



PRODUCTION ENHANCEMENT GROUP, INC.

For Immediate Release

November 29, 2006

PEG ANNOUNCES MIDDLE EAST JOINT VENTURE

HOUSTON, TEXAS and CALGARY, ALBERTA –Production Enhancement Group, Inc. (TSX: WIS) (“PEG” or the “Company”) announced today that it has signed a memorandum of understanding (MOU) with Al Qahtani Maritime & Oil Field Services Co. to form a joint venture to exploit PEG’s patented WISE™ multifunction coil tubing well intervention systems on an exclusive basis in the Middle East, beginning in Saudi Arabia with future expansion opportunities throughout the region.

The joint venture, which will be 60% owned by Al Qahtani Maritime and 40% owned by PEG, will immediately begin constructing WISE coiled tubing units capable of working in harsh environments, both onshore and offshore. The units, which will be built by PEG in the U.S., will be custom configured for each target location covered by the agreement and will feature the latest WISE patented technology. The joint venture company will be named Al Qahtani WISE Co., Ltd., and will market, sell, and support well intervention systems and services under the trademarked WISE™ brand.

Philip Crawford, PEG’s Chief Executive Officer noted the significance of the planned joint venture to his company: “At the time of our IPO in April 2006, we announced a three-pronged growth strategy: organic expansion in our current markets, acquisitions in the United States and Canada, and joint ventures internationally. We have now taken significant strides on all three fronts in 2006. Our partnership with this prominent Saudi Arabian service company enables us to deploy our patented WISE coiled tubing systems in the largest oil producing market in the world, without impacting our capital expenditure budget for North American operations. We look forward to working with Al Qahtani Maritime to bring our proprietary technology to this entire region.”

Khaled Al Qahtani, Vice Chairman of Al Qahtani Sons Group, stated: “After careful investigation, we came away convinced that PEG’s unique multifunction systems will deliver significant benefits to the oil and gas producers in the region.”

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™ multifunction coiled tubing technologies and markets a full range of coiled tubing and pressure pumping services.

WISE is a trademark of Production Enhancement Group, Inc.

About Al Qahtani Maritime & Oil Field Services Co.

Al Qahtani Maritime & Oil Field Services Co. is a subsidiary of the Abdulhadi A Al Qahtani Sons Group, Dammam, Kingdom of Saudi Arabia. The company covers a full scope of services including state-of-the-art technology for the oil industry, onshore or offshore drilling, and equipment or turnkey projects in the oil and gas sectors.

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 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.

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