



News Release

For Immediate Release

Liquidation World Inc Announces Wind Down of Liquidation World U.S.A. Inc.

Company to focus on purchasing in USA

CALGARY, August 24, 2007 – Liquidation World Inc. (LQW - TSX) today announces that it will wind down its retail operations in the United States which operate under its subsidiary Liquidation World U.S.A. Inc. (Liquidation World USA). The Company plans to close 16 of its 18 US retail outlets over the next few months but will maintain its buying presence in the United States market through its subsidiary Liquidation World Enterprises, Inc. Future US purchasing activities will be primarily focused on sourcing liquidation and event type merchandise to be sold in Liquidation World's Canadian retail outlets.

Liquidation World USA has been operating stores in the United States since 1993. Over the past 10 years US operations have been marginally profitable and over the last 5 years US retail operations have been generating losses. Liquidation World USA recorded a year to date loss of \$1,975,000 (\$1,853,000 USD) or a loss of \$0.24 cents/share (\$0.23 USD) on revenue of \$19,123,000 (\$17,949,000 USD). In fiscal 2006, the US operations generated revenue of \$28,579,000 (\$25,581,000 USD) and losses of \$546,000 (\$489,000 USD). Since 2005 management has implemented a number of strategies to improve the performance of its US operations, however, due to market dynamics and other considerations, these strategies have had limited success. In arriving at the decision to wind down Liquidation World USA the board considered a number of alternatives including a further restructuring of its US operations and divestiture of the business.

Liquidation World's President and Chief Executive Officer, Jonathan Hill, said:

Our initial entry into the US market was premised on a strategy that a retail presence in the US market was necessary for the development of important supply relationships. The Company is now in a position where its supply relationships are independent of its US retail presence. Further, many of our supply relationships in the US value the fact that goods are exported to the Canadian market for resale rather than sold in their domestic market.

Although we have taken steps to improve the performance of the US retail business, and despite some meaningful efforts of our local management and their teams, these operations continue to generate losses. Moreover, the US retail stores have become an internal competitor for some of the more desirable inventory we source in the United States which would ordinarily command higher consumer interest and better margins if sold in Canada. We believe that directing merchandise from the US operations to Canada will ultimately facilitate overall revenue growth and profitability.

We will continue to maintain an aggressive sourcing and purchasing team in the United States and believe our merchandise sourcing position in the US is very strong. The 2 remaining US stores will be more than adequate to service those deals which from time to time require some US distribution and cannot be disposed of through other means. The decision to wind down the US operations has been a tough decision particularly as it impacts our US employees who have put forth a tremendous effort. However, the current strength of the Canadian dollar, our well established supply network and our logistical capabilities afford us an opportunity to procure more desirable product for the Canadian market which we believe will ultimately serve our customers and shareholders better over the longer term.”

The Company expects to record a loss on discontinued operations after tax of between \$1.5 and \$2.5 million CDN during the fourth quarter of 2007 as a result of the wind down.

About Liquidation World

Liquidation World liquidates consumer merchandise through 117 outlets across North America and also provides store-closure sales management. It solves asset recovery problems in a professional manner for the financial services industry, insurance companies, manufacturers and other organizations. Liquidation World opened its first retail outlet in 1986 and is now the largest liquidator in Canada, with more than 2,000 employees in outlets and offices across Canada and the United States.

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.

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