

## Acquisition of Queensland Energy Project completed for substantially reduced cost

April 2009

Liberty Resources Limited

**ASX Code:** **LBY**

### SHARE INFORMATION

**ASX Share Price:** **\$0.042**

**Issued Shares:** **69.4m**

**Market Cap:** **\$2.9m**

**Current Cash:** **\$1.6m**

**Debt** **\$0.0m**

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[www.libertyresources.com.au](http://www.libertyresources.com.au)

### Directors:

**Andrew Haythorpe**  
Managing Director

**Alan Phillips**  
Chairman, Non-executive Director

**Michael Fry**  
Non-executive Director

**James Becke**  
Non-executive Director

Liberty has completed the acquisition of the Queensland Energy Projects for a substantially reduced consideration. These Projects include tenements covering shallow and deep coal in the Surat, Galilee and Bowen Basins, potentially suitable for Underground Coal Gasification ('UCG') as well as conventional Open Cut and Underground mining.

### Previous Transaction

As announced on 24<sup>th</sup> September 2008, Liberty proposed to acquire 64,000 square kilometres of EPCAs in Queensland for:

- 9 million shares (already issued);
- A further 91 million shares;
- 100 million options;
- A\$10 million cash in two separate tranches over 2 years;
- A 1 % gross royalty;
- Appointment of 3 out of 7 directors by the vendors;
- A Break Free of A\$600,000 if the transaction did not proceed;
- Was subject to due diligence, an independent expert report, shareholder and regulatory approvals;
- Was subject to shareholder approval;
- Proposed a change to the Company's activities; and
- Was subject to Related Party transaction approvals for 2 of the Directors

### New Transaction

The new transaction is:

- Acquisition for A\$300,000;
- No further issue of shares;
- No further payments;
- No royalty;
- No increase in Board size;
- 2 year consultancy agreements terminated by immediate and 6 months notice;
- No shareholder approval;
- No change to company's activities; and
- Related party transaction eliminated.

"This heralds a new phase of growth for the Company" Liberty's Managing Director, Andrew Haythorpe said. "Whilst we acknowledge the challenges that lie ahead, we also see the substantial growth opportunity in joining the leaders of a rapidly developing, clean energy Industry in Australia"

**CLEANER. GREENER. SAFER.**

## OVERVIEW

Liberty has completed the acquisition of four Australian private companies; Boab Energy Pty Ltd, Blackstone Energy Pty Ltd, Walloon Energy Pty Ltd and Winzil Energy Pty Ltd ('Companies'). These four companies hold Exploration Permits for Coal Applications ('EPCAs') and Exploration Permits Coal ('EPCs') in Queensland. These EPCAs and EPCs cover deep coal in the Surat, Galilee and Bowen Basins suitable for Underground Coal Gasification ('UCG').

Liberty's decision to settle the new transaction was based upon a detailed review of historical data for the areas covered by the EPCAs. Following this review, the EPCAs were consolidated and rationalised to those areas that are most prospective for UCG.

