



FOR IMMEDIATE RELEASE

April 3, 2009

**PRODUCTION ENHANCEMENT GROUP ANNOUNCES RECEIPT OF NOTICE OF DEFAULT
FROM ITS SENIOR LENDER**

HOUSTON, TEXAS – Production Enhancement Group, Inc. (TSX: WIS) (“PEG” or the “Company”) today announced that it received from its senior lender a notice of default as a result of the Company’s failure to make its March 30, 2009 principle and interest payment. Accordingly, the senior lender gave notice that the March 2009 principle and interest payments and all other obligations under the senior facility are immediately due and payable and that the obligation to make further loans are hereby terminated.

“The Company was not able to meet the first quarter 2009 principal and interest payments due to the Lender by March 31, 2009 and was in breach of its debt covenants. The rapidly deteriorating market conditions of oil and gas prices, the continued impact on the Gulf Coast production due to the hurricanes of the last two years and the credit markets have extracted a toll on the Company as we advised our shareholders in the annual report filings March 31, 2009. The Company is in discussions with its Lender with respect to resolving this situation,” said Joseph P. Lahey, PEG’s Chief Executive Officer.

For a complete copy of PEG’s 2008 annual financial statements and management’s discussion and analysis, please visit www.sedar.com or PEG’s website at www.productionenhancement.com.

About Production Enhancement Group, Inc.

Production Enhancement Group, Inc., a Houston-based energy services company incorporated in Alberta, Canada, trades on the TSX under the symbol WIS. PEG’s wholly owned subsidiary, WISE® Well Intervention Services, Inc., has developed patented WISE multifunction coiled tubing technologies and markets a full range of coiled tubing, pressure pumping, nitrogen, and slickline services.

WISE® is a registered trademark of Production Enhancement Group, Inc.

Disclaimers

The TSX does not accept responsibility for the adequacy or accuracy of this release.

This release and PEG’s website referenced in this release may contain forward-looking information, including expectations of future components of revenue, cash flow, earnings, cost reductions and negotiations with its lender. By their very nature, the preparation of such forward-looking information requires the Company to make assumptions, and involves inherent risks and uncertainties, both general and specific. There is significant risk that express or implied projections contained in such forward-looking information will not materialize or will be inaccurate. A number of factors could cause actual future results, conditions, actions or event to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking information. Such differences may be caused by factors, many of which are beyond PEG’s control, which include, but are not limited to, the level of operations carried on by PEG’s customers, oil and

gas prices, weather conditions in offshore and land markets including natural disasters, availability of capital, access to current or future financing arrangements, manufacturing cycles of new equipment, the effects of competition in the markets in which PEG operates, difficulty in continuing to develop, produce and commercialize technologically advanced services, availability of human resources and PEG's success in anticipating and managing the foregoing risks. The preceding list is not comprehensive, and as such, investors and others who rely on these statements should consider the above factors as well as the uncertainties they represent and the risk they entail. The risks outlined above should not be construed as exhaustive and include assumptions on which forward-looking information is based on. Investors are cautioned not to place undue reliance on any forward-looking information. PEG undertakes no obligation to update or revise any forward-looking information.

For further information, visit www.productionenhancement.com or contact:

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