

FOR IMMEDIATE RELEASE

December 11, 2007

**PRODUCTION ENHANCEMENT GROUP NARROWS FOCUS
TO STREAMLINE OPERATIONS, IMPROVE CASH FLOW AND REDUCE COSTS**

HOUSTON, TEXAS – Production Enhancement Group, Inc. (TSX: WIS) (“PEG” or the “Company”) today announced the repositioning of the Company to improve cash flow and profitability. PEG has restructured its organization to focus exclusively on delivering high quality oil and gas well intervention services. Assets are being redeployed to maximize fleet utilization and a renewed focus on technical quality, with increased attention to health, safety and environment (“HS&E”), is designed to improve access to major oil and gas producers. The Company has taken action in reducing expenses for an estimated USD 2.7 million annual savings to-date while improving its capacity to continue to grow revenue, adding two new product lines in response to customer demand.

“We realized that we needed to reduce costs significantly and continue to grow our top line to improve cash flow and make the Company profitable,” said Jaime Crawford, President and Interim CEO of PEG. “We have flattened the organization by removing several upper and middle management positions and have right-sized our corporate team for our improved operational focus. Internal engineering and design activities have been radically downsized, and key product line managers have been changed out to facilitate efficient operations and deliverable technical quality. As well, human resources activities have been centralized, and field sales and marketing reporting responsibilities have been redirected from operations to business development. The board of directors is making progress in its search for a CEO, and once that position is filled I will be able to focus more on leading an executive sales and marketing team created to focus on strategic clients and future expansion opportunities.”

“Since joining PEG in October, my job has been to build a well intervention services organization that can deliver improved cash flow today, this quarter, next year and on into the future,” said Don Cobb, President of Wise Well Intervention Services, PEG’s operating subsidiary. “The difficult part of this process is always the human side, as we have had to lay off many good people, mostly engineers and equipment designers, because their roles were no longer required as we narrow our focus to becoming a profitable, quality-driven well intervention business. We are also redeploying our

equipment to improve fleet utilization, and we are growing our business by creating two new product lines: the Self Generating Nitrogen Division and the WISE Tools Division. The Self Generating Nitrogen Division will include our three recently deployed jumbo nitrogen generation units for land operations and two skid-mounted nitrogen generation units for offshore work. The WISE Tools Division will include new downhole drilling motors and other assemblies. It is expected to generate earnings in its own right and as well as through increasing utilization of our coil tubing units.”

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, nitrogen, and wireline services.

WISE® is a registered 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 or contact:

Douglas Parker, Chief Financial Officer
Production Enhancement Group, Inc.
281-282-1851
dparker@wisewellintervention.com

Ken Wetherell
Investor Relations
Bryan Mills Iradesso
403-503-0144 x224
kwetherell@bmir.com