



PRODUCTION ENHANCEMENT GROUP, INC.

For Immediate Release

July 6, 2006

PRODUCTION ENHANCEMENT GROUP EXPANDS ITS FLEET OF WISE™ WELL INTERVENTION EQUIPMENT

HOUSTON, TEXAS and CALGARY, ALBERTA - Production Enhancement Group, Inc. (TSX: WIS) (“PEG” or “the Company”) today announced it has placed orders for US\$ 5.3 million of new WISE™ well intervention equipment, with delivery expected over the next two to four months, and is in the final stages of design and specification of additional WISE units, expected to be ordered in the next 30 days. The new order, combined with five WISE units currently being delivered, increases the size of the WISE fleet to 20 units from the nine units in operation at the time of the Company’s IPO in April 2006, and the pending order increases the WISE fleet to up to 28 units. This increases PEG’s revenue generating capability by approximately 50 percent in the near term, effectively doubles the Company’s equipment base going into the fourth quarter of 2006, and could triple PEG’s equipment base going into 2007, compared to that available at the time of the IPO. Onshore utilization rates for PEG’S current equipment are strong, and the Gulf of Mexico offshore market is recovering following the unusually severe 2005 hurricanes. PEG expects growing demand for well intervention work following the recent reconstruction of offshore facilities and infrastructure.

The new equipment order includes six WISE pressure pump units, and the additional expected order includes up to eight WISE units incorporating several different configurations of coiled tubing systems, pumps and self-generating nitrogen units.

Philip Crawford, president and CEO of PEG, stated that the WISE equipment additions are an important step in the implementation of the Company’s growth strategy: “The new equipment increases our revenue-generating capacity, enabling us to respond to the strong demand for well intervention services and to increase our market share in our current areas of operation. Right now, onshore utilization rates for our current equipment are strong, and the Gulf of Mexico offshore market appears to have rebounded to more normal rates of utilization. We expect pent up demand for offshore well intervention work to create a strong market for the balance of 2006 and beyond. The mix of new equipment has been strategically chosen to help us respond as quickly as possible to these favorable market conditions.”

Crawford noted that the purchase is also a significant milestone in the company’s long-term technology strategy. “With the new units, we continue to build the industry’s only fleet of multifunctional well intervention systems, which are comprised of interchangeable modules integrated in a fit-for-purpose platform with a shared power source and shared control system. Our multifunctional approach, unique in the industry and protected by patents, gives us a substantial competitive edge, because we can match our equipment spread to a customer’s specific well intervention needs and minimize the size and weight of equipment and the number of technicians needed at the wellsite. This makes us the most cost efficient provider of well intervention services in our markets.”

Over the past three years, WISE multifunction systems have consistently proven to be very cost-effective, while compiling an excellent safety record. On more than a thousand jobs, WISE well intervention systems have saved customers up to 30% onshore and 60% plus offshore, with zero lost-time accidents.

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™ Well Intervention multifunction coiled tubing technologies and markets a full range of well intervention services.

WISE is a trademark of Production Enhancement Group, Inc.

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