



21 December 2006

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

*via electronic lodgement*

Dear Sir/Madam,

### **Heavenly 2-28 Well Misses Mark**

Livingstone confirms that the Heavenly 2-28 well in the Forbes Project recently reached its planned total depth of 9,920 feet. Electric logging of the well suggests only small amounts of gas are present in the targeted Forbes sandstone objectives of this well. Following analysis of the electric logs by the operator and technical consultants, a decision was made for the well to be plugged and abandoned.

The Heavenly 2-28 well was targeting gas-bearing stratigraphic traps in the Forbes sandstone formation, located in the Sacramento Basin, northern California.

The recently drilled South Buckeye 1-18 well will undergo testing early in the New Year to determine the flow rate of the gas discovery.

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

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

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