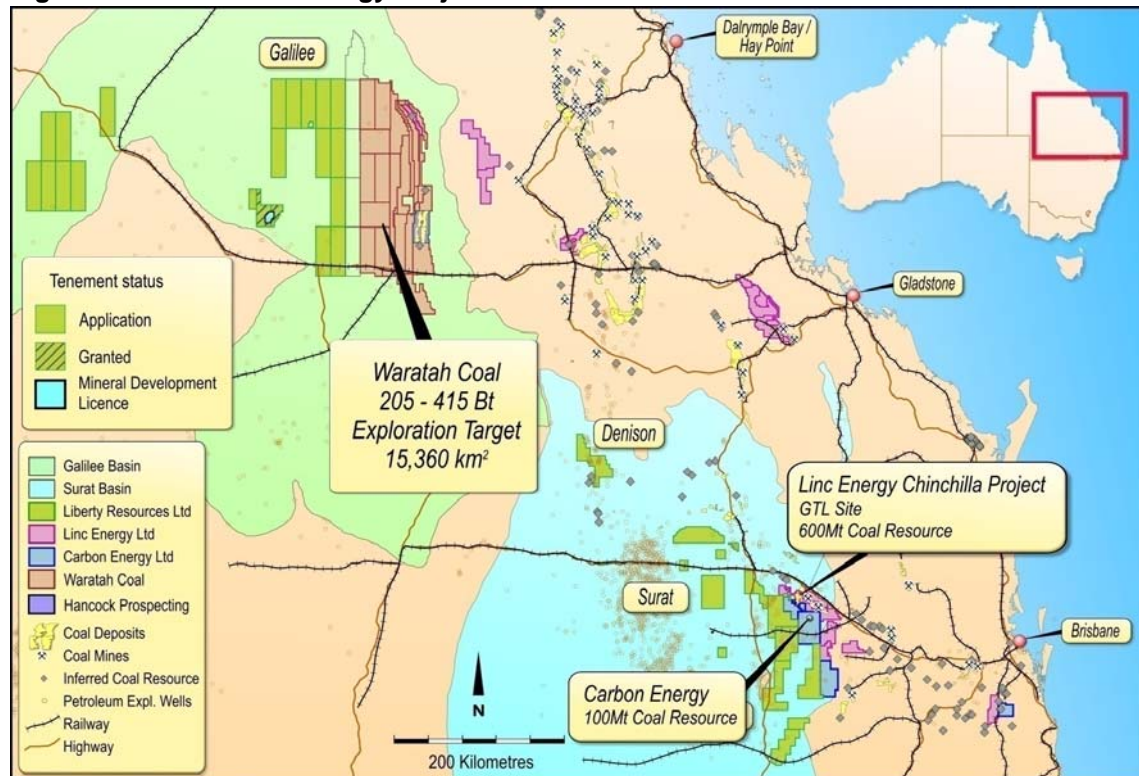
The decision was further influenced by the Queensland Government's announcement of its *Underground Coal Gasification Policy* on 18 February 2009 (refer to [http://www.dme.qld.gov.au/zone\\_files/Mines/ucg\\_policy\\_february\\_2009.pdf](http://www.dme.qld.gov.au/zone_files/Mines/ucg_policy_february_2009.pdf)) outlining proposed legislative changes to *Minerals Resources Act 1989* and *Petroleum and Gas (Production and Safety) Act 2004*, which will specifically affect the ability of Liberty to develop UCG projects on EPCs overlapped by Coal Seam Gas (CSG) tenure. The Company is in consultation with the Department of Mines and Energy concerning the implications of proposed legislation.

The Company now holds 11 granted EPCs, a Mineral Development Lease (MDL) and 28 EPCAs awaiting offer for grant, covering an area of over 26,000 square kilometres. Liberty will now own 100% of these coal areas and are in discussions with other companies that have UCG interests.

