



ASX Announcement

11 January 2010

Liberty Exclusive Partnership with ATEC Rail and Transport Group, QLD

Price

\$0.12

SHARE INFORMATION

ASX Share Price (LBY):	\$0.12
Issued Shares:	139 m
Market Cap:	16.7 m
Current Cash:	\$3.4m
Debt	\$0.0m

Liberty Resources Limited (ASX: LBY) ('Liberty') is pleased to announce that it has entered into a Memorandum of Understanding (MOU) with Australian Transport and Energy Corridor Limited (ATEC). The objective of the MOU is to finance and jointly develop complementary energy and transportation projects in Queensland. By working together, the Partners believe this will not only enhance the ability to fund large projects in Queensland but will also support the establishment of energy projects that are owned, managed or operated by Liberty.

Foreign investors wishing to fund resource projects in Australia seek both security of supply and security of infrastructure, such as rail. ATEC's rail infrastructure projects and Liberty's resource projects will enhance value for Liberty, ATEC and foreign investors alike.

Liberty's Managing Director, Andrew Haythorpe said, "There is great synergy between Liberty and ATEC, bringing together different skill sets to deliver successful outcomes. After the Global Financial Crisis, Asian based customers have emerged as leading providers of project financing in order to satisfy their thirst for Australian energy. This move enhances our appeal in the eyes of foreign investors and customers alike."

About ATEC - Australian Transport and Energy Corridor Limited (ATEC)

ATEC's vision is to be a dedicated rail infrastructure company in Australia. ATEC has extensive experience in working with State and Federal Government planning and approval arrangements in railway development.

ATEC is growing its capabilities in below rail services and systems. It is focused on developing rail transport corridors for bulk commodities in Queensland and New South Wales principally in coal transportation corridors of Surat Basin, Galilee Basin and Northern NSW/SE Queensland.

