LEADER ENERGY SERVICES REPORTS FIRST QUARTER 2011 RESULTS

June 23, 2011, Calgary, Alberta – (TSX Venture: LEA) – Leader Energy Services Ltd. ("Leader" or the "Company") has released its financial and operating results for the three months ended March 31, 2011. As of January 1, 2011, Leader began preparing its interim consolidated financial statements and comparative information based on international financial reporting standards (IFRS). Previously, the Company's financial statements were prepared in accordance with Canadian generally accepted accounting principles (GAAP).

Highlights for the Three Months Ended March 31, 2011

- Revenue from continuing operations were the highest since the first quarter of 2007, increasing 23% to $10.1 million for the three months ended March 31, 2011, as compared with $8.2 million in the comparable period of the prior year.

- Gross profit from continuing operations increased 25% to $5.0 million for the three months ended March 31, 2011, as compared with $4.0 million in the comparable period of the prior year.

- EBITDA(1) increased 26% to $4.0 million, as compared with $3.2 million in the comparable period of the prior year. As a percentage of revenue, an EBITDA(1) margin of 39% remained constant as compared with the comparable period last year.

- Profit from continuing operations decreased 30% to $1.3 million for the three months ended March 31, 2011, as compared with $1.8 million in the comparable period of the prior year. Excluding a one-time loss on settlement of convertible debentures, the Company reported a profit of $2.7 million representing a 47% improvement over the comparable period last year.

- The Company obtained a new $15 million three-year secured debt facility and repurchased 95.4% of its convertible subordinated debentures, eliminating the likelihood of significant dilution in the number of shares outstanding. More than 31 million shares could have been issued at a conversion price of 40 cents had these remaining debentures been converted.

Selected Quarterly Financial Information

(000's except per share amounts)

	Three months ended March 31, 2011	2010
Revenue – continuing operations	$10,138	$8,219
Profit – continuing operations	1,275	1,815
Net Profit	1,291	1,866
Profit per share (basic) – continuing operations	0.07	0.14
Profit per share (diluted) – continuing operations	0.05	0.05
Net Profit per share (basic)	0.07	0.14
Net Profit per share (diluted)	0.05	0.05
EBITDA (1)	3,997	3,173
Total Assets	33,950	31,354
Long Term Debt (2)	23,853	26,240
Equity	$6,624	$1,620
Weighted average shares outstanding	18,399	13,265
Shares outstanding, end of period	19,455	13,265

(1) EBITDA means earnings from continuing operations before finance costs, loss on settlement of convertible debenture, taxes, amortization, other (gains) losses, and share based compensation. Readers are cautioned that EBITDA 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. EBITDA is not a measure that has a standardized meaning prescribed by IFRS, and accordingly may not be comparable to similar measures used by other companies.

(2) Includes loans and borrowings and obligations under finance lease.

Overview

In the first quarter of 2011 revenues were 23% higher than the prior year's first quarter and exceeded the Company's expectations. In conjunction with the first quarter of the year typically being the most active quarter for the Company, the results from the 2011 first quarter were further improved due to the Company focusing its service activities on larger diameter coil work on deeper wells combined with the Company capitalizing on the economic turnaround in the WCSB.

The Company's profit from continuing operations of $1.3 million for the first quarter of 2011 includes a one-time loss on the settlement of its convertible debenture in the amount of $1.4 million. Excluding this loss, the Company reported a profit of $2.7 million representing a 47% improvement over the prior year's first quarter profit from continuing operations of $1.8 million. This improvement reflects an increase in activity in the field resulting in higher revenues, partially offset by an increase in general and administrative expenses.

Profit for the quarter ended March 31, 2011 was $1.3 million with basic and diluted earnings per share being $0.07 and $0.05 respectively.

During the first quarter, the Company closed a secured debt facility with a second lender. The $15 million secured debt facility bears interest at an annual rate of 12% compounded and payable quarterly and is repayable at any time without penalty subject to the approval of its senior lender. The Company is not required to make principal payments during the three year term of the agreement. Under the terms of the agreement, the Company paid a commitment fee and issued 4 million purchase warrants exercisable at $0.65 for three years. In addition to the commitment fee and purchase warrants issued to the lender, the Company paid cash compensation of $0.3 million and issued 250,000 share purchase warrants exercisable at $0.60 for two years to an organization that provided financial advisory services to Leader concerning this transaction.

As of February 18, 2011, just prior to the closing of the $15.0 million secured debt facility noted above, a total of $2.14 million in convertible debentures were converted to 5.35 million common shares in the Company.

