



Press Release

December 21, 2007

LIBERTY ALL-STAR® EQUITY FUND ANNOUNCES RESULTS OF RIGHTS OFFERING

For Information Contact:

Liberty All-Star Equity Fund

800-241-1850

www.all-starfunds.com

For Immediate Release

BOSTON, December 21, 2007 – Liberty All-Star Equity Fund (NYSE: USA) will issue 16,068,191 new Shares as a result of its recent rights offering which expired on December 19, 2007. The Subscription Price per share is \$6.51, which represents 95 percent of the last reported sales price on the New York Stock Exchange on December 20, 2007. The new Shares represent the entire amount of the Primary Subscription. Since there were not sufficient shares in the Primary Subscription to honor all over-subscription requests, available shares will be allocated among those who over-subscribed based on the number of shares held on the Record Date. All-Star will not issue Shares in excess of the Primary Subscription.

ALPS Advisers, Inc. is the fund manager of the Liberty All-Star Equity Fund, a multi-managed, closed-end investment company with more than \$1.3 billion in net assets. The Fund's shares are listed on the New York Stock Exchange under the symbol USA.

The Liberty All-Star Equity Fund is a closed-end fund and does not continuously offer shares.

###

LAS000169 12/08