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4 November 2011

ASX Announcement

Variation of Terms of Agreement with Blackwood Coal Pty Ltd

As announced by the Company on 3 August 2010, the Company's wholly owned subsidiary Boab Energy Ltd ("Boab") entered into a Sale Agreement with Blackwood Coal Pty Ltd ("Blackwood") to sell to it 2 Exploration Permit for Coal Applications, namely Queensland ECPA's 1738 and 1891 (1738 has now been granted).

Under the terms of the Sale Agreement, Liberty was to receive \$1,000,000 in cash in 2 tranches (now all received) plus would receive \$2,000,000 worth of shares in Blackwood when it lists on ASX. A 20% premium would be added to that tranche of shares in the event that ASX deemed them to be subject to escrow.

Blackwood now proposes to "list" through another vehicle specifically set up for that purpose, (Cuesta Coal Limited) ("Cuesta"), hopefully by the end of the calendar year. Blackwood will be a wholly owned subsidiary of Cuesta.

As a result, a variation deed has been entered into between Boab, Blackwood and Cuesta whereby Boab will now receive:

1. \$1,200,000 in cash if Cuesta is admitted to the Official List of the ASX prior to 30 December 2011; or
2. If Cuesta is not so admitted by that date, Cuesta shall issue to Boab that number of shares that equates to \$2,000,000 divided by the IPO price of the Cuesta shares (with the same escrow top up of 20% as referred to above).

No guarantees as to the timing of Cuesta's listing, or whether the listing of Cuesta will occur at all, can obviously be given by Liberty, as those matters are out of its hands.

Due to the consideration receivable by the Company for the ECPA's sold to Blackwood (and the fact that none of the exceptions set out in Listing Rule 11.4 apply), the guidelines set out in ASX Guidance Note 13 require that shareholder approval be obtained for the disposal, namely because the consideration represents more than 15% of consolidated assets of the Company. Further, Guidance Note 13 also refers to shareholder approval being required when the value of the consideration to be received for an asset represents 20% or more of consolidated equity interests of a Company based on its then latest financial statements.

As a consequence, an extraordinary general meeting of the Company's shareholders is to be convened to seek the required approval to the disposal, and shareholders will be forwarded a Notice of Meeting in relation to the same shortly.

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About Liberty

Liberty Resources is developing a world class Urea Project in Queensland by converting coal to produce low cost Urea. Urbanization, especially in China and India, is driving demand for food production and presents an immediate market for urea.

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