



LIBERTY RESOURCES

Cleaner • Greener • Safer

3rd August 2010

Coal Sale - Two leases Sold for \$3m

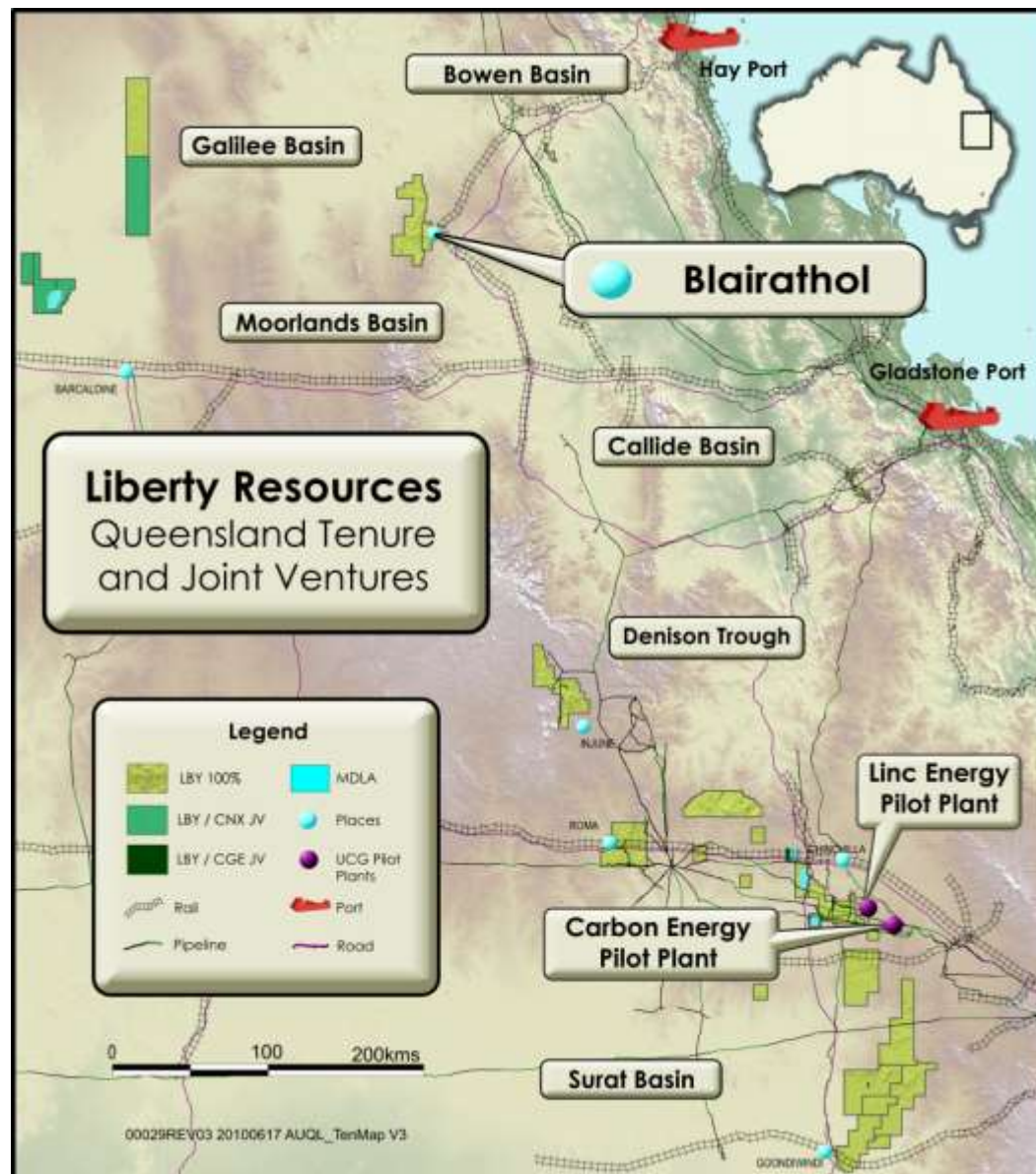
Price
\$0.043

SHARE INFORMATION

ASX Share Price (LBY):	\$0.043
Issued Shares:	138.56 m
Market Cap:	6.0 m
Current Cash:	\$1.6m
Liquid Assets:	\$0.5m
Debt:	\$0.0m

Coal Sale - Two Leases sold for \$3m in cash and shares

Liberty Resources Ltd is pleased to announce that it has sold 2 of its EPCA's in Queensland today for A\$3m to Blackwood Coal Pty Ltd. Liberty retains 31 Tenements and Applications in Queensland.



