



***LEADER ENERGY SERVICES TO UNDERTAKE PRIVATE PLACEMENTS;
AMENDS TERMS OF DEBT CONVERSION***

December 1, 2004, Calgary, Alberta (TSX Venture: LEE) – Leader Energy Services Ltd. ("Leader" or the "Company") today announced it has engaged Research Capital Corporation ("Research" or the "Agent") to act as agent on a best efforts basis in connection with an equity offering consisting of two phases. The aggregate proceeds from the offering will be used to fund expansion primarily consisting of one deep coiled tubing unit (class 3), two nitrogen pumper units, two nitrogen bulker units and for general working capital.

Leader will undertake, subject to regulatory approval, a private placement for gross proceeds of a minimum of \$3,000,000 and a maximum of up to \$5,000,000. The private placement will consist of a minimum of 2,400,000 and a maximum of up to 4,000,000 private placement units (a "Unit") of the Company at a price of \$1.25 per Unit, each Unit consisting of one (1) common share of Leader and one-half of one (1/2) Warrant. Each whole Warrant will entitle the holder to acquire one (1) additional common share at an exercise price of \$1.70 per common share for a period of 24 months from the closing date.

The Company also agrees to grant the Agent an over-allotment option ("Greenshoe") for the purpose of covering over-allotments, if any. The Greenshoe will entitle the Agent to sell up to that number of Units as is equal to 15% of the number of Units sold under the private placement offering. The Greenshoe will be exercisable for a period of 60 days after the closing date of the Offering at the offering price.

Research will also act as agent on a commercially reasonable efforts basis for an offering of common shares of the Company pursuant to: a Short Form Offering Document ("SFOD") in the provinces of British Columbia, Alberta and Saskatchewan for gross proceeds of a minimum of \$1,000,000 and a maximum of \$2,000,000. The SFOD Offering will consist of a minimum of 800,000 and a maximum of 1,600,000 common shares of the Company at a price of \$1.25 per common share. This offering is planned for January and is also subject to regulatory approval.

As a result of this agreement, the conversion price used in the recently announced conversion of \$1.2 million in convertible debentures has been amended from \$1.40 to \$1.25. This will result in an additional 102,857 shares being issued, but will bring the treatment of the debenture holders in line with the above noted private placements.

Leader Energy Services provides essential field services for oil and gas well stimulation from two locations in Grande Prairie and Red Deer, Alberta. Leader supplies coiled tubing and flameless

nitrogen pumping services as well as other flameless equipment and services including hot oilers, boilers and steamers.

Further information on Leader can be found under the Company's listing at www.sedar.com and on the Company's website at www.leaderenergy.com.

For further information contact:

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