



News Release

For Immediate Release

LIQUIDATION WORLD ANNOUNCES CLOSING OF \$10 MILLION EQUITY PRIVATE PLACEMENT FINANCING

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Brantford, ON, August 9, 2010 – Liquidation World Inc. (LQW-TSX) (the “Company” or “Liquidation World”) has completed its previously announced private placement financing. The Offering remains subject to receipt of final regulatory approval. All securities issued pursuant to this private placement are subject to a four month hold period from closing. The Company raised gross proceeds of \$10,000,250, issuing 11,765,000 common shares at a price of \$0.85 per share (the “Offering”). The net proceeds of the Offering will be used for general corporate and working capital purposes, including opening new stores and expanding and converting legacy Liquidation World stores to the Company’s new banner: “LW – Everybody’s Outlet Store”. To date, Liquidation World has converted 15 stores and opened 7 stores across Canada under its new, “LW – Everybody’s Outlet Store” banner.

These refreshed, renovated and expanded stores in many instances provide a new and rebranded shopping experience offering brand name fashion, furniture, home décor, sporting goods, linens, toys, hardware, grocery and more all at deep discount prices. Performance numbers from same store sales indicate significant improvements from converted stores vs. existing stores as it relates to revenue, POS margin and average basket from a year-over-year perspective.

“The success of the Company’s new store openings in various regions across the country as well as its store conversion strategies was a key factor for our decision to raise additional equity capital. Based on the increased performance of these new ‘LW – Everybody’s Outlet Store’ formats, we believe that as we continue to execute on these strategies, we will accelerate our objective of achieving sustained profitability. The additional capital that we have raised, which was significantly oversubscribed in this financing, will allow us to more aggressively open and market these new format stores and convert many legacy Liquidation World stores to these new ‘LW – Everybody’s Outlet Store’ format stores”, said Seth Marks, Liquidation World’s President and CEO.

Liquidation World has raised \$2 million in subordinated debt and \$11.5 million in equity to date in 2010, through three private placements with both existing and new investors. “After closing a smaller private placement only two months ago, it is very compelling that the Company was able to achieve this quality a financing, at a 25% premium to the earlier one and for a significant amount that will ensure LQW will be able to accelerate achieving its objectives”, said Jeffrey Mandel, Chairman of the Special Committee of the Company’s board created to, among other things, facilitate financings.

Cormark Securities Inc. as lead agent together with BayFront Capital Partners Ltd. and Canaccord Genuity Corp. (collectively, the “Agents”) acted as agents for the Offering. As compensation for acting as

agents of the Offering, the Agents received approximately \$750,000 representing 7.5% of the gross proceeds of the Offering and the Company issued to the Agents broker warrants (the "**Broker Warrants**") equal to 7.5% of the aggregate number of Common Shares sold pursuant to the Offering or 882,375 Broker Warrants. Each Broker Warrant is exercisable for one common share at a price of \$0.95 for a period of twenty four (24) months following the closing date of the Offering and contains standard anti-dilution provisions.

Forward-Looking Statements

This release includes forward-looking statements and potential future circumstances and developments. Forward-looking statements regarding future performance are subject to risks and uncertainties, and actual results may differ materially. Due to fluctuations in gross margins and expenses, an increase in revenue does not directly correlate to an increase in net earnings.

About Liquidation World

Liquidation World liquidates consumer merchandise through 89 stores in Canada and one in the United States. The Company solves asset recovery problems in a professional manner for the financial services industry, insurance companies, manufacturers, wholesalers and other organizations. Liquidation World is based in Brantford, Ontario. The Company opened its first store in Calgary, Alberta in 1986 and today, with more than 1,500 employees, is Canada's largest liquidator.

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