



ABN 42 112 256 649

NOTICE OF GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date of Meeting
23 May 2006

Time of Meeting
11.00am

Place of Meeting
Ground Floor
8 Colin St
West Perth WA 6005

LIVINGSTONE PETROLEUM LTD
ABN 42 112 256 649

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that the General Meeting of the shareholders of Livingstone Petroleum Ltd ABN 42 112 256 649 ("**Company**") will be held at Ground Floor, 8 Colin Street, West Perth, Western Australia on 23 May 2006, at 11.00am WST for the purpose of transacting the following business.

AGENDA

BUSINESS

An Explanatory Memorandum containing information in relation to each of the following Resolutions accompanies this Notice of General Meeting.

ORDINARY BUSINESS

RESOLUTION 1 – RATIFICATION OF ISSUE OF SHARES

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**: -

"That pursuant to ASX Listing Rule 7.4 and for all other purposes, the Company approves and ratifies the issue of 4,000,000 Shares at 38 cents issued to exempt investors as defined under section 708 of the Corporations Act and otherwise on the terms and conditions and in the manner described in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion - The Company will disregard any votes cast on Resolution 1 by any person who participated in the issue and any associate of such allottee. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 2 - APPROVAL FOR ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:-

"That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to 12,000,000 Shares under a prospectus at an issue price that is at least 80% of the average market price calculated over the last 5 days on which sales of Shares were recorded before the date of the prospectus and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion - The Company will disregard any votes cast on this Resolution 2 by any person who may participate in the issue and a person who might obtain a benefit, except a benefit solely in the capacity of an ordinary security holder, if the resolution is passed and any associate of those persons. However, The Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

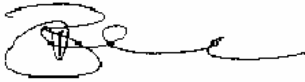
For the purpose of Resolutions 1 and 2:

"**ASX**" means Australian Stock Exchange;

"**Corporations Act**" means the Corporations Act 2001 (Cth);

"**Share**" means an ordinary fully paid share issued in the capital of the Company.

By order of the Board

A handwritten signature in black ink, appearing to be 'Brett Mitchell', with a long horizontal flourish extending to the right.

Mr Brett Mitchell
Company Secretary
Dated: 20 April 2006

PROXIES - A shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies to attend and vote at this meeting. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the shareholder's voting rights. If two proxies are appointed and the appointment does not specify the proportion or number of votes that the proxy may exercise, each proxy may exercise half the votes. A proxy may, but need not be, a shareholder of the Company. Proxy forms must reach the Company at least 48 hours prior to the meeting. For the convenience of shareholders, a proxy form is attached.

LIVINGSTONE PETROLEUM LTD
ABN 42 112 256 649

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide shareholders with sufficient information to assess the merits of the resolutions contained in the accompanying Notice of General Meeting of the Company.

The Directors recommend that shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

1. RESOLUTION 1 – RATIFICATION OF ISSUE OF SHARES

The Company announced on 18 April 2006 the completion of a placement of 4,000,000 Shares at an issue price of 38 cents to exempt investors to raise \$1.52 million before expenses.

Approvals Required

Under Chapter 7 of the ASX Listing Rules, there are limitations on the capacity of the Company to enlarge its capital by the issue of equity securities.

ASX Listing Rule 7.1 provides generally that a company may not issue shares or options to subscribe for shares or other equity securities equal to more than 15% of the company's issued share capital in any 12 months without obtaining shareholder approval.

Listing Rule 7.4 enables shareholders to ratify previous issues by the Company in order to refresh the Company's ability to issue 15% of its issued capital under Listing Rule 7.1. This will leave the Company with the flexibility to issue equity securities in the future up to the 15% threshold.

Under this resolution, the Company seeks from shareholders approval for, and ratification of, the issues of securities set out below so as to limit the restrictive effect of ASX Listing Rule 7.1 on any further issues of securities in the next 12 months.

All Shares to be issued pursuant to this placement are at an issue price of 38 cents each. ASX Listing Rule 7.5 requires the following information to be given to Shareholders:

The Company will allot the 4,000,000 Shares prior to the date of the meeting. The allottees are exempt investors under sections 708(8) or 708(10) of the Corporations Act 2001 introduced through Hartleys Limited.

