



**LEADER ENERGY SERVICES ANNOUNCES FIRST QUARTER FINANCIAL RESULTS**

May 27, 2009, Calgary, Alberta (TSX Venture: LEE) – Leader Energy Services Ltd. ("Leader" or the "Company") today announced financial and operating performance for the three month period ended March 31, 2009.

**Performance Summary** (000's)

| Quarter ended  | March 31,<br>2009 | March 31,<br>2008 | Year over<br>Year<br>\$ Change | Year over<br>Year<br>% Change |
|--|-------------------|-------------------|--------------------------------|-------------------------------|
| Revenue – continuing operations                      | \$ 6,120          | \$ 5,905          | \$ 215                         | 4                             |
| Operating Expenses – continuing operations           | 3,351             | 3,869             | (518)                          | (13)                          |
| General and Administrative – continuing operations   | 692               | 1,397             | (705)                          | (50)                          |
| Provision for Bad Debts – continuing operations      | 28                | -                 | 28                             | 100                           |
| EBITDAS – continuing operations*                     | 2,049             | 639               | 1,410                          | 220                           |
| Amortization – continuing operations                 | 553               | 1,384             | (831)                          | (60)                          |
| Stock Compensation – continuing operations           | -                 | 262               | (262)                          | (100)                         |
| Interest – continuing operations                     | 816               | 2,636             | (1,820)                        | (69)                          |
| Other – continuing operations                        | 7                 | 100               | (93)                           | (93)                          |
| Net (Loss)/Income before Tax – continuing operations | 673               | (5,743)           | 6,416                          | 112                           |
| Provision for taxes – continuing operations          | -                 | -                 | -                              | -                             |
| Net Income/(Loss) – continuing operations            | 673               | (3,743)           | 4,417                          | 112                           |
| Net (Loss) – discontinued operations                 | (43)              | (104)             | 61                             | (59)                          |
| Net Income/(Loss)                                    | 630               | (3,847)           | 4,477                          | 116                           |

\* EBITDAS means earnings from continuing operations before interest, taxes, amortization, and stock based compensation. Readers are cautioned that EBITDAS is generally regarded as an indirect measure of operating cash flow, and, as such, the Company believes it is a significant indicator of success of public companies, and is particularly relevant to readers within the investment community. EBITDAS is not a measure that has a standardized meaning prescribed by Canadian GAAP, and accordingly may not be comparable to similar measures used by other companies.

**Overview**

Headquartered out of Calgary, Alberta, Leader's operations are managed from its base in Grande Prairie, Alberta. From this base the Company offers well stimulation services across the Western Canadian Sedimentary Basin ("WCSB").

Industry activity levels continued to decline as commodity prices softened during the latter half of 2008 and into the first quarter of 2009. Adding to the negative impact of softening commodity prices, petroleum explorers continued to relocate drilling activity out of Alberta to other regions of the WCSB due to unfavorable economic implications associated with the changes to the royalty system in Alberta. Further exacerbating the level of drilling activity in Alberta and the rest of the WCSB was the price of natural gas which was, at various times over the past twenty-four months, lower than required in order for drilling of wells to be economically viable.

During the first quarter of 2009 revenues were in line with internal forecasts. For the quarter ended March 31, 2009 the Company recorded positive Earnings from Continuing Operations before Interest, taxes, Amortization and Stock Based Compensation ("EBITDA") of \$2.0 million (\$0.05 per share) and net income of \$630,000 (\$0.02 per share) as compared to EBITDA of \$639,000 (\$0.02 per share) and a net

loss of \$3.8 million (negative \$0.10 per share) in the prior year first quarter. The significant improvement in EBITDA over the prior year results is due to operations in the current quarter consisting of a favourable sales mix with a greater concentration of operations on deeper wells. Net Income at \$630,000 for the current period was also markedly improved over the prior year's first quarter loss of \$3.8 million due to the Company's improved EBITDA, lower amortization with the sale of operating assets in the United States in mid 2008 and a significantly reduced interest charge in the current quarter due to the Company repaying its entire debt facility in mid 2008 with proceeds received from the sale of its United States assets.

General and administrative expenses consisted primarily of costs relating to corporate office overhead, managerial level staffing and shared corporate services. During the quarter, general and administrative expenses declined by 50% when compared to 2008 due to the Company focusing its operational efforts out of one location and ongoing efforts to reduce corporate office expenses.

## **Outlook**

Oil prices have begun to strengthen and there are further signs that capital markets are moving towards more normal activity levels. However, the Company has taken measures to align its internal cost structures in anticipation of lower activity levels through 2009. These measures include the minimization of capital expenditures, salary and wage reductions and a reduction in staffing numbers. Management will closely monitor internal and external factors in order to be able to react in a timely manner to changes in industry activity levels.

Leader's future success is contingent upon continued effective execution at the field level and achieving positive cash flow in the face of difficult industry conditions. Further information 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.**