



## **PRODUCTION ENHANCEMENT GROUP, INC.**

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**FOR IMMEDIATE RELEASE**

**July 14, 2008**

### **PRODUCTION ENHANCEMENT GROUP ANNOUNCES EXECUTIVE CHANGES AND COMPLETION OF PRIVATE PLACEMENT**

**HOUSTON, TEXAS – Production Enhancement Group, Inc.** (“PEG” or the “Company”) (TSX: WIS) today announced the following executive changes.

The Board of Directors of the Company has accepted the resignation of Don B. Cobb as Chief Executive Officer of PEG.

Further the Board of Directors of the Company announced the hiring of Joseph P. Lahey as Chief Executive Officer and Director of PEG effective immediately. Mr. Lahey’s role will encompass setting the strategic direction of PEG as well as managing and executing this strategy.

Jaime B. Crawford will assume the leadership role as President of WISE Well Intervention Services, Inc., the Company’s principal operating subsidiary, as well will be a Director of PEG.

John Paterson, Director of PEG and CFO of Quest Energy Services (Canada) Ltd. (“Quest”), the largest shareholder in PEG, said “PEG is excited to have Mr. Lahey join PEG in the role of CEO. Mr. Lahey has 35 years industry experience, 20 years as Chief Executive Officer in publicly traded companies with global operations. “Mr. Lahey brings the kind of experience and leadership to build an international oil field services company. We expect Joe, combined with the industry expertise and industry reputation of Jaime Crawford, to provide the leadership necessary to accelerate the growth plan that Quest envisioned when it invested in PEG. We thank Don for his dedicated leadership and efforts in re-positioning the Company.”

We are pleased to announce the successful completion of the remaining private placement in connection with the closing of Quest’s offer. PEG issued an additional 6,275,592 common shares to Quest and certain employees of PEG including Jaime Crawford who purchased 500,000 shares at an issue price of Cdn\$0.65 a share. In total, Quest now owns 89,698,619

Common Shares of PEG representing approx. 83.1% of the issued and outstanding Common Shares of PEG (73.5% on a fully diluted basis).

“Quest is pleased to be part of the recapitalization of Production Enhancement Group, Inc. and capitalizing on new international opportunities with this exciting new relationship.” said John Paterson.

### ***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 information, including expectations of future components of revenue, cash flow and earnings. By their very nature, the preparation of such forward-looking information requires the Company to make assumptions, and involves inherent risks and uncertainties, both general and specific. There is significant risk that express or implied projections contained in such forward-looking information will not materialize or will be inaccurate. A number of factors could cause actual future results, conditions, actions or event to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking information. Such differences may be caused by factors, many of which are beyond PEG’s control, which include, but are not limited to, the level of operations carried on by PEG’s customers, oil and gas prices, weather conditions in offshore and land markets including natural disasters, availability of capital, access to current or future financing arrangements, manufacturing cycles of new equipment, the effects of competition in the markets in which PEG operates, difficulty in continuing to develop, produce and commercialize technologically advanced services, availability of human resources and PEG’s success in anticipating and managing the foregoing risks. The preceding list is not comprehensive, and as such, investors and others who rely on these statements should consider the above factors as well as the uncertainties they represent and the risk they entail. 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 information.*

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

Douglas Parker, Chief Financial Officer  
Production Enhancement Group, Inc.  
281-282-1851  
[dparker@wisewellintervention.com](mailto:dparker@wisewellintervention.com)

