



LEADER ANNOUNCES EXPANDED LOAN FACILITIES AND LETTER OF INTENT

December 27, 2006, Calgary, Alberta (TSX Venture: LEE) – Leader Energy Services Ltd. ("Leader" or the "Company") is pleased to announce that it has increased its 364 day committed revolving facility with HSBC Bank Canada from \$25.0 million CDN up to \$32.5 million until March 31, 2007, reducing to \$30.0 million thereafter. Additionally a \$7.5 million CDN demand non-revolving loan has been established with HSBC Bank Canada.

The revolving facility requires monthly interest payments of the Bank's prime rate plus 0.75% on any amounts advanced. The demand facility requires monthly interest payments of the Bank's prime rate plus 3.00% on any amounts advanced.

Leader is also pleased to announce it has signed a letter of intent regarding a sale/leaseback arrangement for the Company's land and buildings located in Brooks, Red Deer and Grande Prairie, Alberta. Upon closing of this transaction Leader anticipates receiving gross proceeds of approximately \$19.6 million. This transaction is expected to close on January 30, 2007. Proceeds from the sales will be used to reduce the Company's outstanding credit facilities.

Leader Energy Services provides well stimulation and cementing services in western Canada and the northeastern United States. 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:

Rod Hauser
President & CEO
T: (403) 265-5400
r.hauser@leaderenergy.com

Jason Krueger, CFA
Director, Investor Relations
T: (403) 374-1234
jason@redwood-capital.com

Don Baird, CA
Chief Financial Officer
T: (403) 265-5400
d.baird@leaderenergy.com

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