



ASX Announcement

27 January 2009

Liberty Secures New Project in Canada

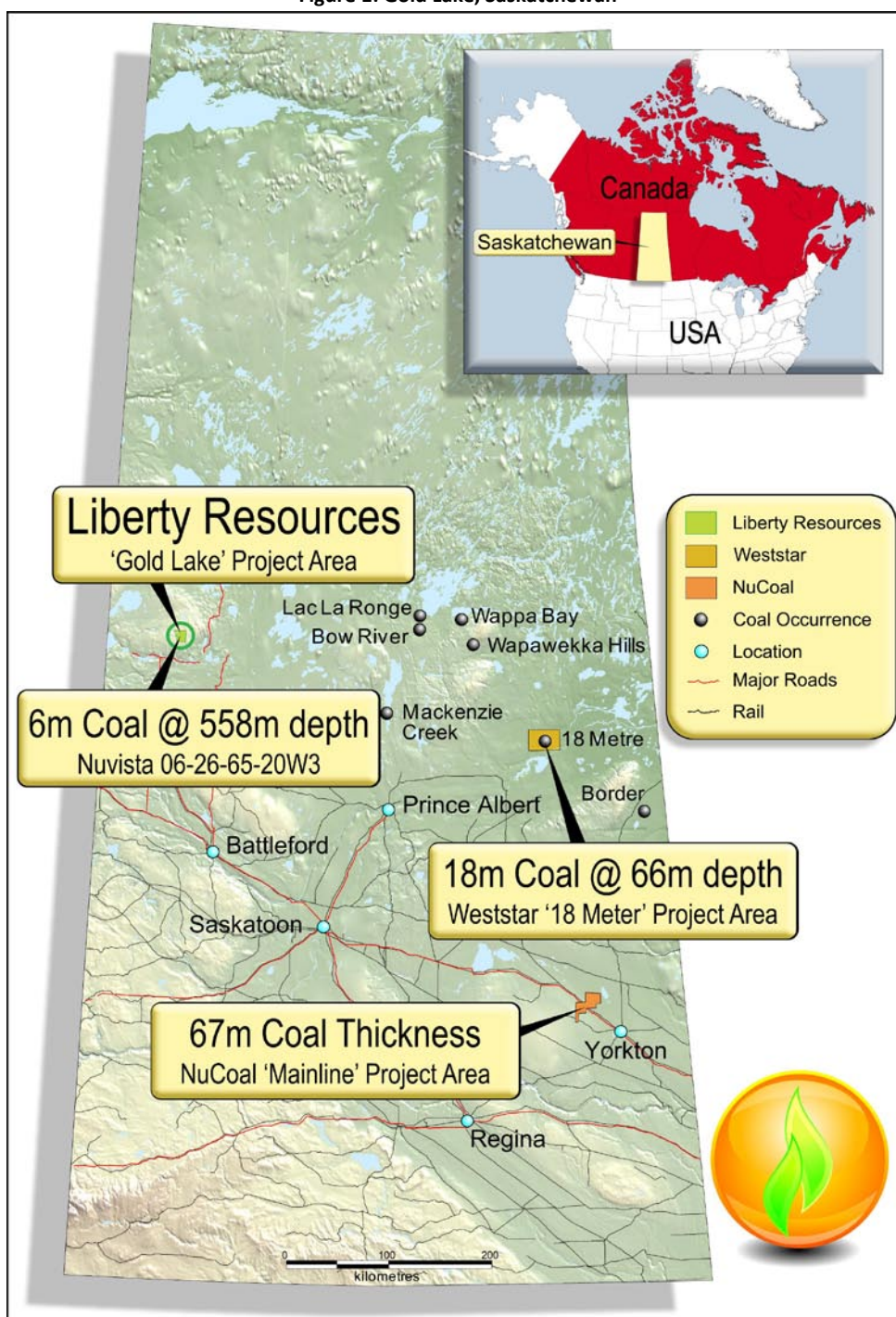
Price
\$0.10

SHARE INFORMATION

ASX Share Price (LBY):	\$0.10
Issued Shares:	138.6m
Market Cap:	13.8m
Current Cash:	\$3.3m
Debt:	\$0m