In conjunction with the closing of the $15.0 million secured debt facility, the Company entered into an agreement with its convertible debenture holders to repurchase $12.56 million of debenture principal plus

$1.4 million of deferred interest at 110% of face value for a total payment of $15.4 million. Additionally, the Company paid interest owing per the debentures up until February 18, 2011 totalling approximately $0.8 million. Subsequent to closing, $0.3 million of debenture principal remained outstanding. These outstanding debentures have since been converted to 750,000 common shares in the Company.

Results of Continuing Operations

Well Stimulation Services (000's)

Quarter ended	**March 31, 2011**	March 31, 2010	Year over Year $ Change	Year over Year % Change
Revenue	**$10,138**	$8,219	$1,919	23%
Operating Expenses	**5,131**	4,213	918	22%
Gross profit*	**$5,007**	$4,006	$1,001	25%

* Gross profit is a measure not recognized under IFRS. Management believes that gross profit provides investors with an indication of profit before administrative costs, amortization, finance costs, taxes and other. Readers are cautioned that gross profit should not be considered as an alternative to net profit determined in accordance with IFRS as an indicator of the Company's performance.

Revenues from well stimulation services increased 23% in the first quarter of 2011 as compared to the first quarter of 2010. The $10.1 million in revenue reported in the first quarter of 2011 represents the highest quarterly revenue reported since the first quarter of 2007. The $1.9 million increase in revenue over the first quarter of 2010 reflects the continued increase in horizontal drilling activity in northwest Alberta and northeast British Columbia requiring deeper and larger diameter coil applications which translates into higher day rates. Leader's focus on a larger area within the WCSB along with a general increase in economic activity has also contributed to higher revenues. The Company exited the quarter with five coil units plus one reel trailer capable of 2 3/8" coil applications, seven nitrogen pumpers and one fluid pumper.

Operating costs totalled $5.1 million during the first quarter of 2011 versus $4.2 million during the comparable period in 2010. Operating costs as a percentage of revenues remained stable at approximately 51% of revenue. Increases in field wage rates, costs incurred to clean-up a flood at the vacant Brooks facility and the requirement to rent a higher amount of specialty equipment to complete certain jobs was offset by an increase in higher margin deeper coil applications. Although the gross profit stayed consistent at 49% of revenue, the increase in revenue resulted in the Company contributing an additional $1.0 million towards overall profitability from field operations.

Outlook

Western Canadian petroleum exploration and production operations remain focused on horizontal wells, multistage completions and extended-reach drilling in oil and liquids-rich gas plays. With a 10-year history in the premium coiled tubing market, Leader is well positioned to provide large diameter coiled tubing, nitrogen and fluid pumping services through the very active corridor from northeastern BC through south-central Alberta.

As the price of crude oil and natural gas liquids is anticipated to remain strong, Leader expects capital spending by many of its customers will accelerate through the fall and busy winter drilling seasons. Energy companies spent a record $842 million at the most recent Alberta oil and gas land sale. The Canadian Association of Oilwell Drilling Contractors predicts 13,128 wells will be drilled in western Canada this year, up from 11,587 in 2010 and 8,278 in 2009. Coiled tubing is increasingly being used for high-end completion activity and growing demands are creating an environment of better pricing for our services.

The Company's 2011 capital expenditure budget will approximate $4.0 million, which will be financed by internally generated cash flow. Each of the Company's three service lines will benefit from this expansion, with all of the new equipment becoming operational during the third quarter. We anticipate a growing number of horizontal wells drilled in the foreseeable future; these deeper drilling activities require each of Leader's service offerings. As a result, the Company expects to see higher levels of equipment utilization and strong EBITDA margins in 2011 and is confident that this momentum will continue into 2012. A larger capital expenditure program will be initiated for 2012 with a focus on deep coiled tubing units.

Other

Mr. Jason Krueger has been appointed as an executive of the Company and has assumed the role of Executive Vice President effective June 1, 2011. Mr. Krueger has been a member of Leader's board of directors since 2003. Mr. Krueger has extensive experience in finance, strategic planning and corporate development. Prior to this appointment, Mr. Krueger was President of Redwood Capital Corporation. Mr. Krueger holds the Chartered Financial Analyst designation and a Bachelor of Commerce degree from the University of Calgary.

Additional information can be found on SEDAR at www.sedar.com or the Company web site at www.leaderenergy.com. The number of common shares issued and outstanding at the date hereof was 19,461,355 which does not include 1,705,834 unexercised stock options and 4,250,000 share purchase warrants.

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