Directors

Andrew Haythorpe
Managing Director/Chairman

Michael Fry
Non-Executive Director

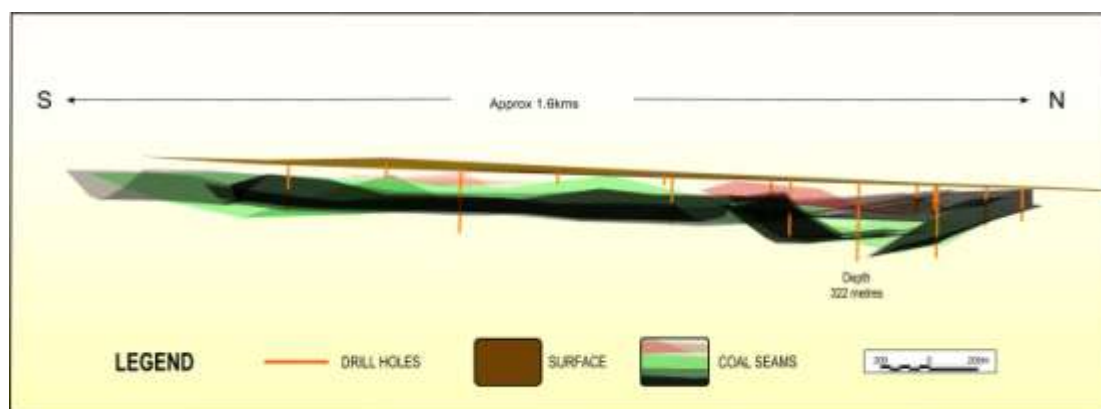
James Becke
Non-Executive Director

The Consideration totals A\$1m of cash and A\$2m worth of shares, which will be issued to Liberty at the IPO Price upon the ASX listing of Blackwood Coal. Proceeds of \$0.5m were received on 2nd August and the balance of \$0.5m is due upon IPO. Blackwood Coal currently anticipates listing on the ASX before mid 2011. The share based consideration is due on the satisfactory granting and subsequent transfer of the tenements.

Moorlands, Blair Athol

The Applications are located in the Moorlands Basin, Blair Athol in North Queensland. As reported in the March Quarter, an in-house resource model was completed based upon the historical drill data (Shown as follows).

North South Cross Section of Resource Model



About Blackwood Coal

Blackwood Coal Pty Ltd (BWC ACN: 140 793 988) is a Sydney based private Australian company, established in November 2009 focused on coal exploration and mine development. Since then the Company has acquired a portfolio of EPCs in Queensland covering the Bowen, Surat/Clarence Moreton and Galilee coal basins.

BWC has an established board of experienced professionals with extensive experience in the coal, mineral and financial sectors and will seek to list on the ASX in calendar year 2011. Prior to listing the Board will develop its current assets and also seek merger and acquisition opportunities to further expand its project portfolio.

Blackwood Coal is being advised by Grant Thornton Corporate Finance based in Sydney.

For further information please contact Scott Griffin on (02) 82972400.

About Liberty

Liberty Resources is a Perth based company with a vision of becoming a smart energy provider.

More Benefits

- Opportunities for communities
- Clean Fuels
- Low Cost Energy
- With Carbon Capture & Storage
- Safe Jobs

Less Impacts

- No Offshore Oil drilling
- No dewatering
- No open cut mining
- No surface fly ash
- No tailings dams

Liberty plans to produce all of this, without the need to mine coal or drill for oil offshore, by utilising the cleanest and safest energy production techniques available. The company plans to be at the forefront of a new era of clean and affordable energy.

Liberty holds extensive coal tenements in Queensland, South Australia and Saskatchewan, Canada. The company has identified billions of tonnes of coal within these concessions. These resources can be gasified to produce a number of valuable energy products including low-cost electricity, clean transport fuels and fertiliser for agriculture.

Liberty is well positioned in this emerging industry which aims to deliver a solution to rising oil and gas prices and provide more environmentally friendly production methods.

Bringing cleaner fuels and energy to communities worldwide.

For and on behalf of the board,

Andrew Haythorpe
Managing Director/Chairman

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