



PRODUCTION ENHANCEMENT GROUP, INC.

For Immediate Release

March 5, 2007

PEG COMPLETES ACQUISITION OF U.S. WIRELINE COMPANY, EXPANDS MARKET COVERAGE AND SERVICE OFFERING

HOUSTON, TEXAS - Production Enhancement Group, Inc. (TSX: WIS) ("PEG" or the "Company") has closed its acquisition of Wireline Specialists of Louisiana, Inc. ("WSL"). WSL is a private well services company with 21 offshore wireline units, 8 land wireline units, and service locations in Louisiana and Texas. WSL becomes an operating division of WISE* Well Intervention Services, Inc. ("WISE Well Intervention"), PEG's operating subsidiary.

The acquisition increases the number of WISE service locations from four to seven, adding Shreveport, Louisiana, and Yoakum and Kingsville, Texas to PEG's current locations in Lafayette, Louisiana; Laurel, Mississippi; and Rosharon, Texas. WSL also adds wireline capabilities to PEG's existing WISE coiled tubing, nitrogen, and pressure pumping services. PEG will expand WISE coiled tubing and nitrogen services into the areas served by the three new locations, leveraging WSL's facilities and customer base. The Company plans to manufacture six new WISE patented multifunction well intervention units specifically for deployment to these markets.

The operations management and employees of WSL are expected to remain with the company. Randy Block, who was Chief Operating Officer with WSL, has been named Senior Vice President, Wireline Services, for WISE Well Intervention. He is responsible for all wireline sales and operations and will oversee the expansion of wireline services throughout WISE Well Intervention's market areas. Jim Hutchison, formerly Chairman and CEO of WSL, will assist WISE Well Intervention management as senior advisor for market development.

"This is a very favorable acquisition for our company," said Philip Crawford, PEG's CEO. "WSL brings a great reputation and outstanding people and equipment, and its solid performance is immediately accretive to our revenue, earnings and cash flow from operations. The acquisition also adds wireline to our services portfolio, making us a full-line well intervention company, and opens three new geographic markets for our services. We are excited about this important step in our company's growth, and we welcome WSL to the WISE Well Intervention team."

Pursuant to the terms of the letter of intent the companies signed on September 22, 2006, PEG assumed and refinanced WSL's existing debt of approximately USD 2.1 million and paid net consideration to the selling shareholders of approximately USD 3 million in cash and 1.2 million PEG common shares ("Common Shares"). A portion of the cash requirements was financed by the sale of 6,666,667 units ("Units") consisting of one Series A Preferred Share and three-quarters of a warrant for Common Shares (see the PEG press release of February 28, 2007 for specific details of the Units). The remainder of the proceeds necessary to refinance the assumed indebtedness and pay the selling shareholders of WSL was provided by a USD 4 million increase in term loans provided by GE Energy Finance. Up to an

additional USD 450,000 of cash and up to an additional 780,463 Common Shares may be issued following April 30, 2007 if the former WSL operations generate up to USD 1.8 million of adjusted EBITDA for the trailing 12 month period ending on such date.

About Production Enhancement Group

Production Enhancement Group, a Houston-based energy services company incorporated in Alberta, Canada, trades on the TSX under the symbol WIS. PEG owns patented WISE multifunction well intervention systems through its wholly owned subsidiary WISE Well Intervention Services, Inc., and markets a full range of coiled tubing and pressure pumping services.

*WISE is a trademark of Production Enhancement Group, Inc.

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

Forward-Looking Statements

This release and PEG's website referenced in this release contain forward-looking statements, including expectations of future components of cash flow and earnings. Investors are cautioned that assumptions used in the preparation of such information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of PEG. These risks include, but are not limited to the risks associated with the oil and gas industry, commodity prices, and exchange rate changes. Industry related risks could include, but are not limited to operational risks in exploration, development, and production, delays or changes in plans, and health and safety risks, including, without limitation, costs and expenses. The risks outlined above should not be construed as exhaustive. Investors are cautioned not to place undue reliance on any forward-looking information. PEG undertakes no obligation to update or revise any forward-looking statements.

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