



Press Release

January 21, 2009

LIBERTY ALL-STAR® EQUITY FUND RELEASES TAX INFORMATION

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For Immediate Release

BOSTON, January 21, 2009 — Liberty All-Star Equity Fund (NYSE: USA) announces the final tax status for its 2008 distributions as follows:

Record Date	Payable Date	Amount per Share	Total Ordinary Dividends		Long-Term Capital Gains	Return of Capital
			Qualified	Non-Qualified		
11/09/07*	1/02/08	\$0.22	9.04%	0.04%	--	90.92%
2/29/08	3/17/08	\$0.19	9.04%	0.04%	--	90.92%
5/30/08	6/16/08	\$0.19	9.04%	0.04%	--	90.92%
8/29/08	9/15/08	\$0.17	9.04%	0.04%	--	90.92%
12/12/08**	1/02/09	\$0.10	--	--	--	--

* Pursuant to Section 852 of the Internal Revenue Code, the taxability of this distribution will be reported in the Form 1099-DIV for 2008.

** Pursuant to Section 852 of the Internal Revenue Code, the taxability of this distribution will be reported in the Form 1099-DIV for 2009.

The tax designations of the distributions were previously reported to shareholders on a tentative book basis. The final tax designations are based upon tax reporting requirements and should be used by shareholders for tax return preparation.

ALPS Advisors, Inc. is the fund manager of the All-Star Equity Fund, a multi-managed, closed-end investment company with more than \$672 million 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. The Fund 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.

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