



PRODUCTION ENHANCEMENT GROUP, INC.

For Immediate Release

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PEG IMPROVES COMPETITIVE ADVANTAGE WITH EXCLUSIVE OILFIELD RIGHTS TO NITRO-LIFT NITROGEN-GENERATING UNITS

HOUSTON, TEXAS and CALGARY, ALBERTA –Production Enhancement Group, Inc. (TSX: WIS) (“PEG” or the “Company”) has signed an agreement with Nitro-Lift Technologies LLC, giving PEG exclusive worldwide rights to Nitro-Lift self-generating nitrogen units for coiled tubing applications. The agreement, which is effective for five years, calls for PEG to purchase a minimum of 20 units, with an initial order for two units. PEG expects the self-generating nitrogen units to significantly enhance the competitive advantages of the Company’s patented WISE Well Intervention multifunction coiled tubing systems. The combination of coiled tubing and self-generating nitrogen capabilities is covered by PEG’s existing patents.

Nitrogen is widely used in conjunction with coiled tubing for stimulating and treating oil and gas wells. Self-generating nitrogen units use proven membrane-separation technology to extract nitrogen gas from the atmosphere at the well-site, thereby eliminating the need to transport liquid nitrogen to the well-site in pressurized tanks and then use specialized equipment to convert the liquid to gas. The specially engineered units deliver the purity, volumes, and pressures needed for jobs performed by WISE Well Intervention. Units will be more compact and weigh less than any self-generating nitrogen units currently in oilfield service, in keeping with PEG’s strategy of minimizing the weight and well-site footprint of WISE multifunction coiled tubing systems.

The addition of field-generated nitrogen gas makes WISE multifunction technology even more cost-effective, said Philip Crawford, PEG’s CEO: “Our patented multifunction systems, which combine coiled tubing and nitrogen capabilities with a single power source, are already much more efficient than conventional coiled tubing and nitrogen spreads. Now, by replacing cryogenic nitrogen with these compact nitrogen gas units, we eliminate the need to buy liquid nitrogen and transport it to the well-site. We also do away with the need to replenish supplies for long-running jobs, which is especially important offshore, where transportation is expensive and can be disrupted by weather. Not only will we lower costs for our customers, we’ll be able to extend cost-effective coiled tubing and nitrogen services to onshore and offshore locations where liquid nitrogen is prohibitively expensive or isn’t available. Personnel safety will be increased too, because liquid nitrogen is hazardous to handle.”

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 coiled tubing technologies and markets a full range of coiled tubing and pressure pumping services.

WISE is a 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 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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