



## **LEADER ENERGY SERVICES ANNOUNCES CONVERTIBLE DEBENTURE FINANCING**

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February 16, 2007, Calgary, Alberta (TSX Venture: LEE) – Leader Energy Services Ltd. ("Leader" or the "Company") is pleased to announce that it has entered into an agreement with a syndicate of investment dealers led by Westwind Partners Inc. (the "Agents") for a private placement of \$10 million principal amount of senior unsecured convertible debentures (the "Debentures"). In addition, the Agents have been granted an option, exercisable until two business days prior to closing, to sell up to an additional \$5 million of Debentures. The Debentures will bear interest at a rate of 10.0% per annum payable semi-annually in arrears, commencing six months from the closing date of the offering and will not be redeemable. The Debentures will mature at least five years and a day from the closing date and are convertible at any time at the option of the Debenture holder into common shares of the Company ("Common Shares") at an initial conversion price of \$1.60 per Common Share.

The Convertible Debenture financing is scheduled to close on or about February 28, 2007 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the TSX Venture Exchange. The net proceeds of the offering will be used by Leader for general corporate purposes and debt repayment.

Additionally, Leader expects to provide an update shortly regarding the sale/leaseback arrangement for the Company's land and buildings located in Brooks, Red Deer and Grande Prairie, Alberta.

Leader Energy Services Ltd. 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](http://www.sedar.com) and on the Company's website at [www.leaderenergy.com](http://www.leaderenergy.com).

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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.**