



## **LEADER ENERGY SERVICES LTD. PROVIDES CORPORATE UPDATE**

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November 5, 2007, Calgary, Alberta (TSX Venture: LEE) – Leader Energy Services Ltd. ("Leader" or the "Company") has provided the following update with respect to matters relating to its operations and outstanding credit facilities.

- Due to a severe downturn in activity over the past 12 months Leader will be ceasing the operations of its Canadian Cementing division on November 7, 2007. Leader has completed the sale of a number of cementing assets to date and is currently negotiating sales for the balance of these assets with various parties. This process is expected to conclude by the end of November. Further details of these transactions will be announced shortly and proceeds from these dispositions will be used to reduce the Company's outstanding bank indebtedness.
- Leader remains in breach of certain financial covenants under its credit facility with its principal lender and continues to work with its lender to resolve this issue. Present credit facility balances do not include proceeds from the above-mentioned cementing equipment sales. Advances to Leader under its revolving operating facility will continue to be made during this period subject to the discretion of the lender.
- Leader has obtained a waiver from each holder of the 10% senior unsecured debentures due March 31, 2012 for the non-payment of interest due to such holders on September 30, 2007, which interest must now be paid on or before November 30, 2007 unless a further waiver is obtained.
- Management is currently negotiating with its bank with a view to putting longer-term, reduced credit facilities in place for the Company. Additionally Leader is considering various alternatives with respect to new lenders.
- As cementing asset sales are completed and with the approval of the Company's lender, Leader's outstanding trade payables will be substantially reduced.

The current and ongoing operations associated with Leader's Canadian Coiled Tubing and Nitrogen Division, as well as Leader's United States activities, will not be affected by the aforementioned shutdown of its Cementing division. The Canadian operations will continue to be conducted out of Leader's existing Alberta locations in Red Deer and Grande Prairie.

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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.

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

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