



Press Release

February 20, 2007

LIBERTY ALL-STAR® EQUITY FUND DECLARES DISTRIBUTION

For Information Contact:
Liberty All-Star Equity Fund
617-434-5949
www.all-starfunds.com

For Immediate Release

BOSTON, February 20, 2007 – The Board of Trustees of Liberty All-Star Equity Fund (NYSE: USA) has declared a distribution of \$0.23 per share payable on March 19, 2007 to shareholders of record on March 2, 2007 (ex-dividend date of February 28, 2007).

The distribution will be paid in cash. Shareholders participating in Liberty All-Star Equity Fund's Dividend Reinvestment Plan and Cash Purchase Plan will receive shares purchased for them on the open market by the Plan Agent (if the shares are trading at a discount from their net asset value) or issued to them by the Fund (if the shares are trading at or above their net asset value).

Liberty All-Star Equity Fund is a multi-managed, closed-end investment company with more than \$1.4 billion in net assets. The Fund's shares are listed on the New York Stock Exchange under the symbol USA.

The Liberty All-Star Funds are closed-end funds and closed-end funds do not continuously issue shares for sale as open-end mutual funds do. Since the initial public offering, the Fund now trades in the secondary market. Investors wishing to buy or sell shares need to place orders through an intermediary or broker. The share price of a closed-end fund is based on the market's value.

###