

**FOR IMMEDIATE RELEASE****November 10, 2008****PRODUCTION ENHANCEMENT GROUP ANNOUNCES  
FUNDING OF MIDDLE EAST JOINT VENTURE**

**HOUSTON, TEXAS – Production Enhancement Group, Inc.** (TSX: WIS) (“PEG” or the “Company”) today announced the funding of its 40% of the initial capital contribution for the joint venture with Al Qahtani Marine & Oilfield Services Co. of Saudi Arabia (“Al Qahtani”). This joint venture will exploit PEG’s technology and expertise on an exclusive basis in the Middle East, beginning in Saudi Arabia with future expansion opportunities throughout the region.

In the April 18, 2008 press release, the Company announced that concurrent with the successful completion of the acquisition by Quest Energy Services (Canada) Ltd. (“Quest”), an indirect wholly owned subsidiary of Al Qahtani, the Company would reinstate the Joint Venture and the WISE™ technology license agreements.

The Joint Venture Agreement establishes a Saudi company to be named Abdul Hadi Al Qahtani WISE Co. Ltd. (the “JV Company”). It will carry out the joint venture business and the production and delivery by PEG of mobile WISE™ units to service both offshore and onshore facilities. It also grants to the JV Company an exclusive paid up license for the use of the WISE™ technology by the JV Company for the duration and purposes of the joint venture.

The Joint Venture Agreement provides for the exclusive marketing and sale of WWIS’s patented coil tubing technology in the Middle East with an initial qualification, marketing and sales effort directly focused on Saudi Aramco, the Saudi national oil firm. The joint venture is owned 60% by Al Qahtani and 40% by WWIS.

“This important first step in funding the joint venture accelerates the Company’s international expansion plans,” said Joseph P. Lahey, CEO of PEG. “Al Qahtani’s commitment to being a market leader, combined with its strategy to accelerate PEG’s technology into the Middle East fits well with PEG’s existing domestic and international expansion goals and will, we believe, provide expanded opportunities for our services and employees. The joint venture will enable both PEG and Al Qahtani to take immediate advantage of the tremendous opportunities available in the world markets requiring new technology in coil tubing equipment and needing one stop well intervention service companies to meet the growing development of international well intervention.”

### **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., ("WWIS") 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.

### **About Quest Energy Services (Canada) Ltd. and Al Qahtani Marine & Oilfield Services Co.**

Quest was incorporated on February 26, 2008 under the laws of Alberta and is an indirect wholly owned subsidiary of Al Qahtani.

Al Qahtani is a privately held company incorporated under the laws of Saudi Arabia. Al Qahtani is part of a larger group of operating companies in Saudi Arabia known as the Abdel Hadi Abdullah Al Qahtani Group of Companies, all under common ownership.

### **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 information, including expectations of future components of revenue, cash flow and earnings. By their very nature, the preparation of such forward-looking information requires the Company to make assumptions, and involves inherent risks and uncertainties, both general and specific. There is significant risk that express or implied projections contained in such forward-looking information will not materialize or will be inaccurate. A number of factors could cause actual future results, conditions, actions or event to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking information. Such differences may be caused by factors, many of which are beyond PEG's control, which include, but are not limited to, the level of operations carried on by PEG's customers, oil and gas prices, weather conditions in offshore and land markets including natural disasters, availability of capital, access to current or future financing arrangements, manufacturing cycles of new equipment, the effects of competition in the markets in which PEG operates, difficulty in continuing to develop, produce and commercialize technologically advanced services, availability of human resources and PEG's success in anticipating and managing the foregoing risks. The preceding list is not comprehensive, and as such, investors and others who rely on these statements should consider the above factors as well as the uncertainties they represent and the risk they entail. 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 information.*

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

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