None of the allottees are related parties or an associates of the Company.

The issued Shares are fully paid ordinary shares in the Company and rank equally with the existing Shares in the Company.

The Company will use the funds raised of \$1.52 million from this placement (before expenses) together with the funds raised the subject of Resolution 2 to fund the 6-well drilling program for the Forbes Project scheduled to commence in May/June 2006, and its associated costs. Details of the cost of the 6-well drilling program is set out in Resolution 2.

The Directors unanimously recommend that shareholders vote in favour of this resolution.

2. RESOLUTION 2 – APPROVAL FOR ISSUE OF SHARES

Background

Livingstone undertook a 2-well drilling program in November/December 2005, which produced the Larner 2-12 and Edge 1-10 discoveries. Larner 2-12 was subsequently completed and the commencement of commercial production from the well was announced on 7 March 2006. The Edge 1-10 well is currently undergoing flow testing.

Following these successful exploration wells and further technical review and assessment of the prospect inventory held by the Forbes Project, the joint venture partners (Livingstone Energy Inc, a wholly owned subsidiary of the Company which holds a 50% interest, and Orchard Petroleum Inc, holder of the remaining 50%) have agreed to a new 6-well drilling program. The funds raised by the Company through the issue of Shares detailed below will be used to meet Livingstone Energy Inc's 50% expenditure commitment of the drilling program, and other ongoing operating costs.

Resolution

The Company is proposing to issue up to 12,000,000 Shares. The number of securities proposed to be issued is in excess of the number of securities that can be issued by the Company without shareholder approval. ASX Listing Rule 7.3 sets out the information to be provided to shareholders to allow them to make an informed decision.

Set out below is this information:

1. The maximum number of securities to be issued is 12,000,000 Shares.
2. The securities will be issued within 3 months of the date of shareholder approval or such later date as approved by ASX.
3. The issue price of the Shares will be at least 80% of the average market price calculated over the last 5 days on which sales of Shares were recorded before the date of the prospectus.
4. At the date of this Explanatory Memorandum, the names of the proposed allottee's and quantity to be issued to each allottee are not known as the Shares will be offered to investors under a prospectus. None of the subscribers will be a related party of the Company, unless the required approval is obtained.
5. The Shares will be fully paid and will rank pari passu with existing ordinary shares on issue.
6. The purpose of the raising is to fund ongoing exploration and project development work, primarily the upcoming 6-well drilling program scheduled to commence in May/June 2006. The Company will also retain a modest cash reserve. The funds raised will be applied as follows:

Working Capital Position	\$
Existing cash following placement of 4m Shares at 38 cents each	1,566,000
Funds raised from issue of 12m Shares at 40 cents* each	4,800,000
Estimated costs of the issue	(350,000)
Total forecast expenditure - see below	(4,650,000)
Unallocated working capital	1,366,000

* This is an indicative issue price based on the Company's current share price.

Forecast Forbes Project Expenditure (Livingstone Energy Inc's 50% share)	\$
Scheduled 6-well drilling program, including completion costs	4,000,000
Technical Support	265,000
Land Management/Leasehold costs	135,000
General Working Capital	250,000
Total Forecast Forbes Project Expenditure (Livingstone Energy Inc's 50% share)	4,650,000

Given the inherent uncertainties that are associated with exploration, the Company's work programs and budgets are subject to change and will be dependent on results from ongoing exploration and evaluation activities.

7. It is intended that the Shares will be allotted on one date. The Company may not necessarily issue the full complement of securities and may issue a lesser number.

The Directors unanimously recommend that shareholders vote in favour of this resolution.

3. ENQUIRIES

Shareholders are invited to contact the Company Secretary Mr Brett Mitchell on (08) 9324 1177 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

"**ASX**" means Australian Stock Exchange Limited;

"**Company**" or "**Livingstone**" means Livingstone Petroleum Ltd ABN 42 112 256 649;

"**Directors**" means Directors of the Company;

"**Explanatory Memorandum**" means this information attached to the Notice, which provides information to shareholders about the resolutions contained in the Notice;

"**Meeting**" means the meeting convened by the Notice;

"**Notice**" means the notice of meeting which accompanies this Explanatory Memorandum;

"**Shares**" means fully paid ordinary shares issued in the capital of the Company.

