



Liquidity Services, Inc. Honored for Delivering Innovative and Results-Oriented Program for US Department of Defense

May 23, 2005

Washington, D.C. (May 23, 2005) — Government Liquidation, LLC., a subsidiary of Liquidity Services, Inc., has been selected as a winner of the seventh annual Government Solutions Center (GSC) Pioneer Award. Government Liquidation (GL) is recognized for its online surplus disposition program with the United States Department of Defense and the Defense Reutilization and Marketing Services (DRMS) that recovers an average of \$60 million in annual surplus sales and enables a \$20 million increase in cash flow per year.

Government Liquidation streamline business processes and reduces the costs associated with the disposal of government surplus through its online auction marketplace, www.govliquidation.com. The sale of all DoD surplus is now conducted online and GL also conducts product inventory, marketing, buyer relations, auction, sale and payment solutions. The result is a more sophisticated and effective solution that utilizes technology and process automation in place of labor-intensive manual processes associated with the historical surplus property sales and logistics process.

"This award is a great honor and further recognizes the efficiency and cost savings provided by our bulk online auction platform and full-service solution for the sale of government surplus property," said Bill Angrick, CEO of Liquidity Services Inc. and its public sector subsidiary Government Liquidation, LLC. "The gains realized by the DoD have matched those achieved by our Fortune 500 clients through our commercial online auction marketplace, Liquidation.com. Our program with the DoD has raised the bar for government agencies seeking to employ private sector best practices to improve business performance and reduce costs of operation."

Scheduled to be presented during the E-Gov Institute's Web-Enabled Government Conference and Exhibition in June, the award recognizes government agencies that are making substantial progress on the objectives outlined in the President's Management Agenda, measuring performance results, and taking steps to streamline information sharing across enterprises. GL will demonstrate its program at a live kiosk during the conference Thursday, June 2, 2005, and will be honored during the Awards Banquet that evening. For more information on the event, visit http://www.e-gov.com/events/2005/we_gov/index.asp.

About Government Liquidation, LLC

Government Liquidation, LLC, a subsidiary of Liquidity Services, Inc., is the result of a partnership with DRMS to privatize the sale of DoD surplus property. The company maintains outposts on military bases throughout the United States, Puerto Rico and Guam and serves a roster of 220,000 buyers of military surplus. Government Liquidation, LLC is the exclusive seller of usable, non-hazardous, non-demil required DRMS military surplus and can be found on the Internet at www.govliquidation.com.

About Liquidity Services, Inc.

Liquidity Services, Inc. and its subsidiaries enable government agencies, businesses and financial institutions to market and sell surplus assets and wholesale goods quickly and conveniently using innovative online marketplaces, business-to-business product sales and marketing expertise, and value-added logistics and fulfillment services. The privately held company is based in Washington, D.C. and employs 285 people. Additional information can be found at: www.liquidityservicesinc.com.