacity; worldwide weather conditions; global political, military, regulatory and economic conditions; and the ability of oil and gas companies to raise equity capital or debt financing.

The oil and gas service industry is highly reliant on the levels of capital expenditures made by oil and gas producers and explorers. Exploration and production companies base their capital expenditures on several factors, including but not limited to hydrocarbon prices, production levels and access to capital. In recent years, commodity prices, and therefore, the level of drilling, production and exploration activity have been volatile. Any prolonged, substantial reduction in commodity prices will likely affect the activity levels of the exploration and production companies and the demand for the Corporation's services. A significant, prolonged decline in commodity prices could have a material adverse effect on the oilfield services segment, results of operations and financial condition. The price of fuel, equipment and other input costs, insurance costs, interest rates, fluctuations in customers' business cycles and international, national and regional economic conditions are factors over which the Corporation has no control. A prolonged decline in commodity prices and field activity or significant increases in fuel prices, equipment prices, other input prices, interest rates or insurance costs, could reduce profitability.

Agreements with Customers

The business operations of the Corporation will depend, in part, on certain verbal, performance based agreements with its customer base that may be cancelled at any time by either the Corporation or its customers. The key factors which will determine whether a client continues to use the Corporation are service quality and availability, reliability and performance of equipment used to perform its services, technical knowledge and experience, reputation for safety and competitive price. There can be no

assurance that the Corporation's relationships with its customers will continue, and a significant reduction or total loss of the business from these customers, if not offset by sales to new or existing customers, could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Competition

The industry segments that the Corporation services are subject to changing industry standards, market fluctuations and competitive pressures which can, among other things, necessitate reduced profit margins. There are relatively few barriers to entry for companies wishing to offer one or a number of the services that the Corporation offers. The Corporation competes against several large companies that have significant financial resources. In addition, many of the services the Corporation provides are offered by smaller companies. The success of the Corporation will depend, in part, on its ability to secure superiority in its services, methods and operations and to maintain such superiority relative to new entrants into the market. No assurance can be given that the Corporation will be able to meet demands or to make changes necessitated by developments made by competitors that might render services and operations of the Corporation less competitive. The future success of the Corporation will be influenced by its ability to continue to adapt its services and operating methods. Although the Corporation has committed resources to improve its services and operating methods, there can be no assurance that these efforts will increase profits.

Management and Employees

The industry segments that the Corporation services involve a substantial degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Shareholders must rely on the ability, expertise, judgment, direction and integrity of the management of the Corporation. Any loss of the services of key personnel could have a material adverse effect on the business and operations of the Corporation. This dependence can be expected to continue over the short and medium term as the Corporation's business expands and matures. The Corporation's ability to develop, market and sell its services and to maintain its competitive position depends on its ability to attract, retain and motivate highly skilled technical, sales and marketing and other personnel. There are a limited number of such people with the necessary technical skills and understanding, and competition for their services is intense. If the Corporation fails to recruit or retain these personnel, its ability to obtain new customers and provide an acceptable level of customer service could suffer.

Seasonality

In general, the level of activity in the Canadian oilfield service industry is influenced by seasonal weather patterns. Wet weather and the spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity levels. Additionally, certain oil and gas producing areas are located in areas that are inaccessible other than during the winter months, because the ground surrounding the drilling sites in these areas consists of swampy terrain. Consequently, the Corporation's ability to generate a significant proportion of its revenue is limited to a few months in each year. In addition, seasonal factors and unexpected weather patterns may lead to declines in the activity levels of exploration and production companies and corresponding declines in the demand for the services of the Corporation.

Access to Additional Financing

Additional capital resources may be required for the Corporation to carry on its business. If the Corporation requires additional financing, there is no assurance that it will be able to obtain additional financing on reasonable terms or at all. In the event that the Corporation raises additional capital through equity, existing shareholders may experience dilution in the net tangible book value per share. Similarly,

there is no assurance that future revenues will be sufficient to generate the funds required to continue the Corporation's business development and marketing activities. If the Corporation does not have sufficient capital to fund its operations, it may be required to reduce its sales and marketing efforts or forego certain business opportunities.

