



News Release

For Immediate Release

Liquidation World Announces Signing of Definitive Acquisition Agreement with Big Lots

BRANTFORD, Ontario, May 26, 2011 - Liquidation World Inc. (the "Company") (TSX:LQW) announced today that they have entered into a definitive agreement pursuant to which Big Lots, Inc. ("Big Lots") will acquire, by way of a court-approved plan of arrangement, all of the outstanding common shares of the Company (the "Offer") on the basis of \$0.06 in cash for each common share of the Company. On closing, Big Lots would also satisfy all of the outstanding funded indebtedness of the Company, including such indebtedness owing to the Company's senior lenders, senior noteholders and junior noteholders.

The Special Committee of the board of directors of the Company recommended that the board of directors of the Company approve the Offer. RBC Capital Markets has provided guidance to the board recommending the Offer. The board of directors of the Company unanimously resolved to recommend to the holders of the Company's shares that they vote FOR the Offer. In determining to recommend the transaction to the shareholders of the Company, the board of directors considered a number of factors including the operational results and the financial position of the Company.

In addition, the directors, senior officers and certain other shareholders of the Company have entered into support agreements with Big Lots, pursuant to which they have irrevocably agreed to vote their shares FOR the Offer. The aggregate number of shares of the Company subject to support agreements represent approximately 40% of the outstanding common shares of the Company. Further, affiliates of two of the Company's insiders will be providing financial support to the Company's senior lending facility.

The Offer will be carried out by way of a statutory plan of arrangement pursuant to the *Business Corporations Act* (Alberta) and must be approved by the Alberta courts and the affirmative vote of two-thirds of Company's shareholders present in person or by proxy at a special meeting of security holders to be called and held to consider the Offer. The completion of the Offer is subject to customary closing conditions.

The Offer is expected to close by July 31, 2011, subject to and shortly after receipt of shareholder and court approvals. If the transaction is not completed by July 31, 2011, each party has a termination right. In addition, in certain circumstances under which the transaction is not completed, the Company is to pay Big Lots a break fee or its expenses.

Details regarding these and other terms of the Offer are set out in the arrangement agreement, which will be filed by the Company on SEDAR website at www.sedar.com.

Further information regarding the Offer will be contained in a proxy circular that the Company will prepare and mail to the shareholders in connection with the special meeting of shareholders to be held to approve the Offer. All shareholders are urged to read the proxy circular once it becomes available as it will contain additional important information concerning the transaction.

About Liquidation World

Liquidation World currently operates 92 stores in Canada. Liquidation World is based in Brantford, Ontario. The Company opened its first store in Calgary, Alberta in 1986 and today, with more than 1,200 employees, is Canada's largest operator of closeout retail stores.

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.

For further information, please contact:

Seth Marks, President & CEO
519-720-2552 phone
866-237-3778 fax
sethm@lwstores.com