



29 May 2007

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

via electronic lodgement

Dear Sir/Madam

### **VENTURA SOUTH FLANK WELL DRILLING UPDATE**

As at 27 May 2007 (Pacific Coast, USA Time), the South Flank No.1 exploration well had reached a depth of 11,000 feet. Electric logs were run and it was determined that the well had not intersected the primary fault trap. A decision has been made to sidetrack the well. The sidetrack well is expected to hit total depth in the next ten days.

As part of the original well plan it was expected that a sidetrack well may have been necessary, and the well was designed and budgeted for such a contingency.

The South Flank No.1 exploration well is located in Ventura County, California, approximately one mile south of the Ventura Avenue field which has produced over 900 million barrels of oil. This well is a follow up to a well which was drilled in 1935.

The South Flank No.1 well is one of the main exploration assets held by Solimar Energy Pty Ltd. Livingstone Petroleum Limited announced to the ASX on 10 May 2007 that it had entered into an agreement to acquire Solimar.

*For and on behalf of the Board.*