Acquisitions

As part of the Corporation's business strategy, it may seek to grow by acquiring businesses that it believes will complement its current business. The Corporation may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the acquired businesses and their personnel into its business. The Corporation cannot guarantee that it can complete any acquisition it pursues on favourable terms, or that any completed acquisitions will ultimately benefit its business and the results of operations of the Corporation. There is no certainty that appropriate acquisitions will be available, and future acquisitions could result in restructuring charges, potentially dilutive issuances of equity securities, the issuance of debt and amortization expenses related to acquired intangible assets, any of which would have an adverse affect on the financial condition and business of the Corporation and the market price of the Corporation's Common Shares. The risks inherent with acquisitions include the risks associated with the integration of acquired operations, technologies and products, diversion of management's attention and potential loss of key employees. The Corporation may not be able to successfully integrate products, technologies or personnel of acquired businesses in the future; which failure could have a material adverse effect on the business, financial condition and results of operations of the Corporation.

Wage Costs

The largest component of the Corporation's overall expenses is salary, wages, benefits and payments to contractors. Any significant increase in these expenses could affect the financial results of the Corporation in the short term. The Corporation adjusts its rates to reflect changes in wage rates.

Fuel Costs

One of the Corporation's most significant operating expenses is fuel and as such higher fuel prices could materially affect the Corporation's financial results, on a short-term basis. The Corporation adjusts its rates as required to correspond with decreases or increases in the cost of fuel.

Operating Results

The Corporation may experience fluctuations in future quarterly operating results that may be caused by many factors, including: (i) changes in the level of marketing and other operating expenses to support future growth; (ii) competitive factors; (iii) the variability of commodity market prices; and (iv) the seasonal nature of the oil and gas pipeline and facility construction and maintenance business. Consequently, management of the Corporation believes that period-to-period comparisons of its operating results will not necessarily be meaningful and should not be relied upon as an indication of future performance. It is likely that the Corporation's future quarterly operating results from time to time will not meet the expectations of securities analysts or investors, which may have a material adverse effect on the market price of the Common Shares.

Share Price Volatility

Factors such as announcements of quarterly variations in operating results, or new initiatives or contracts by competitors or clients of the Corporation, as well as market conditions in the oil and gas industry generally, may have a significant impact on the market price of the Common Shares. The stock market and the commodities market have from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operations of particular companies. In addition, there can be no

assurance that an active public market will develop or be sustained for the Common Shares. The market price of the Common Shares could be subject to significant fluctuations in response to quarterly variations and operating results of the Corporation, announcements of innovations or new contracts by the Corporation or its competitors or clients, changes in financial estimates by securities analysts or other events or factors, many of which will be beyond the Corporation's control.

Operating Risk and Liability Insurance

The Corporation, like any other business, faces an inherent risk of exposure to service liability claims in the event that the use of its services results in losses to its customer. The Corporation's operations are subject to common hazards of pipeline construction and facilities installation. A casualty could result in the loss of life or equipment, as well as injury or property damage. Although the Corporation believes it has sufficient liability insurance coverage in accordance with the standards of its industry, such coverage is subject to standard limitations and exclusions. Such liability claims could have a material adverse effect on the Corporation. The successful assertion or settlement of any uninsured claim, a significant number of insured claims or a claim exceeding the Corporation's insurance coverage could have a material adverse effect on the Corporation. In addition, there may be risks against which the Corporation cannot insure or against which it chooses not to insure due to prohibitive costs.

Environmental Liability

The majority of the Corporation's operations do not involve dealings with natural gas, oil or petroleum products. Certain operations, such as "hot tap" procedures, do require direct interaction with these materials. The Corporation develops procedures for dealing with these products. However, there is no assurance that these procedures will prevent environmental damage from occurring from spills of materials handled by the Corporation or that other spills will not occur during the course of the Corporation's operations. If such spills occur, the Corporation may be subject to environmental laws that could require the Corporation to remove the wastes or remediate the sites where they have been released which may result in substantial costs to the Corporation. To date, the Corporation is not aware of any material environmental issues or spills in relation to its operations.