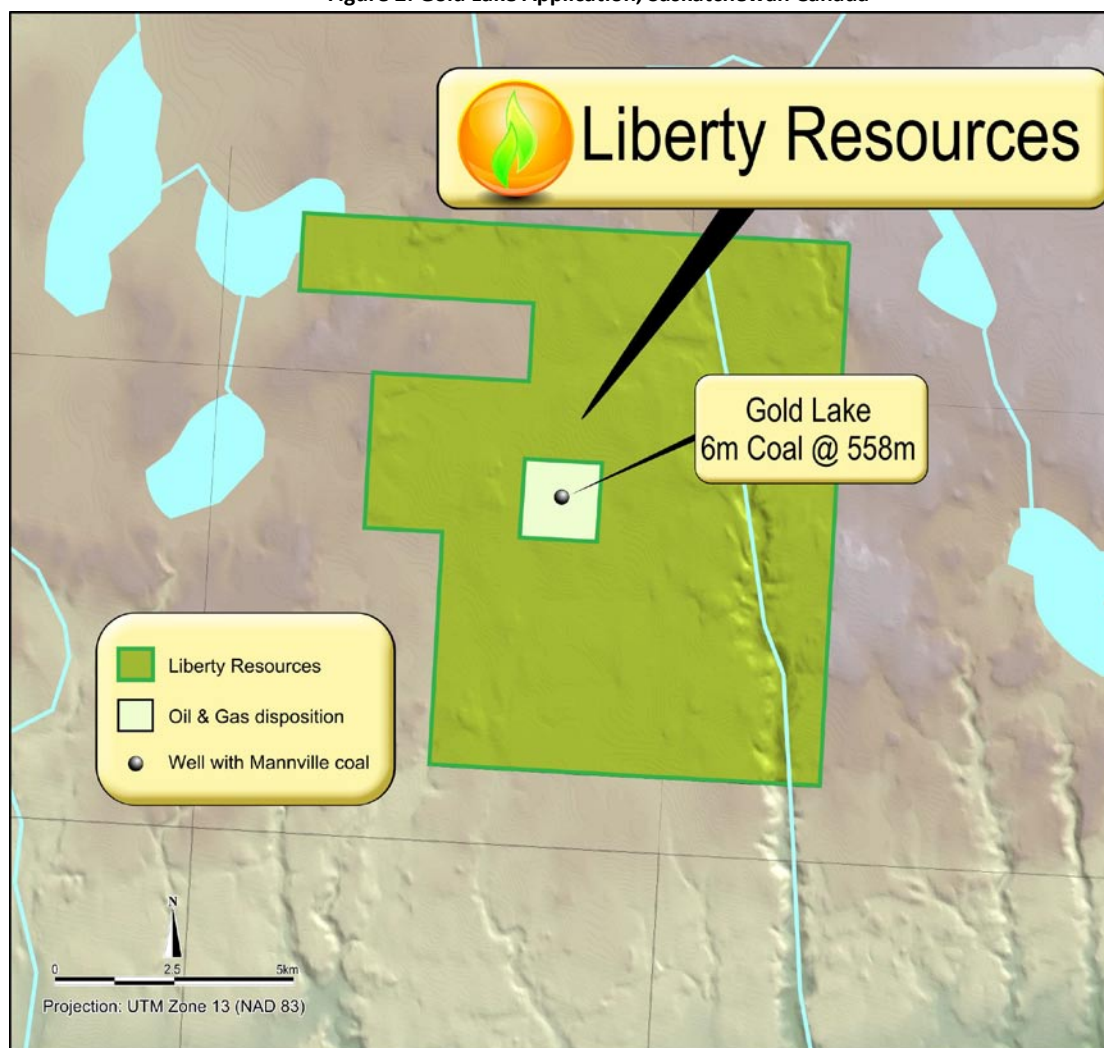
Liberty Resources Limited (ASX: LBY) ('Liberty') is pleased to announce that it has secured 9 coal dispositions at Gold Lake, Saskatchewan, Canada and is awaiting the transfer of a further 4 dispositions, providing Liberty with a total of 9,400 hectares. The Gold Lake area surrounds a 6 meter coal intersection in Petroleum Well 06-26-65-20W3 (see Figure 1), at a depth of 558 meters, a thickness amenable to Underground Coal Gasification (UCG).

