



PRODUCTION ENHANCEMENT GROUP, INC.

March 27, 2007

PRODUCTION ENHANCEMENT GROUP ANNOUNCES 2006 ANNUAL RESULTS: REVENUE GROWS BY 113% AS EQUIPMENT FLEET EXPANDS

HOUSTON, TEXAS – Production Enhancement Group, Inc. (“PEG” or the “Company”) (TSX: WIS) today announced financial and operating results for the three months and twelve months ended December 31, 2006. The results showed substantial revenue growth in the last quarter of the year, as the Company’s expansion plans began taking effect. Revenue for the three months ended December 31, 2006 was US\$6.9 million, a 172% increase over 2005 fourth quarter revenue of US\$2.5 million. Revenue for the year was US\$21.0 million, an increase of 113%, compared to revenue of US\$9.8 million for the twelve months ended December 31, 2005. Equipment utilization has increased as activity in the offshore Gulf of Mexico market has returned to more normal levels following the adverse impact of hurricanes Rita and Katrina in late 2005, which lingered into the first half of 2006. Fourth quarter revenue showed a 19% increase over third quarter 2006 revenue of US\$5.8 million, due largely to a full quarter’s utilization of a larger equipment base, increased day rates, and the expansion of operations into the Barnett Shale region of North Texas.

“Our company has experienced a whirlwind of activity and growth since our initial public offering in April, 2006,” said Philip C. Crawford, PEG’s president and chief executive officer. “In the fourth quarter we expanded our fleet with two WISE multifunction coiled tubing units and a new pressure pumping truck. We also placed orders for two WISE™ multifunction coiled tubing units, adding to our existing fleet of nine WISE multifunction units, and two site-generated nitrogen units. In March 2007, we closed the acquisition of Wireline Specialists of Louisiana (“WSL”), which we had announced in October 2006. WSL will be immediately accretive to our revenue and earnings, adding 29 wireline units and increasing our operating locations from four to seven. We also announced in the fourth quarter two Memoranda of Understanding to establish joint ventures in the Middle East and Mexico with financing of the initial units to go into those markets being provided by our partners. We have made significant progress in all aspects of our business and we have laid the groundwork for an exciting and prosperous future as we expand and exploit our unique, patented WISE competitive advantages in well intervention.”

EBITDAS⁽¹⁾ for the 2006 fiscal year was US\$144,570, compared to EBITDAS of US\$2,018,116 for the twelve months ended December 31, 2005. EBITDAS for the three months ended December 31, 2006 was US\$385,352, compared to 2005 fourth quarter EBITDAS of US\$434,188. EBITDAS declined in 2006 due

to the increased accounting, legal, insurance and other associated fees incurred within a public reporting environment, and an increase in the number of salaried employees required to manage the larger consolidated company, compared to a much smaller private corporation in 2005. These costs are expected to remain relatively stable in the future and, therefore, decline as a percentage of revenue.

For a complete copy of PEG's 2006 annual financial statements and management's discussion and analysis, please visit www.sedar.com or PEG's website at www.productionenhancement.com.

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.

- (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. This measure does not have any standardized meaning prescribed by Canadian generally accepted accounting principles and may not be comparable to similar measures presented by other companies; however, PEG is consistent in its calculation of EBITDAS for each reporting period.

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
Bryan Mills Iradesso
403-503-0144 x224
kwetherell@iradesso.com