DIVIDENDS

The Corporation has not paid any dividends to date and does not anticipate paying any dividends in the foreseeable future. The Corporation has not yet established a dividend policy. The ABCA does not permit a corporation to pay dividends if the corporation is, or would after the payment, be unable to pay its liabilities as they become due or the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes. The directors of the Corporation may issue preferred shares that have preference over the Common Shares with respect to the payment of dividends, in which case such preference may prevent the Corporation from paying dividends on the Common Shares. There are no preferred shares outstanding as at the date hereof. There are no other restrictions on the Corporation's ability to pay dividends.

DESCRIPTION OF CAPITAL STRUCTURE

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series. As at December 31, 2011, 54,766,697 Common Shares and no preferred shares of the Corporation were issued and outstanding. The following is a summary of the rights, privileges, restrictions and conditions attaching to the Common Shares and the preferred shares.

The Common Shares rank junior to the preferred shares. The holders of Common Shares are entitled to dividends, if, as and when declared by the board of directors, to one vote per share at meetings of the

shareholders of the Corporation and, upon dissolution, to receive pro rata the remaining property of the Corporation, subject to the rights of shares having priority over the Common Shares.

The preferred shares are issuable from time to time in one or more series and will have such rights, restrictions, conditions and limitations as the board of directors may from time to time determine. The preferred shares shall rank senior to the Common Shares and the shares of any other class ranking junior to the preferred shares with respect to the payment of dividends or distribution of assets or return of capital of the Corporation in the event of a dissolution, liquidation or winding up of the Corporation.

MARKET FOR SECURITIES

The Corporation's Common Shares are listed and posted for trading on the Toronto Stock Exchange under the symbol "E". During the year ended December 31, 2011, the Corporation's Common Shares traded in the following price ranges and volumes:

		Price (\$)		
		High	Low	Volume
2011	January	0.185	0.16	1,306,775
	February	0.285	0.18	7,791,938
	March	0.215	0.18	1,019,102
	April	0.19	0.15	1,026,400
	May	0.16	0.13	334,450
	June	0.145	0.11	469,040
	July	0.17	0.115	1,025,235
	August	0.14	0.11	5,821,572
	September	0.14	0.105	1,161,960
	October	0.13	0.085	1,008,071
	November	0.16	0.11	613,692
	December	0.15	0.11	958,245

PRIOR SALES

The following table sets forth, for each class of securities of the Corporation that is outstanding but not listed or quoted on a marketplace, the price at which securities of the class have been issued during the financial year ended December 31, 2011 and the number of securities of the class issued at that price and the date on which the securities were issued.

Date of Issue	Securities	Issue Price or Exercise Price	Number of Securities Issued
January 9, 2011	Options	\$0.18	400,000
March 1, 2011	Options	\$0.25	115,000
June 4, 2011	Options	\$0.15	1,780,000
June 30, 2011	Units ⁽¹⁾	\$0.15	6,084,997
July 20, 2011	Options	\$0.15	650,000

- (1) Each Unit was comprised of one Common Share and one Common Share purchase warrant exercisable at a price of \$0.20 per share for a period of two years.

DIRECTORS AND OFFICERS

The names, municipalities of residence, positions with the Corporation and the principal occupations of the directors and officers of the Corporation are set out below.