## ENERGY RESOURCES – QUEENSLAND, AUSTRALIA

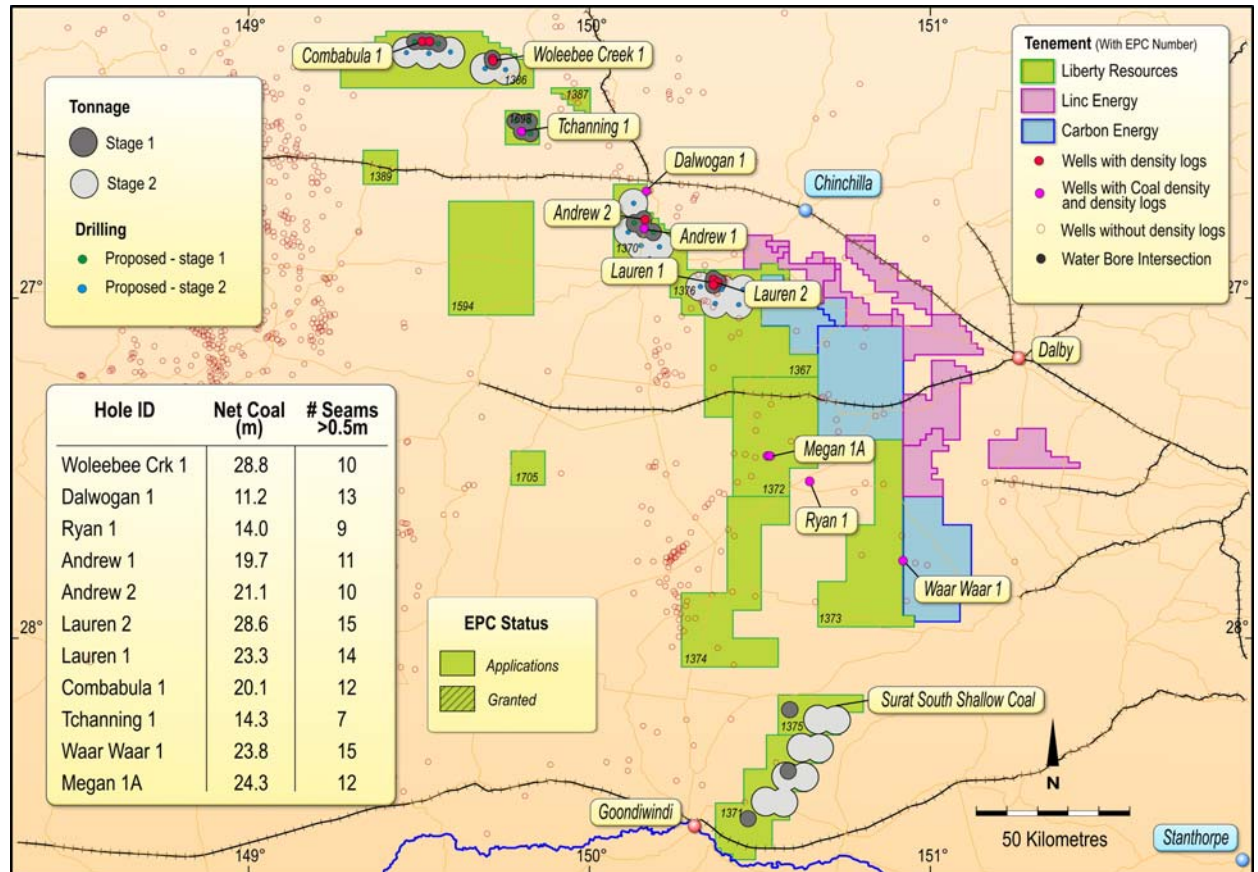
The EPCs and EPCAs acquired are located in the Surat, Galilee and Denison Trough (Bowen) Basins of Queensland.

**Figure 1 - Queensland Energy Project – Tenement areas**



An estimated 4.2 billion tonnes of coal occurs within the shallow part of the Surat Basin (refer to <http://www.dme.qld.gov.au/mines/resources.cfm>) adjacent to the EPCA areas. The EPCA's cover an area twice the size down-dip to the south and west of the area hosting shallow coal

