APRIL 15, 2011

LIQUOR STORES N.A. LTD.

DIVIDEND REINVESTMENT PLAN

OVERVIEW

Holders of common shares of Liquor Stores N.A. Ltd. who reside in Canada and hold their shares through a financial institution, broker or other intermediary should consult with that party to determine the procedures for participation in Dividend Reinvestment Plan (the "DRIP"). The administrative practices of intermediaries may vary and, accordingly, the various dates by which actions must be taken and documentary requirements set out in the DRIP may not be the same as those required by intermediaries. Shareholders should also consult their tax advisers concerning the tax implications of their participation in the DRIP having regard to their particular circumstances.

DIVIDEND REINVESTMENT PLAN OVERVIEW

This overview describes the Dividend Reinvestment Plan (the "Plan" or the "DRIP") available to holders of common shares (the "Common Shares") of Liquor Stores N.A. Ltd. (the "Corporation" or "Liquor Stores") whereby Participants may reinvest their monthly cash dividends in additional Common Shares. In the event of a difference between the Plan and the information contained in this overview, the terms and conditions of the Plan will govern. Liquor Stores encourages shareholders to carefully read the complete text of the Plan prior to making any decisions respecting participation in the Plan.

The Plan provides a means by which Liquor Stores can acquire additional capital funds which will be used for general corporate purposes.

Shareholders of Liquor Stores are not required to participate in the DRIP. If a shareholder does not elect to participate then it will continue to receive dividends in the normal manner.

SUMMARY

The Plan provides holders of Common Shares who are residents of Canada with a convenient method of reinvesting monthly cash dividends in additional Common Shares of Liquor Stores. For those who participate in the Plan, instead of receiving monthly dividends on Common Shares in cash, the monthly dividends are used to buy additional Common Shares. Common Shares acquired under the Plan may be, at the option of the Corporation, purchased on the Canadian open market, which includes the facilities of the Toronto Stock Exchange or any other alternative Canadian market, or from the Corporation's treasury. Common Shares purchased with cash dividends through the treasury will be purchased at a discount from the "Market Price" (as such term is defined in the Plan).

Until such time as the Corporation issues a press release announcing the contrary, Liquor Stores expects to utilize the treasury purchase option described above and all Common Shares purchased under the Plan will be issued at a discount of 3% from the Market Price.

No brokerage or administration fees will be charged by the Corporation or the Plan Agent for participation in the Plan.

QUESTIONS AND ANSWERS

The following series of questions and answers explains certain key features of the DRIP dated effective April 29, 2011. The answers are, however, of a summary nature only, and are expressly subject to the complete text of the Plan, a copy of which may be obtained from the plan agent, Computershare (the "Plan Agent"), or Liquor Stores, at any time upon request or from the "Investor Relations" section of the Liquor Stores' website at www.liquorstoresna.ca.

Question: What is the Dividend Reinvestment Plan?

Answer: The Plan enables holders of Common Shares who are residents of Canada to acquire additional Common Shares through the automatic reinvestment of monthly cash dividends. The dividends paid on Common Shares acquired under the Plan will be automatically reinvested for additional Common Shares under the Plan. Shareholders who do not enroll in the Plan will continue to receive Liquor Stores dividends in the usual manner.

Question: What are some benefits of participating in the Plan?

Answer: The Plan offers Plan participants a cost-effective and simple way to increase their investment in Liquor Stores by purchasing Common Shares through the reinvestment of dividends. All Common Shares purchased under the Plan will be issued at a discount of 3% from the Market Price. Participants are able to dollar-cost-average their Common Share purchases by reinvesting dividends under the Plan on a regular monthly basis. In addition, all brokerage commissions, fees and transaction costs incurred by the Plan Agent to acquire the Common Shares under the Plan are paid for by the Corporation.

Question: Who is eligible to participate in the Plan?

Answer: Holders of a minimum of 100 Common Shares who reside in Canada are eligible to participate in the Plan.

Question: How do I participate in the Plan?

Answer: If you're a resident of Canada, simply contact the intermediary, broker, or financial institution through which you hold your Common Shares to request participation in the Plan. Once you have enrolled in the Plan, participation continues automatically until you terminate it (or until the Plan is terminated).

Question: What is the purchase price of the Common Shares acquired under the Plan?

Answer: The Common Shares acquired under the Plan are purchased, at the Corporation's discretion, either on the Canadian open market which includes the facilities of the Toronto Stock Exchange or any other alternative Canadian market or from the Corporation's treasury. According to the Plan, if Common Shares are purchased on the open market, the purchase price of the shares will be equal to the average of the actual purchase price paid (excluding brokerage commissions, fees and transaction costs) per

Common Share by the Plan. If the Corporation issues the Common Shares from treasury, the purchase price will be equal to the volume-weighted average trading price of the Common Shares on the Toronto Stock Exchange on the ten trading days preceding the Dividend Payment Date, less a 3% discount.

Until such time as the Corporation issues a press release announcing the contrary, Liquor Stores shall utilize the treasury purchase option described above and all Common Shares purchased under the Plan will be issued at a discount of 3% from the Market Price.

All brokerage commissions, fees and transaction costs incurred by the Plan Agent to acquire the Common Shares under the Plan will be paid for by the Corporation.

Question: When will Common Shares be acquired under the Plan?

Answer: Common Shares will be purchased beginning on each Dividend Payment Date (as such term is defined in the Plan). The Corporation intends to pay dividends on a monthly basis, with such dividends payable to shareholders of record at the end of each month. However, the declaration of dividends and the corresponding dividend record and payment dates are determined by the Corporation's board of directors in its sole discretion and may be suspended and/or revised at any time.

Question: Will I receive a share certificate for new Common Shares purchased under the Plan?

Answer: No, you will not automatically receive a share certificate for Common Shares purchased under the Plan. If you are validly enrolled in the Plan, new Common Shares purchased for your account will be credited to your account under the Plan, or if you are enrolled directly through your broker, with your broker. You may, however, request a certificate for any number of whole Common Shares held under the Plan by the Plan Agent for your account.

Question: What are the income tax consequences of participating in the Plan?

Answer: Participation in the Plan does not relieve you of any liability for taxes that may be payable in respect of the dividends reinvested in new Common Shares or Common Shares acquired through the Plan and subsequently sold. In determining taxes payable, it is important to recognize that multiple transactions occur under the Plan (although you may only see the result of the final transaction). Specifically, participation in the DRIP involves two transactions: i) first you will receive a cash dividend from Liquor Stores; and ii) second, you will use the cash from the Dividend to purchase new Common Shares (via the Plan Agent). The first transaction will result in receipt of a taxable dividend on your existing Common Shares equal to the dividend amount, and the new Common Shares purchased pursuant to the DRIP under the second transaction will have an initial aggregate cost base for tax purposes equal to the amount of the cash dividend paid. You are urged to consult your own tax advisors concerning the tax implications of your participation in the DRIP having regard to your particular circumstances.

Question: Where can I obtain further information on the Plan?

Answer: If you have further questions regarding the Plan, please direct them to the Plan Agent or to Liquor Stores as follows:

Computershare
8th Floor, 100 University Avenue
Toronto, Ontario M5J 2Y1

Telephone: (800) 564-6253
Facsimile: (888) 453-0330

Liquor Stores N.A. Ltd.
101, 17220 Stony Plain Road

Edmonton, AB T5S 1K6

Attention: Investor Relations
Telephone: (780) 944-9994
Facsimile: (780) 702-1999