Name and Municipality of Residence	Position Presently Held ⁽⁴⁾	Principal Occupation
Leonard D. Jaroszuk ⁽³⁾ St. Albert, Alberta, Canada	President, Chief Executive Officer and Director since 2004	President and Chief Executive Officer of the Corporation from March 2004 to present. Prior thereto, President and Chief Executive Officer of Bancshares Capital Corp., a private financial investment company.
Desmond O'Kell St. Albert, Alberta, Canada	Vice President, Corporate Development, Corporate Secretary since 2005, and Director since 2011	Vice President, Corporate Development from February 2006 to present. Prior thereto, President of Rochester Resources Ltd., a gold and silver producing mining company.
Fredy Ramsoondar ⁽¹⁾⁽²⁾⁽³⁾ Edmonton, Alberta, Canada	Director since 2011	Chief Executive Officer of United Protection Security Group Inc. since February 2011. Prior thereto, Chief Financial Officer of United Protection Security Group Inc. since May 2005.
Ronald Ingram ⁽¹⁾⁽²⁾ Slave Lake, Alberta, Canada	Director since 2005	Retired. Chief Operating Officer of the Corporation from August 2005 to October 2006. Prior thereto, President of A & G Grant Construction (1983) Inc. from 1984 to 2005.
Nick DeMare ⁽¹⁾⁽²⁾⁽³⁾ Burnaby, British Columbia Canada	Director since 2007	Chartered Accountant; President of Chase Management Ltd., a private company since 1991.
Kevin Spitzmacher Sherwood Park, Alberta, Canada	Chief Financial Officer since 2011	Managing Director of Encore Capital Advisors Inc, a corporate finance firm from May 2006 to present and Chief Financial Officer for Athabasca Minerals Inc., a public gravel and mineral exploration and development company from August 2008 to April 2010.

Notes:

- (1) Member of the audit committee.
- (2) Member of the compensation committee.
- (3) Member of the corporate governance committee.
- (4) The directors listed above will hold office until the next annual meeting of the Corporation or until their successors are elected or appointed.

As at the date hereof, the directors and officers of the Corporation, as a group, beneficially owned or controlled or directed, directly or indirectly, 10,646,400 Common Shares or approximately 19.4% of the issued and outstanding Common Shares of the Corporation.

AUDIT COMMITTEE MATTERS

Audit Committee Charter

The Corporation has established an audit committee (the "Audit Committee") to assist the Board of Directors in carrying out its oversight responsibilities with respect to financial reporting, internal controls and the external audit process of the Corporation. The Audit Committee Mandate is set out in Appendix A to this Annual Information Form.

Composition of the Audit Committee

The following table sets forth the name of each current member of the Audit Committee, whether such member is independent, whether such member is financially literate and the relevant education and experience of such member.

Name	Independent	Financially Literate	Relevant Education and Experience
Nick DeMare	Yes	Yes	Mr. DeMare holds a Bachelor of Commerce degree from the University of British Columbia and is also a Chartered Accountant. 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.
Fredy Ramsoondar	Yes	Yes	Mr. Ramsoondar received a B.Comm degree from the University of South Africa in 1994 and articulated under International Financial Reporting Standards ("IFRS"). Mr. Ramsoondar is an accredited Certified Accountant.
Ron Ingram	Yes	Yes	Mr. Ingram has over 30 years experience owning and operating private businesses in oilfield construction and manufacturing.

External Audit Service Fees

For the two most recent fiscal years, audit and audit related fees paid by the Corporation are as follows:

Item	2011 ⁽²⁾	2010
Audit fees	\$ 78,000	\$ 80,850 ⁽¹⁾
Tax Fees	nil	nil
All Other Fees	\$ 7,500	\$ 35,915

Notes:

- (1) Audit fees consisted of professional services rendered by PricewaterhouseCoopers LLP for the audit of the Corporation's 2010 financial statements.
- (2) Audit fees and All Other fees for 2011 are estimated.

CONFLICTS OF INTEREST

Certain directors and officers of the Corporation also serve as directors and officers of other corporations. Such associations may give rise to conflicts of interest from time to time. The directors of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation and are required to disclose any interest which they may have in any project or opportunity of the Corporation. If a conflict of interest arises at any meeting of the board of directors of the Corporation, any director in a conflict must disclose his interest and abstain from voting on such a matter in accordance with the provisions of the ABCA.

LEGAL PROCEEDINGS

The Corporation is not or was not a party to, nor are or were any of the Corporation's assets subject to, any material legal proceedings since January 1, 2011, nor to the Corporation's knowledge are any such proceedings contemplated.