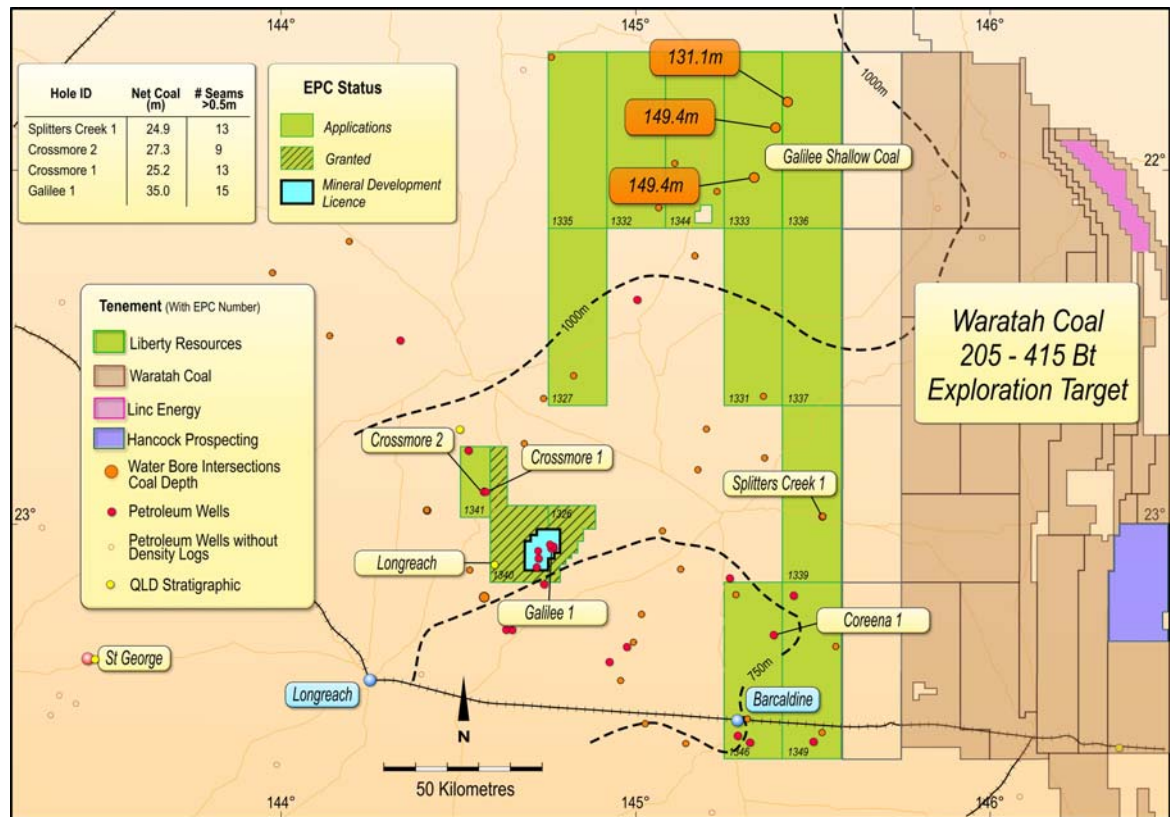
**Figure 2 - Surat Energy Project – prioritised drill targets**



The MDL application covers the Inferred Resource of 338 million tonnes (Mt) of thermal coal in its Galilee Project as announced on 15 December 2008. This application covers the limits of the resource, however the resource remains open in all directions and is expected to increase significantly with exploration drilling. The mineral resource estimate is classified in accordance with the Joint Ore Reserves Committee (JORC) code.

The MDL provides a base to fast track underground coal gasification (UCG) investigations.

**Figure 3 – Galilee Energy Project – MDL application**



## URANIUM – WESTERN AUSTRALIA, AUSTRALIA

Liberty Resources has a substantial ground position in the northern part of the Yilgarn Craton of Western Australia. Divestment opportunities for some of these assets are being considered by the Company.

Please refer to updated investor presentation on our website.

Regards

**LIBERTY RESOURCES LIMITED**

**Andrew Haythorpe**  
**Managing Director**

***For further information please contact Rebecca Britten on +61 8 9388 8861.***



## BACKGROUND ON LIBERTY

Liberty Resources is focussed on new energy. In acquiring extensive coal tenements in Queensland, the Company aims to produce clean Hydrogen Fuel that can provide low cost electricity, as well as fuel, for the post - petroleum era\*.

By gasifying coal, syngas is created which may be converted into Hydrogen Fuel - with dramatically less pollution and greenhouse gas emissions than currently used techniques. Gasification can be done safely and cleanly – underground (UCG), without the need for mining. Unused by-products can be reinjected safely into the ground afterwards – where they came from.

Making clean Hydrogen Fuel even more attractive.

The Company also has uranium interests in Western Australia.

Liberty Resources - looking after tomorrow... today.

Please visit the company website [www.libertyresources.com.au](http://www.libertyresources.com.au) for further information.

### **Competent Person Statement:**

The information in this statement that relates to in situ coal results and resources is based on information compiled by GeoConsult and reviewed by Warwick Smyth, who is a member of the Australasian Institute of Mining and Metallurgy (CP) Geology; and the Australian Institute of Geoscientists. Warwick Smyth is a qualified geologist (BSc Geol, Grad Dip AF&I, MAusIMM (CP), MGSA, MAIG), and a Principal Consultant for GeoConsult Pty. Ltd. and has over 17 years experience which is relevant to the style of mineralisation, the type of deposit under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined by the 2004 edition of the Australia Code for Reporting of Coal Resources. Warwick Smyth consents in writing to the inclusion in the statement of the matters based on his information in the form and context in which it appears.