



PRODUCTION ENHANCEMENT GROUP, INC.

For Immediate Release

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PRODUCTION ENHANCEMENT GROUP ADVANCES STRATEGY TO BUILD A GLOBAL WELL INTERVENTION PRESENCE

HOUSTON, TEXAS and CALGARY, ALBERTA - **Production Enhancement Group, Inc.** (TSX: WIS) (“PEG” or “the Company”) today provided an update on its operations and business progress:

- PEG is protecting against future hurricane-related business interruptions by building new WISE™ coiled tubing units that are completely modular, allowing the same equipment to be skid-mounted for offshore service or trailer-mounted for service on land.
- The Company has received another U.S. patent for multifunction coiled tubing systems.
- PEG has launched a new brand and company logo and slogan, “WISE™ Well Intervention – Think Multifunctional”, under which all of the Company’s operating entities will be consolidated.
- Warren Williford, a business and technical communications professional with more than 36 years of experience specializing in the oil and gas industry, has joined PEG as Vice President and Chief Marketing Officer (“CMO”).

Philip Crawford, president and CEO of PEG, described this progress in terms of the overall Company strategy. “The steps we are taking advance our plans to build a global well intervention presence through organic growth and acquisitions in North America and through joint ventures in the rest of the world,” he said.

“We continue to build the industry’s only fleet of multifunctional well intervention systems, which consist of interchangeable modules integrated in a fit-for-purpose platform with a shared power source and shared control system. Our multifunctional approach is unique in the industry and is protected by patents, giving 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, we are the most cost efficient provider of well intervention services in our markets.”

Equipment Redesigned to Mitigate Effects of Market Shifts

PEG’s new modular WISE™ coiled tubing units can be used for offshore service or for service on land, mitigating the effects of weather and other market factors on utilisation of the units. In addition, as new equipment becomes available, PEG will be expanding into new operating districts that will give the Company better geographic diversification, further reducing the impact of any particular factor on business continuity.

PEG suffered a significant business interruption in 2005 after two unusually severe hurricanes, Rita and Katrina, extensively damaged offshore production facilities and infrastructure, causing a drop in demand for well intervention

services. The Company incurred no damage to its own facilities and equipment, but offshore units were idle for extended periods of time.

Jaime Crawford, president of PET International, Inc., PEG's wholly-owned operating subsidiary, said "Our WISE™ multifunction coiled tubing units designed only for offshore use experienced significant downtime after the storms, although activity began picking up again in May of this year. With our new modular units, if demand for offshore well intervention drops, we will can easily reconfigure and redeploy our equipment on land to keep it working."

New U.S. Patent for Multifunction Coiled Tubing Systems

PEG, through PET International, Inc., has received a patent covering systems that combine three functions driven by a single power source: coiled tubing, nitrogen, and fluid pumping. The Company already holds patents for systems combining coiled tubing and nitrogen only.

The newly issued patent, US 7,051,818, entitled "Three in One Combined Power Unit for Nitrogen System, Fluid System, and Coil Tubing System," covers devices and methods for operating the following equipment mounted on a single unit and having a single power source: a reel of coiled tubing and an injection device for inserting the coiled tubing into a well and retrieving it; a nitrogen source; and a system for pumping well treatment fluids into a well. This patent covers a wide variety of equipment configurations and, in combination with complementary patents already issued, reinforces PEG's strong position in the coiled tubing well intervention field.

Introducing WISE™ Well Intervention

PEG's new brand and company logo, "WISE™ Well Intervention", presents a strong and unified identity to the marketplace, replacing brand names of PEG's operating subsidiaries Production Enhancement Technology LLC , PET International, LLC and A to Z Pressure Pump Services. The re-branding is expected to be complete by the fall of 2006.

Philip Crawford described the objective of the new branding strategy. "As our company grows, we need to present a strong, unified image to the marketplace. We expect our new brand and logo will become a well recognized trademark in oil and gas producing areas around the world, representing the fastest, most economical, and safest well intervention services available," he said.

In addition to the new brand, the Company introduced an advertising slogan: "Think Multifunctional". According to Crawford, the two-word slogan captures the essence of WISE Well Intervention technology: "We are bringing to the oilfield a new level of cost-efficient well intervention services, made possible by our patented multifunction technology. That's why we want people to 'Think Multifunctional', when they think of well intervention." The slogan will be used in all advertising and marketing materials.

Chief Marketing Officer Appointment

Warren Williford has joined the Company as Vice President and Chief Marketing Officer. As CMO, Mr. Williford will create and manage marketing communications for PEG and for its WISE™ Well Intervention operations.

"We are very pleased to have Warren on board," said Philip Crawford. "He has extensive experience in our industry and really understands our business. Warren has been instrumental in putting together our branding plan for WISE™ Well Intervention. One of his immediate responsibilities is to implement that plan to support our growth strategy." Prior to joining PEG, Mr. Williford was president and owner of a technical communications company he founded in 1976. Earlier, he worked as an editor at Gulf Publishing Company in Houston, a publisher of trade journals serving the energy industry. As a writer and designer, Mr. Williford has produced numerous projects for companies in every phase of the energy industry, from exploration through refining and marketing.

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.

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