



PRODUCTION ENHANCEMENT GROUP, INC.

Press Release

May 15, 2006

PRODUCTION ENHANCEMENT GROUP ANNOUNCES FIRST QUARTER 2006 RESULTS

CALGARY, ALBERTA – Production Enhancement Group, Inc. (“PEG” or the “Corporation”) (TSX: WIS) is pleased to provide a summary of its financial and operating results for the three months ended March 31, 2006. For a complete copy of PEG’s first quarter 2006 financial statements and management’s discussion and analysis, please visit www.sedar.com or PEG’s website at www.productionenhancement.com.

On April 19th 2006 PEG announced the closing of its initial public offering. PEG’s common shares and warrants trade on the Toronto Stock Exchange under the symbols “WIS” and “WIS.WT”, respectively.

Financial results for the corresponding quarter of the previous year are not available because PEG was not a reporting issuer during 2005 and did not prepare quarterly financial statements for the first quarter of 2005.

The figures presented below are expressed in thousands of US dollars (USD), except where otherwise stated.

Selected Consolidated Financial Information Three months ended March 31, 2006

Financial Results [USD thousands]

Revenue	3,826
EBITDA	(167)
Net loss	(571)
Loss per share – basic and diluted	(0.01)

Financial Position [USD thousands]

Cash and cash equivalents	517
Total assets	15,787
Debt	12,854

Operating and Financial Highlights

Mr. R. Douglas Parker, the Corporation’s Chief Financial Officer, stated, “Results for the first quarter include a full three months of operations as a privately held company prior to the Corporation’s initial public offering, completed on April 19th, and the closing of its senior debt facility on May 2nd. Thus, these quarterly results do not reflect the impact of the CAD 20 million in new equity capital raised in the IPO, nor the Corporation’s new USD 25 million debt facility from GE Energy Financial Services, which will provide significant capacity for expansion of its equipment base. In addition, revenue and earnings for these three months were still heavily impacted by the significant hurricane-related reduction in well intervention activity in the offshore Gulf of Mexico market, which is expected to ease in the second quarter. In addition, our purchase of a tool rental company’s assets in May will help to reduce our expenditures on equipment rentals and improve our cash flow.”

Mr. Parker also said, “We are delighted at the results of our IPO, which was oversubscribed, and our relationship with GE, which represent a strong endorsement of our business plan and the sector we serve. We appreciate the level of confidence and support of our company’s long term growth strategy.”

Production Enhancement Group is a Houston-based energy services company incorporated in Alberta, Canada. It owns patented WISE™ multifunction coiled tubing-based well intervention technologies. As a holding company, PEG provides corporate support, financing, administrative assistance, management systems and marketing services for its operating subsidiaries: PET International, Inc., Production Enhancement Technology, LLC, and A to Z Pressure Pump Services, LLC.

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, 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.

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

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