



LEADER ENERGY SERVICES ANNOUNCES FIRST QUARTER RESULTS

May 26, 2010, Calgary, Alberta (TSX Venture: LEA) – Leader Energy Services Ltd. ("Leader" or the "Company") today announced financial and operating results for the three-month period ended March 31, 2010.

Performance Summary (000's except per share amounts)

Quarter ended	March 31, 2010	March 31, 2009	Year over Year \$ Change	Year over Year % Change
Revenue – continuing operations	\$8,219	\$6,120	\$2,099	34%
Operating Expenses – continuing operations	3,859	3,351	508	15%
General and Administrative – continuing operations	833	692	141	20%
Provision for Bad Debts – continuing operations	-	28	(28)	(100)%
EBITDAS – continuing operations	3,527	2,049	1,478	72%
Amortization – continuing operations	544	553	(19)	(2)%
Stock Compensation – continuing operations	10	-	10	-
Interest – continuing operations	802	816	(14)	(2)%
Other – continuing operations	13	7	6	86%
Net Income – continuing operations	2,158	673	1,485	221%
Net Income/(Loss) – discontinued operations	51	(43)	94	318%
Net Income	2,209	630	1,579	251%
- per share (basic)	\$0.17	\$0.05	\$0.12	240%
- per share (diluted)	\$0.15	\$0.05	\$0.10	200%

* 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. EBITDAS is not a measure that has a standardized meaning prescribed by Canadian GAAP, and accordingly may not be comparable to similar measures used by other companies.

Overview

Headquartered out of Calgary, Alberta, Leader Energy Services Ltd.'s ("Leader" or the "Company") operations are managed from its operations base in Grande Prairie, Alberta. From this base the Company offers well stimulation services across the Western Canadian Sedimentary Basin ("WCSB").

In the first quarter of 2010 revenues were well above that of the prior year's first quarter and exceeded forecast. In conjunction with the first quarter of the year typically being the most active quarter for the Company, the results from the 2010 first quarter were further improved as a result of the Company focusing its service activities on deeper and horizontal wells requiring larger diameter pipe and continued close management of costs and overhead expenses.

Operating costs totalled \$3.9 million during the first quarter of 2010 versus \$3.4 million during the comparable period in 2009. Operating costs as a percentage of revenues decreased from 55% in the 2009 first quarter to 47% in the 2010 first quarter. With higher revenues and operating efficiencies

resulting in decreased operating expenses as a percentage of revenues, field profit for the first quarter of 2010 showed a significant 57% improvement over the comparable period in 2009.

The Company's net income from continuing operations of \$2.2 million for the first quarter of 2010 was a significant improvement over the prior year's first quarter net income from continuing operations of \$673,000. This improvement was due to a \$1.5 million increase in EBITDAS in the current year first quarter in comparison to the prior year's first quarter. The improvement in EBITDAS was due to higher revenues in the current year first quarter coupled with operating costs as a percentage of revenues decreasing from 55% in the 2009 first quarter to 47% in the 2010 first quarter. The increased revenues and improved operating costs were partially offset by an increase in general and administrative costs.

Net income for the quarter ended March 31, 2010 was \$2.2 million with basic and diluted earnings per share being \$0.17 and \$0.15 respectively. This is a marked improvement over net income of \$630,000 for the quarter ended March 31, 2009 where both basic and diluted earnings per share were \$0.05.

The Company has yet to secure a credit facility to replace the facility which was paid out in mid 2008. Based on the Company's internal operating cash forecast, if the assumptions in the forecast hold true, access to additional financing does not appear to be necessary. However, given the uncertainty present in the current economic climate the Company will continue to pursue possible credit facility opportunities and hopes to secure a credit facility in the near future.

Liquidity and Capital Resources

At March 31, 2010 the Company held cash and cash equivalents of \$1.0 million and positive working capital of \$4.2 million as compared to \$1.0 million and \$1.8 million respectively for the December 31, 2009 year ended. For the period ended March 31, 2010 cash flow from continuing operations before changes from non-cash working capital was positive \$3.2 million, an improvement of \$1.8 million over the previous year's period ended March 31, 2009. The improvement in working capital and cash flow from continuing operations before changes from non-cash working capital can both be attributed to the positive results from operations.

Outlook

Management is pleased with the results of operations and will continue to take action wherever possible to increase the Company's revenues and reduce administrative and operational costs. Although Leader has surpassed internal operational and financial projections year to date, a number of challenges continue to confront the oilfield service industry in western Canada. Recognizing that these challenges exist, the Company remains cautiously optimistic with respect to operating results for the balance of the year. Demand for Leader's services has shown an increase relative to last year at this time. The Company believes that demand for its services will continue to strengthen during 2010.

Other

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 13,265,000 which does not include 1,244,000 unexercised stock options.

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results, performance or achievements of Leader to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Factors include commodity prices, demand for oil and gas related products and service, competition, political and economic conditions, demand and acceptance of new products and ways of doing business, changes in laws and regulations to which Leader is subject, and the ability to attract and retain key personnel.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.