



## ASX Announcement

6 May 2010

Price  
\$0.089

### SHARE INFORMATION

ASX Share Price (LBY): \$0.089  
Issued Shares: 138.5 m  
Market Cap: 12.3 m  
Current Cash: \$2.0 m  
Debt: \$0.0 m

## MINERAL DEVELOPMENT LICENSE APPLICATIONS - QUEENSLAND

Liberty Resources Limited ("Liberty") (ASX: LBY) is pleased to announce that it has lodged Mineral Development License Applications (MDLA) over the company's Goonalah (EPC 1737) and Bentley (EPC 1736) projects in the Surat Basin, Queensland. These applications represent the next stage of licensing to progress the development of coal resources in the project area.

The MDLAs are not overlapped by Coal Seam Gas (CSG) rights. Previous CSG operators have identified gas in the coal, but did not find it suitable for commercial CSG development.

**Table: Project Energy Potential<sup>1</sup>**

Project	EPC	Potential Exploration Target <sup>2</sup> (Thermal Coal)	Potential In-situ Energy Content <sup>3</sup>
Goonalah	1737	180 - 190 Mt	2, 592 - 2, 736 PJ
Bentley	1736	90 - 110 Mt	1, 296 - 1, 584 PJ
TOTAL		270 - 300 Mt	3, 888 - 4, 320 PJ

The table above shows the potential in-situ energy content of Liberty's Goonalah and Bentley projects in terms of Peta Joules (PJ). The projects hold significant in-situ energy potential that could be utilised in a number of ways, for example 800PJ would provide enough electricity to power Australia for a year.

As the target resource is too deep to be economically recovered using conventional mining methods, Liberty's aims to convert the coal *in-situ* to produce Synthetic Natural Gas (SNG). It is therefore more suitable to present the resource in terms of energy equivalence. As the projects develop the resource will undergo an independent assessment to determine a certified gas value as it is more relevant to present the resource in terms of energy equivalence.

### Directors

Andrew Haythorpe  
Managing Director/Chairman

Michael Fry  
Non-Executive Director

James Becke  
Non-Executive Director

Liberty's Managing Director, Andrew Haythorpe, commented, "This is a significant milestone that advances the company's projects towards the development phase. We are looking forward to delivering the major economic and social benefits to regional Queensland communities."

Liberty is at the forefront of an emerging industry that harvests the energy from un-mineable coal utilising the sophisticated process known as underground coal gasification (UCG). This economically and environmentally efficient process will be used to develop Energy Hubs which are capable of producing low cost electricity, clean transport fuels as well as fertiliser products for agriculture.

## GEOLOGY

Previous drilling within the Goonalah project, particularly Goonalah 1, identified commercially viable seams at approx 600 metres depth, with a 6 metre seam identified at the 650 metre depth.

Bentley (Paddy Creek South and Paddy Creek wells and Bentley 1 Coal seam gas wells) identified coal at similar depths, with Bentley 1 recording up to 14 metres net coal and a target seam of 3.5 metres.

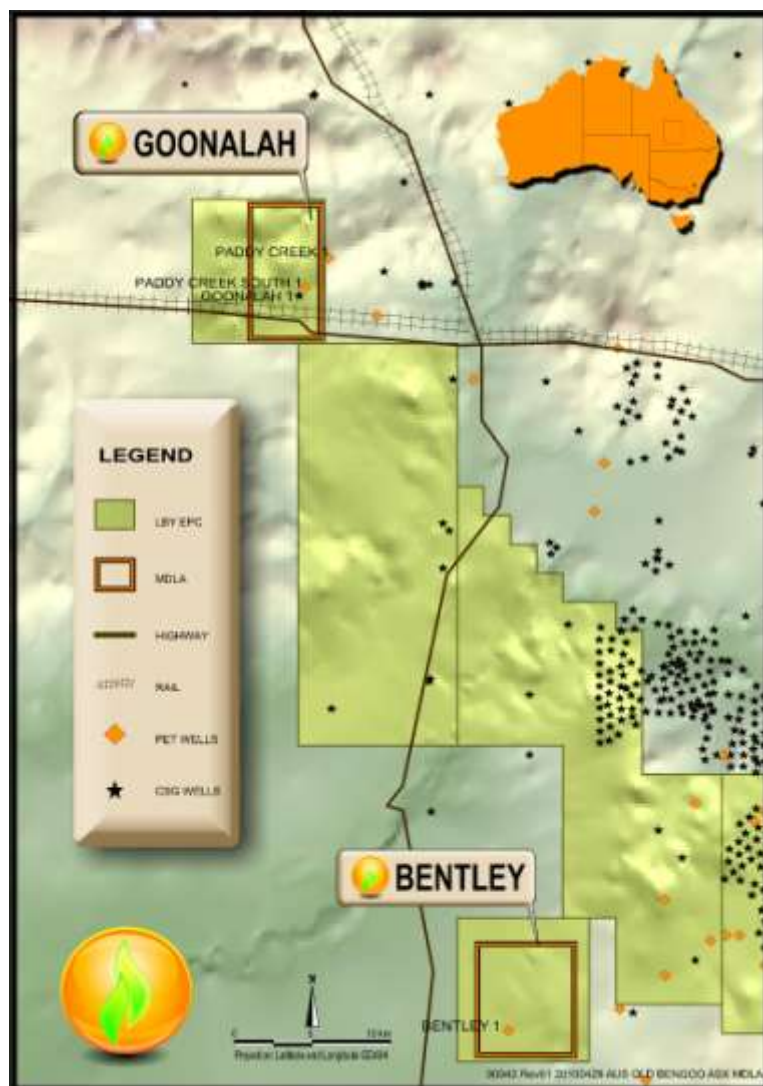


Image: Liberty's Goonalah and Bentley Projects – Surat Basin, Queensland

The identified coal is within the Surat Basin and is considered to be of Jurassic age, sub bituminous rank. This lies atop the more deeply buried Permian Bowen Basin equivalent which may also provide a deeper secondary target.

Liberty's geological team will continue their investigation of these targets to determine the characteristics of the coal, general lithostratigraphic considerations and hydrogeological and structural implications for the project.

For and on behalf of the board,

Andrew Haythorpe  
Manager Director/Chairman

<sup>1</sup>The potential quantity and quality of these targets is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

<sup>2</sup>As per Liberty announcement to the ASX on 29 July 2009. Please note that these targets are conceptual and that there has been insufficient exploration to define a resource.

<sup>3</sup>Based upon an energy conversion for the coal of 24MJ/kg calorific value as reported for Surat Basin thermal coal; Physical and chemical properties, Colliery and Company information 14th Ed 2003. Department of Natural Resources and Mines, Queensland and using an energy efficiency of conversion of 80% and utilized coal of 75% to give a recovery factor (0.75 x 0.8) of 0.6.

### Competent Persons 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.