



## PRODUCTION ENHANCEMENT GROUP, INC.

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**FOR IMMEDIATE RELEASE**

**October 9, 2007**

### **PRODUCTION ENHANCEMENT GROUP ANNOUNCES EXECUTIVE CHANGES**

**HOUSTON, TEXAS – Production Enhancement Group, Inc.** (“PEG” or the “Company”) (TSX: WIS) today announced that the Board of Directors of the Company has terminated the employment of Philip J. Crawford as Chief Executive Officer of PEG. Mr. Crawford will retain his position as Chairman of the Board. The Board has appointed a committee of independent directors to oversee the search for a new CEO. Jaime B. Crawford, President of PEG, will assume responsibility for leadership of the Company, and he and the existing management team will ensure continuity of operations.

“We thank Philip for his dedicated leadership since taking the Company public in April of 2006,” said Board member Clifford E. McFarland. “Unfortunately, the Company has not performed up to the Board’s expectations, so we felt the need to take action at this time. The Board is confident that Jaime Crawford, with the support of the current executive team, will provide very capable leadership for the Company until such time as a successor CEO is appointed.”

Key members of PEG’s current executive team are as follows:

Jaime B. Crawford, President and Director:

- A fourth-generation oilfield professional, well-known throughout the energy services industry
- 30 years experience in coiled tubing, nitrogen and pressure pumping, developing and implementing unique technological advances in both equipment and services
- Developed and brought to market PEG’s unique multifunctional WISE Technology
- Holds eight U.S. patents, with two pending, and several international patents pending in coiled tubing service technology

Chester J. Jachimiec, Executive Vice President and Director:

- 28 years senior executive, financial and entrepreneurial experience in various segments of the energy industry
- Former President, co-founder and Director of SPI Petroleum LLC. a US nationwide fuel and lubricants distributor with annual revenue in excess of US\$1 billion
- Former Executive Vice President, co-founder and Director of Group Maintenance America Corp. (NYSE:MAK) (and successor Encompass Services Corp.), a US nationwide mechanical, electrical and facilities services company with revenue in excess of US\$4 billion

- Former Director of Acquisitions and Investments of Tenneco Energy, the integrated natural gas and pipeline division of Tenneco Inc. (NYSE:TEN)

R. Douglas Parker, CPA, Senior Vice President, Chief Financial Officer:

- 30 years of senior executive, financial and operational positions in a broad range of industries
- Extensive experience in all aspects of financial reporting and corporate governance
- Oil and gas industry experience with Mobil, Superior, Washington Energy and Cabot in domestic, offshore and international operations in such capacities as Controller, SEC reporting, finance, treasury and operations

***About Production Enhancement Group, Inc.***

Production Enhancement Group, Inc., 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, pressure pumping and wireline 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.*

**For further information**, visit [www.productionenhancement.com](http://www.productionenhancement.com) or contact:

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