



PRODUCTION ENHANCEMENT GROUP, INC.

Press Release

June 12, 2006

PRODUCTION ENHANCEMENT GROUP ENGAGES SANDER MORRIS HARRIS AS FINANCIAL ADVISOR

CALGARY, ALBERTA – **Production Enhancement Group, Inc.** (“PEG” or the “Corporation”) (TSX:WIS) announced that it has engaged the investment banking firm of Sanders Morris Harris Group Inc (“SMH”) of Houston, Texas, to assist the Corporation in obtaining financing to support PEG’s growth through selective acquisitions. This is an important component of the Corporation’s three-part growth strategy of growing organically and through selective acquisitions in the U.S. and Canada, and seeking joint ventures with established well servicing companies in the international market.

Philip Crawford, CEO of Production Enhancement Group, stated, “Sanders Morris Harris is the premier investment banking firm in the Southwest US and has an unparalleled track record in assisting acquisition-oriented growth companies to successfully implement their strategies. This arrangement provides us with a unique resource to accelerate the development of our well intervention services in North America, and places the Corporation in a strong position to seize important long-term opportunities.”

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 Services and Equipment) multifunction coiled tubing well-intervention technologies and markets a full range of related services through its operating subsidiaries: PET International, Inc., Production Enhancement Technology, LLC, and A to Z Pressure Pump Services, LLC. The WISE™ Technologies combine a number of well intervention applications (a coiled tubing unit, fluid pump and nitrogen unit) on a single trailer (for onshore use) or single skid (for offshore use).

About Sanders Morris Harris Group

Sanders Morris Harris Group, a financial services holding company headquartered in Houston, is the largest investment banking firm headquartered in the Southwest, with more than USD 10 billion in client assets under management. SMH provides a full range of asset and wealth management services and investment banking services including underwriting of private placements and public offerings of equity and debt securities, as well as financial advisory services in mergers and acquisitions, restructuring, and recapitalizations. Sanders Morris Harris Group has more than 500 employees in 23 US cities. Additional information is available at www.smhgroup.com.

For further information on PEG, visit www.productionenhancement.com or contact:

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