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ASX LIMITED

Dear Sir / Madam

Elle Joint Venture – Exploration Update

On Monday 16 April 2007 Liberty Star Gold announced as follows in relation to the Elle Joint Venture in Arizona:

“Geochemical surveys are being conducted by Liberty Star over other pipes to define how this methodology can be used to target mineral zones both for the Elle Joint Venture and for other pipe targets held by Liberty Star. Liberty Star and XState will continue to evaluate these studies to determine how to most effectively continue this program. This is part of the exploration process. Much valuable information has been gained and we believe additional drilling will penetrate the breccia pipes.”

In addition to the geochemical orientation survey, the Elle Joint Venture are reviewing the recently completed geophysical survey’s including airborne, surface and downhole electromagnetic techniques.

The combination of geochemistry, geophysics and geological mapping will be used to focus future explorations.

XState’s technical team are currently working with Liberty Star technical staff to determine the next phases of exploration by the Elle Joint Venture. The program and the indicative timing will be released to the market as soon as they are determined.

Of the US\$2.9 million contributed to the Elle Joint Venture by XState, a balance of US\$2.3 million remains, and XState has cash reserves of A\$2.2 million in its own right.

Anyone with any questions should contact the writer.

Yours faithfully

XSTATE RESOURCES LIMITED

DAVID McARTHUR

Director