

3 November 2006



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

via electronic lodgement

Dear Sir/Madam,

Update on the South Buckeye 1-18 well at the Forbes Gas Project

Livingstone is pleased to confirm the South Buckeye 1-18 had drilled to a depth of approximately 6,467 feet and is currently drilling ahead as at 0600 hours on 2 November 2006 (Pacific Coast Time, USA). The target depth for this well is 9,400 feet.

The South Buckeye 1-18 well is targeting gas-bearing stratigraphic traps in the Forbes formation, a prolific gas reservoir in the region, with the targets analogous to the gas discoveries made at the Lerner 1-12 and 2-12 wells. The South Buckeye prospect is less than 14 kilometers from the producing Lerner wells.

Immediately following the drilling of the South Buckeye prospect, the Kenai #3 rig will be moved to the Heavenly 2-28 well. The Heavenly prospect is also expected to take approximately 15 days to reach a total depth of 9,600 feet. An additional 2 follow-on targets for both the Buckeye and Heavenly prospects have been identified and permitted for drilling if the initial wells are successful.

Background

Livingstone holds a 50% interest in the Forbes Project exploring for natural gas in the Sacramento Basin of California. This area has produced gas from the Forbes formation since 1934 with cumulative production to date of 600 billion cubic feet of gas. The Forbes Project already has 2 producing wells within the project area, Lerner 1-12 and Lerner 2-12.

In addition to existing production from the two successful Lerner wells, the Forbes Joint Venture has developed numerous drill prospects for the new exploration program and many of these prospects have potential follow-on targets should the initial prospect be a successful discovery. Besides the Forbes sandstone formation, the Joint Venture has identified significant prospects in the shallower Starkey/Winters formations around 4,000 feet and deeper Guinda formation below 9,000 feet. The prospect sizes vary according to which objective formation is considered the primary target, however in general the sizes vary from 1 - 5 billion cubic feet. Some of the deeper targets in the Guinda formation are tens of billion cubic feet.

Participants in South Buckeye 1-18 and Heavenly 2-28 wells are:

Orchard Petroleum, Inc. (Operator)	50%
Livingstone Energy, Inc.	50%

For any further information please contact Mr Brett Mitchell on +61 8 9324 1177.

The geological information included in this announcement is based on information provided by Mr Robert Rosenthal, a geologist employed as a technical consultant to the Company. Mr Rosenthal has practiced as a geologist in the petroleum industry for over 25 years. Mr Rosenthal has consented to the inclusion of the geological information in this announcement in the form and context in which it appears.

For further information please contact:
LIVINGSTONE PETROLEUM LTD
Registered Office:
Ground Floor, 8 Colin Street, West Perth 6005
Telephone: +61 8 9324 1177 Facsimile: +61 8 9324 2171
www.livpet.com.au
Email: info@livpet.com.au
ASX Code: LPL