

31 October 2005

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



via electronic lodgement

Dear Sir/Madam,

QUARTERLY ACTIVITY REPORT FOR PERIOD ENDED 30 SEPTEMBER 2005

Highlights

In June 2005 the Company acquired a 50% interest in the Forbes Gas Project and commenced life as a gas producer and explorer. The Company has been fortunate in its timing with the United States currently experiencing an exceptionally strong market for natural gas. The current outlook is for high energy prices to continue for some time.

Following the Forbes acquisition, the Company raised \$2,250,000 through a call on its partly paid shares on issue. On 31 August 2005 the Company closed a \$3,000,000 IPO capital raising oversubscribed and subsequently completed its listing on the ASX on 14 September 2005.

The Company commenced its initial drilling program at the Forbes Gas Project on 9 October 2005 with the Larner North 2-12 well. The Company hopes to have preliminary results available shortly for release to the market.

Forbes Gas Project

The Company owns a 50% interest in the Forbes Gas Project together with Orchard Petroleum Inc which owns the remaining 50% of the Project and is the Operator. The Project is located in the Sacramento Basin, California, and has 25 leases covering 14,817 acres. The Forbes Gas Project provides a solid foundation for the Company with likely early cashflow and significant long term growth potential.

The Company began life as gas producer in July 2005 with production from the Larner 1-12 well and then as an explorer with the spudding of the Larner North 2-12 well earlier this month. The drilling of Larner North 2-12 well is continuing and a second well is scheduled to immediately follow.

The target depths for the drilling program currently underway are 1,800-2,700 metres (6,000 to 9,000ft) which is shallow for the oil and gas industry, but in the Forbes sandstones this is considered deep as most past exploration targeted the sandstones at shallower locations.

The Forbes Gas Project is covered by 3 separate 3D seismic surveys, from which the previous operator NEG mapped a large number of possible well locations in the project area. Orchard is using California based technical consultants to undertake advanced processing of the seismic and other technical data. The Company expects 100 to 200 viable Forbes sandstone drill targets to be identified within the project area.

Craig Burton
Executive Director

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

LIVINGSTONE PETROLEUM LTD

ABN

42 112 256 649

Quarter ended ("current quarter")

30 September 2005

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(20)	(20)
1.3 Dividends received	(115)	(115)
1.4 Interest and other items of a similar nature received	18	18
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(117)	(117)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets		
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Cash acquired in subsidiary		
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(117)	(117)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	3,150	3,150
1.15	Costs of the issue	(173)	(173)
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
Net financing cash flows		2,977	2,977
Net increase (decrease) in cash held		2,860	2,860
1.20	Cash at beginning of quarter/year to date	1,708	1,708
1.21	Exchange rate adjustments to item 1.20	16	16
1.22	Cash at end of quarter	4,584	4,584

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	(50)
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Executive service fees of \$50,000 (excluding GST) for services provided up to 30 June 2005 were paid during the quarter to Verona Capital Pty Ltd, of which Mr C. Burton is a director.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	(1,787)
4.2 Development	-
Total	(1,787)

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	784	61
5.2 Deposits at call	3,800	1,647
5.3 Bank overdraft	-	-
Total: cash at end of quarter (item 1.22)	4,584	1,708

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Performance + securities <i>Convert to ordinary securities on development of a commercial mining project</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs.				
7.3 +Ordinary securities	52,000,001	30,000,000		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	15,000,000	15,000,000	20 cents	20 cents
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases (b) Decreases				
7.7 Options <i>(description and conversion factor)</i>	18,750,000 17,500,000 1,250,000 <i>Incentive Options</i> Convert on a 1:1 basis	-	<i>Exercise price</i> 30 cents 20 cents	<i>Expiry date</i> 18 December 2009 18 December 2009
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				

+ See chapter 19 for defined terms.

7.12	Unsecured notes (<i>totals only</i>)		
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Brett Mitchell

Company Secretary

Date: 31 October 2005

Print name:

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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