



PRODUCTION ENHANCEMENT GROUP, INC.

For Immediate Release

November 13, 2006

PRODUCTION ENHANCEMENT GROUP ANNOUNCES THIRD QUARTER 2006 RESULTS

CALGARY, ALBERTA – Production Enhancement Group, Inc. (“PEG” or the “Company”) (TSX: WIS) today announced financial and operating results for the three months and nine months ended September 30, 2006. Revenue for the quarter increased 26%, or USD 1.2 million, to USD 5.8 million, compared to the prior quarter ended June 30, 2006. Growth during the quarter was constrained by equipment availability, and the Company is alleviating this through additional equipment deliveries and corporate acquisitions.

Philip C. Crawford, PEG’s president and chief executive officer, said “We managed to show reasonable growth in Q3, but we did not have enough equipment to meet demand for our services. We expect to take delivery of additional WISE Well Intervention units over the next quarter, and we expect these to set us up for additional growth in the first quarter of 2007. In December or early January we expect to close our acquisition of Wireline Specialists of Louisiana, which, with 29 wireline units, experienced personnel, and three service locations, we expect to be immediately accretive to our first quarter 2007 results.”

For a complete copy of PEG’s third quarter 2006 financial statements and management’s discussion and analysis, please visit www.sedar.com or PEG’s website at www.productionenhancement.com. A conference call to discuss the results will be held at 5 p.m. Eastern time today (see details below).

Operating and Financial Highlights

Alice Jackson, PEG’s Chief Financial Officer, stated “During the third quarter Production Enhancement Group advanced its strategy of growing the Company, both organically and through acquisition, utilizing cash raised in its April 2006 initial public offering on the Toronto Stock Exchange and funds available through its USD 25 million credit facility with a GE Energy Financial Services affiliate.”

In July 2006, PEG announced the Company had placed orders for USD 5.3 million of new WISE well intervention equipment, and was in the final stages of design and specification of additional WISE units. PEG currently has 15 WISE units in the field, and will have an additional two units before the end of the year. In addition, PEG has 8 units on order and is preparing specifications for another 9 units, which are expected to be delivered by the third quarter of 2007. In total, the Company expects to have 31 units in operation by mid-2007, which is over 3 times the number of units that were operational at the time of the April 2006 initial public offering.

On September 22, 2006 PEG signed a letter of intent to purchase Wireline Specialists of Louisiana (“WSL”). Wireline well intervention services complement PEG’s coiled tubing and pressure pumping services. WSL has 29 wireline units, service locations in Louisiana and Texas, a strong customer base, experienced personnel, and a strong history of successful operations. The acquisition, which is expected

to close over the next two months, will double PEG's number of WISE Well Intervention service locations, from 3 to 6, and will enable PEG to move its patented WISE multifunction coiled tubing units and services into new market areas. PEG believes this acquisition will be immediately accretive to earnings and cash flow from operations.

On October 27, 2006 PEG announced execution of a contract with Nitro-Lift Technologies LLC, giving PEG exclusive worldwide rights to Nitro-Lift's proprietary self-generating nitrogen systems for coiled tubing applications. PEG will integrate this technology with its patented WISE multifunction coiled tubing units, giving the Company the only coiled tubing systems combined with nitrogen-gas generators. This multifunction combination, which is protected by PEG's existing patents, will make the Company even more competitive in the marketplace.

"We are actively seeking further acquisitions and joint ventures, in our current Gulf of Mexico service areas, in western Canada, and internationally, and we hope to be able to announce further progress soon," said Philip Crawford. "Improvements in our equipment, such as standardized architecture and specifications, and Nitro-Lift's self-generating nitrogen systems, will further improve the efficiency, effectiveness and profitability of our services and will serve the Company well as we strive to become the leader in the geographic areas that we serve."

SELECTED FINANCIAL INFORMATION ^{(1), (2), (3)}

Financial Results (USD thousands)	Three months ended, September 30, 2006	Nine months ended, September 30, 2006
Revenue	\$ 5,780	\$ 14,185
EBITDAS ⁽¹⁾	58	(309)
Loss before income taxes	1,264	3,560
Net loss	1,264	2,875
Net loss – USD per share (basic and diluted)	\$ 0.02	\$ 0.05
Financial Position (USD thousands)		
Total Assets	\$ 31,631	\$ 31,631
Debt	11,941	11,941
Number of Common Shares Outstanding		
Weighted average - basic and diluted	52,869,716	52,296,779
As at December 31, 2005 - 38,899,322		

- (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.
- (2) The Company became a Reporting Issuer on March 29, 2006, being the date of receipt for its initial public offering prospectus. Quarterly financial information has not been provided for 2005 as the Company did not prepare such information.
- (3) Includes both Common Shares and Class C non-voting Shares (which, except for voting privileges, have the same rights as the Common Shares).

Conference Call

PEG will host a conference call and webcast today at 3 p.m. Calgary time (5 p.m. Eastern). Management participants will be:

- Philip Crawford, President and CEO;
- Chester Jachimiec, Executive VP, Finance & Acquisitions; and
- Alice Jackson, Senior VP and CFO.

Participants calling from Canada or the United States should call toll-free: +1-866-400-2280. Callers from other international locations may access the call at: +1-416-850-9143. For those who prefer to join by webcast, a link will be displayed on the investor page of PEG's website at www.productionenhancement.com/investor.html.

If you are unable to participate during the live conference call, the call will also be available via telephone until midnight on November 20, 2006 by calling +1-866-245-6755 or +1-416-915-1035. The replay passcode number is 269 291. The conference call will also be available by webcast at the same URL noted above.

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 owns patented WISE™ Well Intervention multifunction coiled tubing technologies and markets a full range of well intervention services.

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, 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 on PEG, visit www.productionenhancement.com or contact:

Chester J. Jachimiec
EVP, Finance & Acquisitions
Production Enhancement Group, Inc.
281-282-1812
cjachimiec@wisewellintervention.com

Ken Wetherell
Investor Relations
Iradesso Communications Corp.
403-503-0144 x224
kwetherell@iradesso.com