



**FOR IMMEDIATE RELEASE**

**December 10, 2007**

**PRODUCTION ENHANCEMENT GROUP ANNOUNCES  
TERMINATION OF MIDDLE EAST JOINT VENTURE**

**HOUSTON, TEXAS – Production Enhancement Group, Inc.** (“PEG” or the “Company”) (TSX: WIS) today announced that PEG has allowed its joint venture agreement with Al Qahtani Maritime & Oil Field Services Co. (“Al Qahtani”), announced on April 16, 2007, to expire of its own terms. The purpose of the joint venture was to deploy PEG’s patented WISE® multifunction coil tubing well intervention systems in the Middle East.

Don B. Cobb, President and Chief Operating Officer of WISE Well Intervention Services, Inc., PEG’s operating subsidiary, said “In the final analysis, the parties were unable to reach mutually agreeable terms under which to implement the joint venture. As well, at this stage it makes more sense for PEG to focus on exploiting growth opportunities that we see much closer to home. We continue to believe that WISE Well Intervention Services can play a key role in the Middle East, and we will explore alternative avenues to penetrate that market at the appropriate time.”

***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., 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.

## **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 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.*

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

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