Since incorporation, there have not been any penalties or sanctions imposed against the Corporation by a court relating to provincial and territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Corporation, and the Corporation has not entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of directors and officers of the Corporation, any shareholder who beneficially owns more than 10% of the Common Shares of the Corporation, or any known associate or affiliate of these persons in any transactions within the three most recently completed financial years or during the current financial year that has materially affected or would materially affect the Corporation.

TRANSFER AGENTS AND REGISTRARS

The transfer agent and registrar of the Corporation's Common Shares is Valiant Trust Company at its offices in Calgary and Toronto, Canada.

MATERIAL CONTRACTS

The Corporation does not have any material contracts, other than contracts in the ordinary course of business, entered into by the Corporation during the financial year ended December 31, 2011 or before that financial year that are still in effect.

INTEREST OF EXPERTS

Grant Thornton LLP, Chartered Accountants, are the auditors of the Corporation and such firm has prepared an opinion with respect to the consolidated financial statements as at and for the fiscal year ended December 31, 2011. Grant Thornton LLP is independent of the corporation in accordance with the Rules of Professional Conduct as outlined by the Institute of Chartered Accountants of Alberta.

ADDITIONAL INFORMATION

Additional information regarding the Corporation, including information with respect to directors' and officers' remuneration and indebtedness, principal shareholders, options to purchase securities, and interests of the insiders in material transactions, is contained in the Corporation's information circular for its most recent annual meeting of shareholders, and additional financial information is provided in the Corporation's audited consolidated financial statements and management's discussion and analysis for the year ended December 31, 2011. **Additional information relating to the Corporation may be found on SEDAR at www.sedar.com.**

APPENDIX A
AUDIT COMMITTEE MANDATE

ENTERPRISE OILFIELD GROUP, INC.
MANDATE OF THE AUDIT COMMITTEE

Adoption

The Board of Directors (the “Board”) of Enterprise Oilfield Group, Inc. (the “Company”) adopted this Mandate by resolution dated March 23, 2007.

Policy Statement

1. It is the policy of the Company to establish and maintain an Audit Committee to assist the Board in carrying out their oversight responsibility for the Company’s accounting and financial reporting processes and audits of the Company’s financial statements, internal controls, financial reporting and risk management processes.
2. The Audit Committee will be provided with resources commensurate with the duties and responsibilities assigned to it by the Board including administrative support.
3. If determined necessary by the Audit Committee, it will have the discretion to institute investigations of improprieties, or suspected improprieties within the scope of its responsibilities, including the standing authority to retain special counsel or experts at the expense of the Company.

Composition

1. The Audit Committee shall consist of at least three Directors. The Board shall appoint the members of the Audit Committee. Every member of the Audit Committee must be a Director of the Company. The Board shall appoint one member of the Audit Committee to be the Chair of the Audit Committee.
2. Unless there is an exemption from the following requirement available to the Company in Multilateral Instrument 52-110 of the Canadian Securities Administrators entitled “Audit Committees” (“MI 52-110”), each member appointed to the Audit Committee by the Board shall be independent (as such term is defined in MI 52-110).
3. Unless there is an exemption from the following requirement available to the Company in MI 52-110, each member of the Audit Committee shall be “financially literate” (as such term is defined in MI 52-110).
4. A member appointed by the Board to the Audit Committee shall be a member of the Audit Committee until replaced by the Board or until his or her resignation.

