

8 February 2006



Manager Announcements
Company Announcements Office
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000

via electronic lodgement

Dear Sir/Madam,

Additional Discovery at Edge 1-10 - Gas Flow in Deeper Section

Livingstone Petroleum Ltd (ASX : LPL) is pleased to announce that the Edge 1-10 well has successfully tested gas in a deeper target formation, the Guinda formation, the secondary target of this well. The Edge well was drilled in December 2005, with preliminary log evaluation confirming the presence of gas in the primary Forbes sandstone. Since then, the Company undertook a more detailed analysis of the well data and decided to test the deeper Guinda formation prior to testing the Forbes formation.

This testing of the Guinda formation has confirmed a gas discovery. Over an extended test period the well flowed at a stable rate of 500 mcfpd (thousand cubic feet per day) from the Guinda. Further evaluation of the Guinda is currently underway.

The Forbes sandstone is the source of all of the previous gas discoveries on the project area and the electric logs for Edge 1-10 confirmed gas in the primary Forbes formation. The Forbes formation in Edge 1-10 will be tested after completion of further evaluation work being undertaken on the Guinda. The likely scenario for Edge 1-10 is production from both the Forbes and the Guinda.

Comments

The discovery of gas in the secondary Guinda formation is an extremely important result as it is the Forbes Joint Venture's first discovery in that particular formation. It has opened up new exploration opportunities to evaluate in the Forbes project area. The target sizes in the Guinda formation are generally larger in size but do have higher exploration risk. Having dual highly prospective exploration targets significantly increases the potential value of the Forbes project area, where the Joint Venture holds an extensive acreage position covered by 3D seismic.

This result means both wells drilled in the Forbes project area late last year are successful, with the primary Forbes formation in Edge 1-10 still to be tested.

The Forbes Joint Venture's knowledge and understanding of the Forbes area has substantially increased following Orchard Petroleum Inc becoming operator, success at Lerner North, and now with a discovery in the Guinda formation. The Joint Venture is planning a new 6 well drilling program in 2006 and expects to start drilling towards the end of the second quarter, subject to rig availability.

Participants in Edge 1-10 are:

OP Inc (Operator)	50%
Livingstone Energy Inc	50%

Craig Burton
Executive Director