



PRODUCTION ENHANCEMENT GROUP, INC.

For Immediate Release

April 16, 2007

PRODUCTION ENHANCEMENT GROUP FINALIZES JOINT VENTURE TO INTRODUCE WISE™ MULTIFUNCTION COILED TUBING TECHNOLOGY TO THE MIDDLE EAST

HOUSTON, TEXAS and CALGARY, ALBERTA – Production Enhancement Group, Inc. (TSX: WIS) (“PEG” or the “Company”) announced today that it has signed a contract establishing a joint venture with Al Qahtani Maritime & Oil Field Services Co. The joint venture company, named Abdul Hadi Al Qahtani WISE Co., Ltd., will market PEG’s patented WISE multifunction coil tubing technology on an exclusive basis in the Middle East, beginning in Saudi Arabia with future expansion opportunities throughout the region. All sales, operations, and support will be conducted under PEG’s trademarked WISE brand name.

The joint venture, 60% owned by Al Qahtani Maritime and 40% owned by PEG, will immediately begin constructing three WISE multifunction well intervention units, which will be deployed offshore. PEG will build the units in the U.S. and will custom-configure them using the latest WISE technology, including site-generated nitrogen capability.

Philip Crawford, PEG’s Chief Executive Officer, said: “Less than one year after our initial public offering, we have become an international company through our joint venture with Al Qahtani, a well established and highly respected Saudi Arabian services company. We believe our WISE multifunction coiled tubing technology offers significant benefits for both offshore and land operations in this region.”

Sheik Khaled Al Qahtani, Vice Chairman of Al Qahtani Sons Group, stated: “We are pleased to join with Production Enhancement Group to introduce WISE multifunction coiled tubing technology to oil and gas producers in the region. The compact, lightweight WISE units will make it feasible to service thousands of offshore wells using small or medium-size lift boats.”

Patented WISE multifunction technology uses a single engine and proprietary power management to operate several integrated well intervention functions, including coiled tubing, nitrogen, and fluid pumping, significantly reducing the amount of equipment, the crew size, and job duration compared with conventional coiled tubing systems. A WISE well offshore intervention unit typically occupies 60% less deck area, weighs 60% less, and requires only half the personnel needed for competitive coiled tubing systems.

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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's wholly owned subsidiary, WISE Well Intervention Services, Inc., developed 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.

About Al Qahtani Maritime & Oil Field Services Co.

Al Qahtani Maritime & Oil Field Services Co. is a subsidiary of the Abdulhadi A Al Qahtani Sons Group, Dammam, Kingdom of Saudi Arabia. The company covers a full scope of services including state-of-the-art technology for the oil industry, onshore or offshore drilling, and equipment or turnkey projects in the oil and gas sectors.

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 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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