



PRODUCTION ENHANCEMENT GROUP, INC.

FOR IMMEDIATE RELEASE

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PRODUCTION ENHANCEMENT GROUP 2007 FIRST QUARTER RESULTS: REVENUE AND EARNINGS IMPROVE AS EQUIPMENT UTILIZATION INCREASES AND FLEET EXPANDS

HOUSTON, TEXAS – Production Enhancement Group, Inc. (“PEG” or the “Company”) (TSX: WIS) today announced financial and operating results for the three months ended March 31, 2007. Revenue and EBITDAS⁽¹⁾ continued to grow and net loss improved as equipment utilization was high, day rates increased, the Company’s fleet continued to grow and the acquisition of Wireline Specialists of Louisiana (“WSL”) began contributing in the month of March. Revenue for the three months ended March 31, 2007 was US\$7.8 million, a 105% increase over 2006 first quarter revenue of US\$3.8 million, and a 14% increase over fourth quarter 2006 revenue of US\$6.8 million. EBITDAS for the first quarter of 2007 was US\$925,633, compared to EBITDAS of US\$(166,801) for the three months ended March 31, 2006, and US\$385,352 for the prior quarter ended December 31, 2006. Net loss was US\$529,822, compared to US\$570,732 for the first quarter of 2006, and US\$1.4 million for the prior quarter ended December 31, 2006. Net loss for the first quarter of 2006 was improved by a future income tax recovery recognized in that quarter. Since no income tax or income tax recovery was recognized in the first quarter of 2007, the loss before income taxes was US\$529,822, compared to US\$829,036 for the first quarter of 2006, and US\$1.1 million for the prior quarter ended December 31, 2006.

“We continued to execute on our growth strategy in the first quarter of 2007 as we added 29 wireline units through the acquisition of WSL, and took delivery of two new pumping units,” said Philip C. Crawford, PEG’s president and chief executive officer. “We expect continued growth in the second quarter, when we plan to take delivery of two more pumping units, two multifunction coiled tubing units, two site generated nitrogen units, as well as the four coiled tubing units that we acquired through the acquisition of Dyna Star, a Canadian well intervention company with two facilities in southern Alberta.”

PEG had cash and cash equivalents of US\$2.2 million as at March 31, 2007, compared to US\$516,569 as at March 31, 2006 and US\$1.1 million as at December 31, 2006. Net cash provided by operating activities before changes in non-cash working capital was US\$557,429 for the first quarter of 2007, compared to US\$(438,920) for the first quarter of 2006, demonstrating the company’s ability to cover its interest expenses of US\$368,205 in the first quarter of 2007.

For a complete copy of PEG's 2007 first quarter financial statements and management's discussion and analysis, please visit www.sedar.com or PEG's website at www.productionenhancement.com.

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., has 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.

- (1) EBITDAS means earnings from continuing operations before interest, taxes, amortization, and stock based compensation. Readers are cautioned that EBITDAS is generally regarded as an indirect measure of operating cash flow, and, as such, the Company believes it is a significant indicator of success of public companies, and is particularly relevant to readers within the investment community. This measure does not have any standardized meaning prescribed by Canadian generally accepted accounting principles and may not be comparable to similar measures presented by other companies; however, PEG is consistent in its calculation of EBITDAS for each reporting period.

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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