Directors

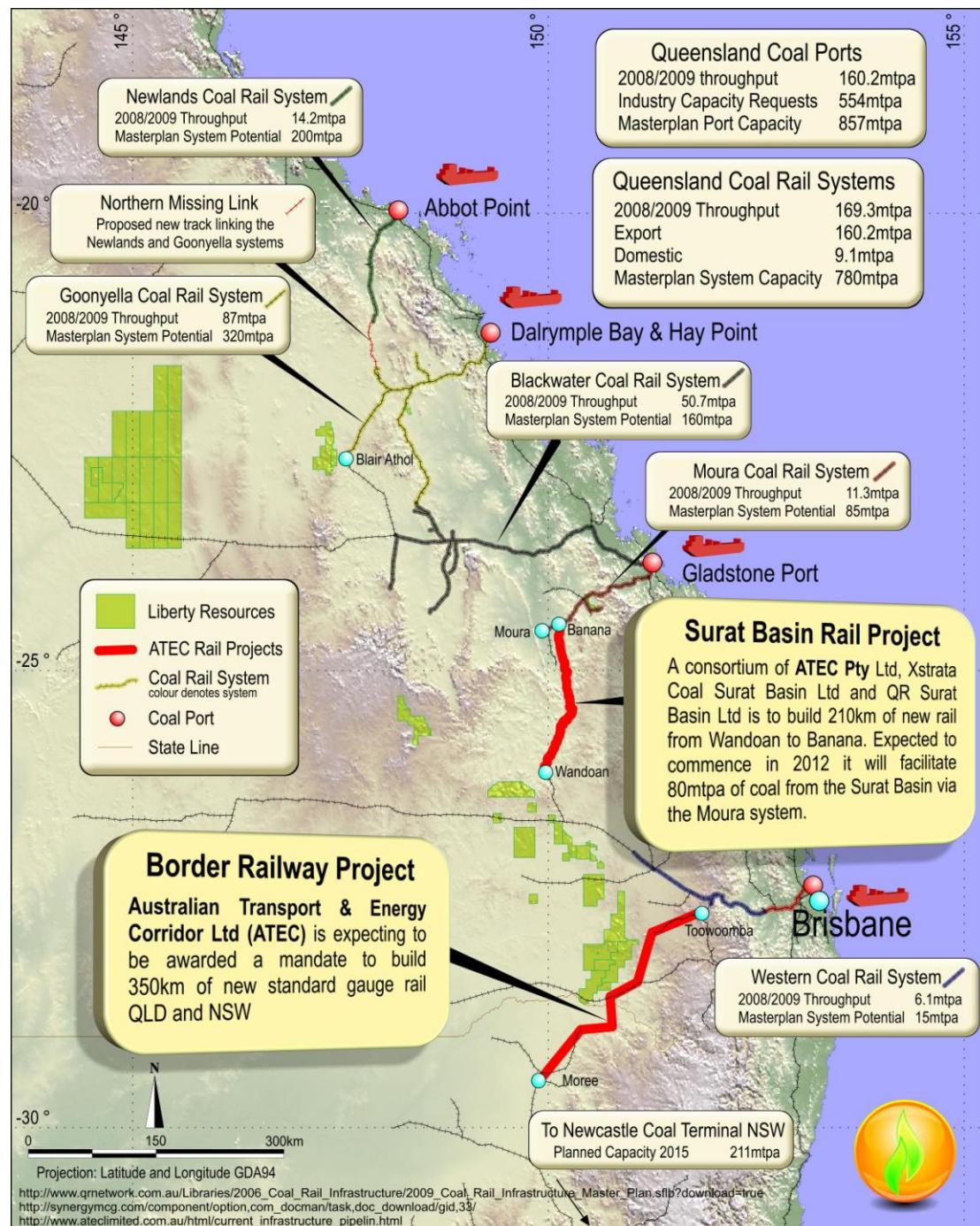
Andrew Haythorpe
Managing Director

Alan Phillips
Chairman

Michael Fry
Non-executive Director

James Becke
Non-executive Director

ATEC is an equity participant in the Surat Basin Rail project, its first project was secured under an exclusive mandate. It recently announced the commencement of a pre-feasibility study of the Border Railway, a missing standard gauge open access rail link from Moree (NSW) to Toowoomba (QLD).



KEY TERMS OF THE MOU

Under the terms of the MOU, the parties will establish a Special Purpose Vehicle (SPV) to attract finance for the feasibility, design and development of mining, energy projects and rail corridors, which support the establishment of UCG projects that are owned or managed or operated by Liberty. Each party will hold 50% interest of the SPV on establishment.

Both parties will be required to carry out the following within 90 days of signing the MOU:

1. Disclose preliminary information on both the Liberty project viability and the ATEC rail corridor viability where applicable to understand the broad capital and operational requirements of each project.
2. Seek to identify potential partnership arrangements with Indian and Chinese customers and financiers, which are to be pursued by Liberty and ATEC in a joint presentation.

Liberty will work with ATEC to use reasonable endeavors to finalise the commercial and contractual arrangements contemplated under this MOU at the earliest possible date. In any event, however, the Parties agree that this MOU will survive 24 months from the date of signing. This period can be extended with the prior written consent of both Parties.

Capability to the SPV will be provided by Liberty and ATEC and if required, external assistance.

The MOU aligns with Liberty's strategy to become a leader in clean energy production.

For and on behalf of the Board

Andrew Haythorpe
Managing Director

ABOUT LIBERTY RESOURCES LIMITED

Liberty Resources Limited (ASX: LBY) is focussed on the commercial deployment of modern Underground Coal Gasification (UCG) projects. Liberty holds extensive coal tenements in the Galilee, Surat and Denison Basins in Queensland, Australia.

Liberty has an exploration target range of 280 – 350 Billion tonnes of thermal coal in its Queensland projects.

ABOUT ATEC

ATEC is an unlisted dedicated rail infrastructure and investment company. ATEC's business is the development of rail infrastructure, open access intermodal and bulk terminals and the provision of independent rail infrastructure and terminal services.

ATEC was established in 1997, and was instrumental in securing an exclusive mandate for the development of Surat Basin Rail. ATEC is a 33% equity participant in that project. It has further rail developments under assessment, including the recently announced Border Rail project, an open access standard gauge rail link between Moree and Toowoomba.

ATEC is also the manager of the ATEC Freight Terminals Trust, a property trust dedicated to the acquisition and development of open access intermodal and bulk rail terminals. The Trust has two projects in the pipeline and is in the process of identifying and securing further such developments in the main intermodal and commodity rail corridors throughout Australia.

The ATEC group also recently incorporated a 50% joint venture to develop a specialist rail infrastructure and terminals specialty services entity. The company has made its first acquisition and now has service facilities in Perth. Further acquisitions are being assessed and it is expected the company will have service capability along the eastern states of Australia shortly.