Meetings

1. The Audit Committee shall convene a minimum of four times each year at such times and places as may be designated by the Chair of the Audit Committee, and whenever a meeting is requested by the Board, a member of the Audit Committee shall correspond with the review of the quarterly and annual financial statements of the Company and related management discussion and analysis.
2. Notice of each meeting of the Audit Committee shall be given to each member of the Audit Committee and to the auditors, who shall be entitled to attend each meeting of the Audit Committee and shall attend whenever requested to do so by a member of the Audit Committee. However the Audit Committee (i) shall also meet with the external auditors independent of management at any time; and shall do so at least quarterly, (ii) may meet separately with management at any time; and (iii) may meet independent of both the external auditors and management at any time. Unless a specific request to the contrary is made by a member of the Audit Committee, it shall be presumed that the auditors will not attend meetings of the Audit Committee except for the meetings held to discuss the annual and quarterly financial statements of the Company which it shall be presumed that the auditors are to attend.
3. Notice of a meeting of the Audit Committee shall:
 - a. be in writing;
 - b. state the nature of the business to be transacted at the meeting in reasonable detail;
 - c. to the extent practicable, be accompanied by copies of documentation to be considered at the meeting; and
 - d. be given at least two business days prior to the time stipulated for the meeting or such shorter period as the members of the Audit Committee may permit.
4. A quorum for the transaction of business at a meeting of the Audit Committee shall consist of a majority of the members of the Audit Committee. However, it shall be the practice of the Audit Committee to require review, and, if necessary, approval of certain important matters by all members of the Audit Committee.
5. A member or members of the Audit Committee may participate in a meeting of the Audit Committee by means of such telephonic, electronic or other communication facilities, as permits all persons participating in the meeting to communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.

6. In the absence of the Chair of the Audit Committee, the members of the Audit Committee shall choose one of the members present to be Chair of the meeting.
7. In addition, the members of the Audit Committee shall choose one of the persons present, although not necessarily required to be an Audit Committee member, to be the Secretary of the meeting.
8. Minutes shall be kept of all meetings of the Audit Committee and shall be signed by the Chair and the Secretary of the meeting. Such minutes shall be filed with the Corporate Secretary of the Company at the earliest opportunity after each meeting.
9. A resolution in writing, signed by all of the members of the Audit Committee entitled to vote on that resolution at a meeting of the Audit Committee and filed with the Corporate Secretary of the Company, is valid as if it had been passed at a meeting of the Audit Committee.
10. The Audit Committee shall, at the earliest opportunity after each meeting, report to the Board the results of its activities and any reviews undertaken and make recommendations to the Board as deemed appropriate.

Relationship with External Auditor

1. An external auditor must report directly to the Audit Committee.

Responsibilities

1. The Audit Committee must have a written charter, such as this one, that sets out its mandate and responsibilities.
2. The Audit Committee must recommend to the Board:
 - a. the external auditors to be nominated for the purpose of preparing or issuing and audit report or performing other audit, review or attest services or the Company; and
 - b. the compensation of the external auditors.
3. The Audit Committee must be directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditors regarding financial reporting.
4. The Audit Committee must pre-approve all non-audit services to be provided to the Company or its subsidiary entities. The Audit Committee may satisfy the pre-approval requirement if:
 - a. the aggregate amount of all the non-audit services that were not pre-approved constitutes no more than five per cent of the total amount of

revenues paid by the Company to its external auditors during the fiscal year in which the services are provided;

- b. the services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - c. the services are promptly brought to the attention of the Audit Committee and approved, prior to the completion of the audit, by the Audit Committee or by one or more members of the Audit Committee to whom authority to grant such approvals has been delegated by the Audit Committee.
5. The Audit Committee must review the Company's financial statements, management discussion and analysis and earnings press releases and make an appropriate recommendation to the Board before the Company publicly discloses this information.
 6. The Audit Committee must be satisfied that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements, other than the disclosure referred to in subsection (5), and must periodically assess the adequacy of those procedures.
 7. The Audit Committee must establish procedures for:
 - a. the receipt, retention and treatment of complaints received by the Company or its subsidiaries regarding accounting, internal accounting controls, or auditing matters; and
 - b. the confidential, anonymous submission by employees of the Company and its subsidiaries of concerns regarding questionable accounting or auditing matters.
 8. An Audit Committee must review and approve the hiring policies of the Company and its subsidiaries regarding partners, employees and former partners and employees of the present or former auditor of the Company or its subsidiaries.