LIVINGSTONE PETROLEUM LIMITED
ABN 42 112 256 649
PROXY FORM

Shareholder's Name and Address

Please write your name(s) above

Please write your address above

Appointment of Proxy

I/We appoint as proxy to vote in accordance with the following directions (or if no directions have been given, as the proxy or Chairman see fit) at the General Meeting of the Company to be held at Ground Floor, 8 Colin Street, West Perth Western Australia on 23 May 2006, at 11.00 am (and at any adjournment thereof).

or the Chairman of the meeting

Name and address of person you are appointing as your first proxy (if not the meeting Chairman) and/or failing him

Appointing a Second Proxy

Name and address of person you are appointing as your second proxy (if not the meeting Chairman)

Proxy 1 is appointed to represent% of my voting right, or if 2 proxies are appointed, Proxy 1 represents% and Proxy 2 represents% of my total votes. My total voting right is shares. **Note: If the appointment does not specify the proportion or number of votes that the proxy may exercise, each proxy may exercise half the votes.**

	Ordinary Business	For	Against	Abstain*
1 Ratification of Issue of 4 million Shares to exempt investors		<input style="width: 40px; height: 20px;" type="text"/>	<input style="width: 40px; height: 20px;" type="text"/>	<input style="width: 40px; height: 20px;" type="text"/>
2 Approval for Issue of up to 12 million Shares under a prospectus		<input style="width: 40px; height: 20px;" type="text"/>	<input style="width: 40px; height: 20px;" type="text"/>	<input style="width: 40px; height: 20px;" type="text"/>

*If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item.

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in the box. By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the resolutions and that the votes cast by the Chair of the meeting for those resolutions other than as proxy holder will be disregarded because of that interest. The Chair intends to vote any such undirected proxies in favour of all resolutions. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

Contact Email address

Contact Telephone Number

 ()

Signature(s)

Shareholder 1

Director

Shareholder 2

Director/Secretary

Shareholder 3

Sole Director and Secretary

Proxies may be lodged either by facsimile on (08) 9324 2171, by mail to PO Box 453, West Perth, 6872, Western Australia or delivery to the registered office of the Company at Ground Floor, 8 Colin Street, West Perth, Western Australia. To be valid, a proxy form must be received by the Company no later than 48 hours before the time appointed for the General Meeting. For assistance in completing this form, please refer to the rear of this form.

INSTRUCTIONS FOR COMPLETION OF THE PROXY FORM

Shareholders Name

This is the name of the shareholder as it appears on the Company's share register. For the purposes of this General Meeting, shares will be taken to be held by those persons who are the registered holders thereof 48 hours before the time appointed for the commencement of this General Meeting.

Appointment of Proxy

A shareholder entitled to attend and vote at the General Meeting is entitled to appoint not more than two other persons (whether shareholders or not) as proxy or proxies to attend in the shareholder's place at the General Meeting. The proxy has the same right as the shareholder to speak and vote at the General Meeting. If you leave this section blank, the Chairman of the meeting will be your proxy to vote your shares even if you attend the General Meeting (unless you revoke your proxy before the meeting).

Vote on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite the resolution/s you wish to direct your proxy to vote on. If you do so, all your shares will be voted in accordance with your direction. You can split your vote on any resolution/s by inserting the number/s of shares you wish to vote in the appropriate box/es. Please ensure you clearly mark the box in black or blue ink by placing a mark or the number of shares you are voting.

Appointing a Second Proxy

If a shareholder appoints two proxies, each proxy may be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.

Contact Telephone

This will help us if there are any problems with your proxy form.

Signature(s)

Each shareholder must sign this form. If your shares are held in joint names, all shareholders must sign in the boxes. If you are signing as an Attorney, then the Power of Attorney must have been noted by the Company or be duly stamped and accompany this form. Only duly authorised officer(s) can sign on behalf of a Company. Please sign in the boxes provided which state the office held by the signatory.

Delivery of Proxy

To be effective, forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of this General Meeting, that is by 11.00 am on **21 May 2006**, by post or facsimile to the respective addresses stipulated in this proxy form.

Chairman's Voting Intentions

The Chairman intends to vote in favour of the resolutions set out in the Notice.