



LEADER ENERGY SERVICES COMPLETES INSTALLATION OF PROCESS WATER EVAPORATION SYSTEM

October 14, 2005, Calgary, Alberta (TSX Venture: LEE) – Rod Hauser, President and CEO of Leader Energy Services Ltd. (“Leader” or the “Company”) today announced that in an initial field trial with one of its clients, Leader successfully installed its first patent pending Evaporation System at a facility in northeast British Columbia. These systems capture excess waste exhaust heat from natural gas-fired compressor engines and are used to evaporate process water. The disposal of process water is a major cost associated with producing natural gas and is normally hauled away using third party vacuum/tank trucks to water disposal wells located off-site. The cost to truck and dispose of this water from this facility is approximately \$30 to \$40 per cubic metre.

Depending on compressor engine horsepower and engine manifold heat, these systems can evaporate 4 to 8 cubic metres of process water every 24 hours. These fully automated systems have an estimated useful life of 20 years. Operating costs should be minimal because of the Evaporator’s reliance on heat that would otherwise be expelled directly into the atmosphere. Some facilities presently use natural gas to burn off process water in a very uneconomical manner. In today’s higher-priced commodity environment, these systems are expected to provide substantial savings.

A number of major clients are interested in implementing this system in field facilities and a broader manufacturing and marketing strategy will commence by the end of 2005. With a strong emphasis on natural gas drilling in the WCSB, and the heavy requirement for natural gas used in conjunction with oil sands projects, Leader anticipates a large market for the Evaporation Systems. Additionally with rising energy prices, operators of facilities are seeking more efficient ways of managing their energy needs. Consequently Leader views this new market segment as a valuable expansion to their range of flameless applications, and will provide further updates as necessary.

Leader 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 and will begin providing cementing services in 2006. 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.

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.