



LEADER ENERGY SERVICES ANNOUNCES 2004 RESULTS

April 25, 2005, Calgary, Alberta (TSX Venture: LEE) – Leader Energy Services Ltd. ("Leader" or the "Company") today announced financial results for the year ended December 31, 2004.

	2004	2003
Revenue	\$ 9,446,742	\$ 6,257,497
Net income (loss)	1,040,178	(322,584)
Earnings (loss) per share (basic)	0.131	(0.067)
Earnings (loss) per share (diluted)	0.128	(0.067)
Cash flow from operations ⁽¹⁾	1,514,754	499,676
Cash flow from operations per share (basic)	0.191	0.102
Cash flow from operations per share (diluted)	0.186	0.102
Total assets	16,339,224	7,092,196
Long term debt ⁽²⁾	5,077,365	4,061,611
Shareholders' equity	8,804,351	890,798
Shares issued and outstanding	14,097,546	6,875,001

(1) Cash flow is defined as "cash provided by operating activities before changes in non-cash working capital". Cash flow and cash flow per share are measures that provide shareholders and potential investors with additional information regarding the Company's liquidity and its ability to generate funds to finance its operations. Cash flow and cash flow per share are not measures that have any standardized meaning prescribed by Canadian GAAP, and accordingly may not be comparable to similar measures used by other companies.

(2) Includes current portion of long term debt.

Note: The results of operations from the year ended December 31, 2004 reflect the impact of the business combination transaction that occurred October 1, 2004. In this transaction Pd&e Resource Services Corp. and its wholly owned subsidiary Proheat Hot Oilers Corp. were acquired by Leader Energy Services Corp. ("Leader" or "the Company") in a non-arm's length transaction. As Leader was a privately held and operated company, this year also represents the first year its audited financial information has been reported publicly. Immediately after the acquisition took place the resulting corporation changed its name to Leader Energy Services Ltd.

Several factors affected the overall performance of the Company this past year, the most significant being the business combination with Pd&e Resource Services Corp. that saw the nitrogen fleet increase from two to five units during the fourth quarter. The additional revenue generated by the three new units accounted for 16.8% of the annual revenue. High commodity prices due to a growing demand for oil and gas around the world saw the number of wells drilled in the WCSB rise to 21,300, up almost 9% from a year earlier. This, combined with equipment shortages pushed activity levels up, favourably impacting the overall financial results of the Company.

Winter of 2004 saw the Company engaged in more project work in northern British Columbia relative to 2003. Daily minimums from project work bolstered results as E&P companies were concerned that equipment shortages would limit completions activities. Consequently, producers were willing to pay standby charges if it meant having the equipment available when needed. In almost all of the cases, project work was completed by employing Leader's combination units in a "rig-less" completion. This has proven to be an efficient and cost effective way of completing shallow gas projects.

Even though the first and fourth quarter of 2004 resulted in the Company setting new highs for activity and net income, the second and third quarter saw some months set new lows over comparative periods. Weather was the Company's nemesis during these quarters. Inclement weather accompanied by at least one heavy rainfall each week prompted E&P companies to postpone completions and servicing programs one week after another. This had its greatest impact in northern Alberta, where most of the Company's equipment was concentrated. The impact of these delays was mitigated during the fourth quarter after weather conditions improved and many of the projects previously delayed were finally completed.

Overall, the last three years have been spent building a solid foundation to get the Company into a position to gain critical mass and growth. The catalyst for growth will be the \$12 million in equity raised between December 2004 and February 2005. With the monies raised, equipment capacity is expected to more than double by the end of 2005 with most of the revenue growth coming from nitrogen services.

