

FOR IMMEDIATE RELEASE
November 14, 2008
**PRODUCTION ENHANCEMENT GROUP ANNOUNCES 2008 THIRD QUARTER RESULTS:
REVENUE GROWS BY 19% OVER PRIOR YEAR QUARTER FROM USD 6.3 MILLION TO USD
7.5 MILLION; HURRICANES AFFECT EQUIPMENT UTILIZATION**

HOUSTON, TEXAS – Production Enhancement Group, Inc. (TSX: WIS) (“PEG” or the “Company”) today announced financial and operating results for the three months and nine months ended September 30, 2008.

	Three months ended			Nine months ended		
	September 30,			September 30,		
	2008	2007	% Change	2008	2007	% Change
Revenue ⁽¹⁾	\$ 7,514,654	\$ 6,340,487	19%	\$ 25,704,827	\$ 22,797,479	13%
EBITDAS ⁽²⁾	(1,940,020)	(2,338,028)	17%	(3,704,475)	(599,992)	-517%
ADJ EBITDAS ⁽³⁾	(1,502,614)	(2,338,028)	36%	(1,485,831)	(599,992)	-148%
Loss before income taxes	(5,651,992)	(6,983,859)	19%	(18,754,231)	(8,663,555)	-116%
Net loss from continuing operations	(5,678,734)	(6,983,859)	19%	(18,858,240)	(8,663,555)	-118%
Loss from discontinued operations	7,862	(314,939)	102%	(150,202)	(520,032)	71%
Loss per share from continuing operations ⁽⁴⁾	(0.05)	(0.12)	57%	(0.24)	(0.16)	-53%
Loss per share from discontinued operations ⁽⁴⁾	0.00	(0.01)	101%	(0.00)	(0.01)	80%
Total assets	49,689,693	61,144,336	-19%	49,689,693	61,144,336	-19%
Notes and debt	\$ 36,976,381	\$ 47,096,649	-21%	\$ 36,976,381	\$ 47,096,649	-21%
Number of common shares outstanding:						
Weighted average ⁽⁴⁾	106,878,089	56,317,375	90%	79,425,061	55,838,654	42%

- (1) WISE Alberta was classified as loss from discontinued operations in the financial statements.
- (2) EBITDAS means earnings from continuing operations before interest, taxes, depreciation and 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. These measures do not have any standardized meaning prescribed by Canadian GAAP 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.
- (3) For purposes of calculating the Company’s financial covenants, EBITDAS does not include the Company’s expenses associated with the Quest Offer in the amount of \$437,406 and \$2,218,644 for the three and nine months ended September 30, 2008.
- (4) Basic and diluted shares.

The following is a summary of selected financial information of the Company:

Third Quarter Highlights

Consolidated revenues for the three months ended September 30, 2008 and 2007 were \$7,515,000 and \$6,340,000 respectively.

- Coiled Tubing Division revenues for the third quarter of 2008 were \$3,414,000, a 4% decrease from the 2007 third quarter revenues of \$3,558,000. The current quarter decrease compared to the same period in 2007 was primarily attributable to lower onshore and offshore equipment utilization caused by the hurricane related well service delays.
- Pumping Division revenues for the third quarter of 2008 were \$1,856,000, a 50% increase over the 2007 third quarter revenue of \$1,238,000. This increase was primarily due to an increase in fleet size and expansion into Belize. Operations in Belize began in 2008 and generated revenue of \$567,000, representing 92% of the increase in pumping service revenues in the current three month period compared to the same period in 2007.
- The Wireline Services Division revenues for the third quarter of 2008 were \$1,404,000, a 9% decrease from third quarter 2007 revenue of \$1,544,000 due to the hurricane related activity.
- The Nitrogen Services Division contributed \$417,000 in revenues during the third quarter of 2008. This division began operating in the fourth quarter of 2007.

EBITDAS for the three months ended September 30, 2008 and 2007 were (\$1,940,000) and (\$2,338,000), respectively. The improvement from the third quarter last year was primarily attributable to higher gross profit from new operations and continued efforts at cost management.

Third quarter operations were impeded by three hurricanes and a tropical storm in the Gulf of Mexico. The two strongest storms, Hurricanes Gustav and Ike, each came ashore with sustained winds of 110 mph and heavy rains, and Hurricane Ike pushed a 20 ft. wall of water across Galveston Texas. While Company personnel and assets incurred only minor damage from the storms; damage to infrastructure of the Company's client base was substantial. In September, the US Mineral Management Service reported that more than 700 offshore production platforms or drilling rigs had been evacuated and production of 1,300 mb/d of oil and 7.3 bcf/d of natural gas was shut-in. At the close of the third quarter more than 100 platforms were still shut-in and slightly more than half the production restored. The high winds and heavy rain also caused wide spread suspension of inland operations. In many instances, the Company was unable to

perform planned well service due to suspended production conditions. The lower equipment utilization created by these natural disasters had a negative impact on the Company financial performance.

The Company had cash and restricted cash of \$2,772,000 at September 30, 2008 compared to \$4,925,000 as at December 31, 2007.

Expansion of Footprint

As part of the Company's expansion plans, the new Shreveport, Louisiana field office was opened. The Shreveport facility is centrally located in the North Louisiana, East Texas and Arkansas oil and natural gas production regions. Operations in this area will support the needs of a wider range of clients and create additional well intervention service opportunities as well as decrease our exposure to future impacts from hurricanes.

Completion of Private Placement

On July 15, 2008, Quest Energy Services (Canada) Ltd. ("Quest") finalized their take-up of shares with an additional 5,705,592 shares being issued. Quest now owns 89,618,619 common shares of the Company representing 83.1% of the issued and outstanding shares of the Company. Quest is an indirect wholly owned subsidiary of Al-Qahtani Marine & Oilfield Services Co. ("Al-Qahtani") of Saudi Arabia.

Middle East Joint Venture Funded

On October 23, 2008, the Company funded its 40% of the initial capital contribution for the joint venture with Al Qahtani. This joint venture will exploit PEG's technology and expertise on an exclusive basis in the Middle East, beginning in Saudi Arabia with future expansion opportunities though out the region.

New Corporate Office

The Company also moved its corporate office to downtown Houston. The new office at 919 Milam St., Suite 2020, Houston TX, 77002 USA is well positioned among the headquarters of many major domestic and international exploration and production companies and helps signify management's growth and competitive orientation.

"The Company performed well despite a difficult hurricane season. We expanded our geographic footprint to reduce our exposure in the Gulf area by locating to a new facility in Northern Louisiana which is experiencing significant growth in drilling. We have started our expansion plans internationally by funding our Middle East joint venture. We are executing on our strategy of deploying our equipment strategically to improve equipment utilization, expanding our geographic presence and maintaining cost control to focus on

delivering value to our shareholders,” said Joseph P. Lahey, PEG’s Chief Executive Officer. “We are excited about the Company’s future and we believe we will start to see the benefits of our reorganization impacting our financial results.”

For a complete copy of PEG’s 2008 second quarter 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, 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 or contact:

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