Authority

1. The Audit Committee shall have the authority to:
 - a. inspect any and all of the books and records of the Company and its subsidiaries;
 - b. discuss with the management of the Company and its subsidiaries, with employees of the Company and its subsidiaries, any affected party and the external auditors, such accounts, records and other matters as any member of the Audit Committee considers necessary and appropriate;

- c. engage independent counsel and other advisors as it determines necessary to carry out its duties;
- d. to set and pay the compensation for any advisors employed by the Audit Committee; and
- e. to communicate directly with the internal and external auditors.

Specific Duties

1. The Audit Committee shall:
 - a. review the audit plan with the Company's external auditors and with management;
 - b. discuss with management and the external auditors any proposed changes in major accounting policies or principles, the presentation and impact of significant risks and uncertainties and key estimates and judgments of management that may be material to financial reporting;
 - c. review with management and with the external auditors significant financial reporting issues arising during the most recent fiscal period and the resolution or proposed resolution of such issues;
 - d. review any problems experienced or concerns expressed by the external auditors in performing an audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
 - e. review with senior management the process of identifying, monitoring and reporting the principal risks affecting financial reporting;
 - f. consider and review with management, the internal control memorandum or management letter containing the recommendations of the external auditors and management's response, if any, including an evaluation of the integrity, adequacy and effectiveness of the internal financial controls of the Company and its subsidiaries and subsequent follow-up to any identified weaknesses;
 - g. review audited annual financial statements and related documents in conjunction with the report of the external auditors and obtain an explanation from management of all significant variances between comparative reporting periods;
 - h. before release review with financial management and the external auditors the quarterly unaudited financial statements and management discussion and analysis and obtain an explanation from management of all the significant variances between comparative reporting periods;

- i. before release, review and if appropriate, recommend for approval by the Board, all public disclosure documents containing audited or unaudited financial information, including any prospectuses, offering memorandums, annual reports, annual information forms, management discussion and analysis and press releases; and
 - j. oversee any of the financial affairs of the Company and its subsidiaries, and, if deemed appropriate, make recommendations to the Board, external auditors or management.
2. The Audit Committee shall:
- a. evaluate the independence and performance of the external auditors and annually recommend to the Board the appointment of the external auditor or the discharge of the external auditor when circumstances are warranted;
 - b. consider the recommendations of management in respect of the appointment of the external auditors;
 - c. approve the engagement letter for non-audit services to be provided by the external auditors or affiliates, together with estimated fees, and consider the potential impact of such services on the independence of the external auditors;
 - d. when there is to be a change of external auditors, review all issues and provide documentation related to the change, including the information to be included in the Notice of Change of Auditors and documentation required pursuant to National Instrument 51-102 of the Canadian Securities Administrators entitled “Continuous Disclosure Obligations” (or any successor legislation) as adopted by the relevant securities commissions in Canada and the planned steps for an orderly transition period; and
 - e. review all reportable events, including disagreements, unresolved issues and consultations, as defined by applicable securities policies, on a routine basis, whether or not there is to be a change of external auditors.
3. The Audit Committee shall:
- a. review with management at least annually, the financing strategy and plans of the Company and its subsidiaries; and
 - b. review all securities offering documents (including documents incorporated therein by reference) of the Company.
4. The Audit Committee shall review the amount and terms of any insurance to be obtained or maintained by the Company and its subsidiaries with respect to risks inherent in its operations and potential liabilities incurred by the Directors, directors or officers thereof in the discharge of their duties and responsibilities.

5. The Audit Committee shall review the appointments of the Chief Financial Officer and any key financial managers who are involved in the financial reporting process.
6. The Audit Committee shall enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters, which are directed to the Audit Committee by any member of the Board, a shareholder of the Company, the external auditors, or senior management.
7. The Audit Committee shall periodically review with management the need for an internal audit function.
8. The Audit Committee shall review with the Company's legal counsel as required but at least annually, any legal matter that could have a significant impact on the Company's financial statements, and any enquiries received from regulators, or government agencies.
9. The Audit Committee shall assess, on an annual basis, the adequacy of this Mandate and the performance of the Audit Committee.