	Equity Allocation	Delivery / Execution
Coiled tubing and nitrogen equipment	\$ 5,987,500	August – September 2005
Flameless equipment	997,500	November 2005
Support equipment	2,085,000	Various
Debenture and shareholder loan retirement	1,883,358	March 2005
Subtotal	\$ 10,953,358	
Proceeds on issue (\$12 million net of brokerage fees)	11,040,000	
Working Capital	\$ 100,000	

By the third quarter of 2005, coiled tubing capacity will expand from 4 units to 6 units and nitrogen pumping capacity will increase from 5 to 10 units. With the additional equipment currently being manufactured, Leader will be in an excellent position to meet the needs of its constantly growing list of customers, which now stands at more than 100. By the end of the third quarter of 2005 Leader will have stations in Grande Prairie, Red Deer and Hinton, Alberta.

Leader's fleet of equipment is specialized, giving the Company some distinct advantages. Its patent-pending coiled tubing / N₂ pumping units (combination units) are popular with customers completing shallow gas projects where completions are done with coiled tubing as opposed to jointed pipe. This is commonly referred to as a "rig-less" completion, which requires fewer personnel. Leader's medium-depth trailer-mounted coiled tubing units are designed so that they are capable of traveling on 75% road bans, when carrying 3,100 meters of 1 ¼" pipe. This feature is very advantageous during spring break up when activity levels typically slow down and larger coiled tubing units are not able to move due to weight restrictions on highways. Leader presently operates the largest fleet of flameless body-load nitrogen pumpers capable of carrying 7,700 m³ (standard cubic meter) of nitrogen outside of road ban season and 3,000 m³ on 75% road bans. Each of these units is equipped to pull 7,700 m³ pup trailers, which is an effective way of saving the customer transportation costs associated with larger jobs that require additional nitrogen.

Due to customer demand, a deeper coiled tubing unit is being added to Leader's fleet that will be able to operate to depths up to 5,000 meters with 1 ½" coil. One of the new flameless nitrogen pumpers coming into service has the capability of pumping 170 m³ / minute at 10,000 psi / 70 MPA and will work with the deeper coiled tubing unit.

Leader's equipment has been designed to promote safer operating and environmentally responsible practices. Since the area around a wellhead is classified as a highly explosive and flammable atmosphere, "fired" equipment must be located a significant distance away from the well bore when operating. Leader's heat-delivery systems capture excess energy from engine exhaust, water coolant and all usable horsepower, eliminating the need to heat batch fluids with an open flame. Leader's entire fleet of flameless nitrogen pumpers is safer, more efficient and cleaner than conventional fired nitrogen pumpers. Leader's flameless boiler provides a safer, more efficient and environmentally responsible method of heating water. Boilers provide a steam supply for drilling and service rigs, and a heat source for pipelines, gas plants and petrochemicals. Only our boilers can be placed 12 meters from a wellhead.

Management is committed to increasing the range of innovative, value-added products and services that Leader provides, ultimately creating future growth. Management's intent is to finance future growth through internally generated cash flows and through the exercise of existing convertible instruments. Leader will strive to maintain a strong and conservative balance sheet while continuing its product development program.

Outlook

In order to capitalize on our view of the industry's search for large sources of natural gas, Leader has concentrated the majority of its equipment in Grande Prairie, Alberta. The Company recently expanded geographically to Hinton, Alberta and is considering Ft. St. John, British Columbia to expand operations northward. Forecasted natural gas related drilling activity suggests that the expansion program will position the Company for strong future growth. With high demand for its services anticipated and its additional equipment capacity, Leader is well positioned to continue to deliver strong financial and operational performance.

During 2005 Leader will undertake the largest capital expansion program in its four-year history, with particular emphasis on expanding its coiled tubing and flameless nitrogen pumping capacity for well stimulation services. The Company will continue its organic growth to increase the range of service offerings in additional locations.

Activity levels during the first quarter exceeded management's expectations, and the Company expects to release these financial results on May 16.

Leader Energy Services provides essential field services for oil and gas well stimulation from three locations in Grande Prairie, Red Deer and Hinton, Alberta. Leader supplies coiled tubing and flameless nitrogen pumping services as well as other flameless equipment and services. 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.

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