Figure 1: Gold Lake, Saskatchewan



Liberty's Managing Director, Andrew Haythorpe said, "This is the first phase of Liberty's expansion strategy. It complements the substantial portfolio of projects in Queensland, Australia, and is the next step towards becoming a global clean energy provider."

Figure 2: Gold Lake Application, Saskatchewan Canada



GEOLOGY

Much of the Province of Saskatchewan is underlain by Lower and Middle Cretaceous sedimentary rocks that form part of the large Mesozoic basin underlying the great plains of Canada and the USA.

The Manville Group is overlain by marine shales of Colorado and Milk River Groups. Higher level sequence of shale and sandstone (Belly Creek Formation) is present in south western Saskatchewan, which in neighbouring Alberta, contains abundant Middle Cretaceous coal. The total thickness of the Cretaceous in southwest Saskatchewan is about 800m.

Other companies in the province have embarked upon coal projects with various development aspirations. In January 2009 West Star Resources Corporation (TSX-V: WER) ('West Star') announced an 18 meter intersection 150 km southeast of Lac la Ronge area at Lake Tobin, also in the lower Mannville Group, very near the basal unconformity. The West Star discovery, midway between Lac la Ronge and Border identifies a new coal trend called the Durango "Sub-Basin".

NuCoal Energy Corporation ('NuCoal'), a private company focused on Coal to Clean Energy, was recently granted coal dispositions near Yorkton in east-central Saskatchewan. This new coal occurrence, thought to be 67m thick, was identified from existing petroleum logs. Although a resource figure is yet to be announced, NuCoal are considering UCG for this deposit.

These occurrences collectively indicate a major northwest-trending depocentre of the Mannville Group which contains thick coal seams at a stratigraphically low level which underlies Liberty's concession holding.

TENURE

Exploration and extraction for resources are covered by Crown Mineral Act. Regulations for minerals, coal and petroleum are covered by their respective "dispositions". Application for coal permits is an open over-the-counter process, rather than a tender process. Coal and petroleum dispositions cannot be overlapped – that is, once one or other type is in place, it freezes the ground for the other type of application. This removes the problematic issues of strata titles over the same ground which is encountered in Queensland and many other jurisdictions.

Whilst the Saskatchewan Provincial Government currently has no firm policy on UGC, Liberty will be presenting the merits of Australian expertise and cleaner, greener and safer energy development in Canada.

The company is currently acquiring all historical technical and geological data for the area with a view of target refinement for subsequent drilling in the near future.

For and on behalf of the Board

Andrew Haythorpe
Managing Director

For further information please visit www.libertyresources.com.au or call +61 8 9287 4488.

COMPETENT PERSON STATEMENT

The information in the report to which this statement is attached relates to Exploration Results, Mineral Resources or Ore Reserves compiled by Mr D. J. Holden, who is a Member of The Australian Institute of Mining and Metallurgy, with over 20 years experience in the mining and resource exploration industry. Mr Holden has had previous relevant experience and qualifies as a Competent Person as defined in the "Australian Code for Reporting of Mineral Resources and Ore reserves". Mr Holden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

References;

Gold Lake 6m @ 558m petroleum well Nuvista 06-26-65-20W3 from the Saskatchewan Geological Survey open file
Weststar 18m @ 66m <http://www.weststarresources.com/s/18Meter.asp>
NuCoal 67m of deep Coal <http://www.nucoalenergy.ca/userfiles/NuCoal%20June%2026%20agm.pdf>