



LEADER ENERGY SERVICES ANNOUNCES THIRD QUARTER RESULTS

November 28, 2005, Calgary, Alberta (TSX Venture: LEE) – Leader Energy Services Ltd. ("Leader" or the "Company") today announced financial and operating performance for the three and nine-month periods ended September 30, 2005.

(\$ thousands except per unit amounts)

Income Statement	3 Months Ended		9 Months Ended	
	September 30, 2005	September 30, 2004	September 30, 2005	September 30, 2004
Revenue	\$ 3,819	\$ 1,824	\$ 11,902	\$ 5,723
Net income (loss)	187	(80)	812	215
Earnings (loss) per share (basic)	0.007	(0.012)	0.037	0.031
Earnings (loss) per share (diluted)	0.006	(0.012)	0.034	0.031
Cash flow from operations ⁽¹⁾	659	82	2,203	648
Cash flow from operations per share (basic)	0.026	0.012	0.100	0.094
Cash flow from operations per share (diluted)	0.023	0.012	0.092	0.094
Weighted average shares outstanding (basic) ('000s)	25,726	6,875	21,936	6,875
Weighted average shares outstanding (diluted) ('000s)	29,119	6,875	24,047	6,875

Balance Sheet	September 30, 2005	December 31, 2004
Total assets	\$51,402	\$16,339
Long-term debt ⁽²⁾	3,059	5,077
Shareholders' equity	44,504	8,804
Shares issued and outstanding	31,832	14,098

(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.

Overall Performance Review

Revenue for the three and nine-month periods ended September 30, 2005 increased 109% and 108% respectively. During the third quarter of 2005 Leader operated 5 coiled tubing units and 5 nitrogen pumpers, compared to 4 coiled tubing units and 2 nitrogen pumpers for the same period last year. Inclement weather during the third quarter delayed client completion programs. Additionally the 2005 capital expansion program met with minor delays pushing the delivery of some units until the middle of the fourth quarter. As the Company takes delivery of this equipment over the balance of the fourth quarter and broadens its range of services and geographic reach over the course of 2006, Leader will be less susceptible to seasonal fluctuations in activity levels, and quarterly results will be enhanced. Leader will exit 2005 operating 7 coiled tubing units and 10 nitrogen pumpers, and has the required personnel to operate this equipment and provide regular days off for its field staff.

The Company recorded net income of \$187,000 or \$0.006 per share (diluted) during the third quarter versus a net loss of \$80,000 or (\$0.012) per share (diluted) a year earlier. For the nine months ended September 30, 2005 the Company recorded net income of \$812,000 or \$0.034 per share (diluted) relative to \$215,000 or \$0.031 per share (diluted) last year. The earnings per share amounts for 2005 reflect the dilutive impact of \$12 million in equity raised between December 2004 and February 2005, and a \$25 million private placement that occurred in August 2005. Net income for the interim period ending September 30, 2005 includes non-cash transactions relating to stock compensation expense of \$86,000 (\$474,000 year to date). The results from the previous year do not reflect such expenses, as Leader did not have stock options.

Earnings and cash flow per share will not see the full benefit of these financings until the Company has taken delivery of its new nitrogen and coiled tubing equipment during the fourth quarter of 2005 and the cementing business begins operations mid-2006.

Well Stimulation and Completion Services

In the Company's interim report for the second quarter of 2005, Leader commented on the increase in corporate staff levels due to an industry-wide lack of qualified field personnel. That trend continued throughout the third quarter where staff levels jumped by 23%, with most of this occurring at the field level. The decision to secure key personnel prior to the deployment of new equipment is seen as a critical step in our expansion process. Given current delivery delays with some of the equipment, the overhead burden will be carried until mid-fourth quarter when all of the new equipment will be operational in the field.

Cementing Services

On August 30, 2005 the Company closed a \$25 million bought deal with an investment syndicate led by Westwind Partners Inc. Proceeds will be used to fund the Company's entry into the cementing business in 2006. Expenses associated with the execution of the business plan will however, impact the results of operation for the fourth quarter of this year with the hiring of key personnel, which was announced in the Company's November 7, 2005 press release. Additionally Leader has been ensured that an adequate supply of cement product will be on hand when these services become available.

Flameless Services

The announcement of a successful field trial on October 14, 2005 marked the Company's introduction of their patent pending flameless evaporation system. Leader has plans to put several units into the field over the next few months and gather data on how the system performs with different engine models. The intent is to sell these units to the end user; with these initial field trials clients will rent the units until Leader begins commercial production. Given that the field trials were completed after the third quarter, no financial benefit from the development of this system was recorded during the period. Revenue from the units will begin to accumulate during the fourth quarter.

Liquidity, Capital Resources and Use of Funds

At September 30, 2005 the Company held cash and cash equivalents of \$30.2 million and had a positive working capital position of \$28.6 million. The entire amount of cash and cash equivalents held at the end of the period were held in marketable securities representing proceeds from the \$37 million in equity financings completed during the year and will be used to fund the 2005 and 2006 capital expansion programs for the Company's well stimulation and cementing services. During the third quarter the Company invested \$3.7 million in equipment, of which \$3.4 million related to the new equipment scheduled to be delivered by the middle of the fourth quarter. Year to date these amounts are \$8.5 million and \$7.3 million respectively.

Outlook

As the Company continues to move forward with its capital expansion program, management expects that the quarterly results will trend upwards as both revenue and net income start to reflect the introduction of new equipment and product lines.

Early fourth quarter sales indicate increasing demand for activities due to a backlog of required services. The addition of several well stimulation units during the fourth quarter will have a decisive impact on fourth quarter revenue.

Demand for the Company's services remains strong and given the current commodity environment this demand is expected to continue for the next two years. The weather-related issues that impacted activity levels during the second and third quarters are having a positive effect on activity levels for the fourth quarter as oil and gas producers try to achieve their 2005 production targets. This should prove timely for the Company as a surge in demand for services and a lack of equipment capacity in the industry coincides with the delivery of the Company's new nitrogen pumping and coiled tubing units, thereby allowing Leader to capitalize on spot market work in the industry.

As of the date hereof there have been 2.1 million out of 6.4 million warrants exercised for total proceeds of \$3.0 million. With these funds becoming available sooner than expected, the Company has accelerated its strategic growth plan. Leader will add one more trailered coiled tubing unit and one nitrogen transport unit to the fleet this year and accelerate the Company's 2006 capital expansion program by three months.

On August 11, 2005 the Company announced it would be expanding its range of services to include well cementing. To facilitate this expansion, Leader entered into a \$25 million equity financing agreement. Proceeds from the issue plus the addition of \$9 million in term debt will be used to fund the construction of three new facilities, 12 new cementing units, 18 bulk trailers, 3 permanent batch plants, field cement bins and auxiliary equipment. These units will be operated out of three locations throughout Alberta in Grande Prairie, Red Deer and Brooks where the new facilities are to be located. The Company has been able to secure building sites and is currently

in the process of completing architectural drawings for the new facilities that are being designed to handle future expansion. Construction is expected to begin in the fourth quarter with the expectation that the facilities will be operational by June 30, 2006.

Other

Additional information for the Company 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 31,932,009 which does not include 6,244,662 unexercised stock options and warrants.

Certain statements contained in this press release, including statements which may contain words such as “could”, “should”, “expect”, “estimate”, “believe”, “likely”, “will”, or estimates of business activity, and similar expressions and statements relating to matters that are not historical facts, are forward looking statements. Such statements involve known and unknown risks and uncertainties that may cause the actual 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.

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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.