



20 December 2005

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

via electronic lodgement

Dear Sir/Madam,

Gas Discovery at Edge 1-10

Livingstone Petroleum Limited (ASX: LPL) is pleased to announce that the Edge 1-10 well reached its targeted depth of 7,860 feet and successfully encountered gas in the primary objective at approximately 6,300 feet. Based on the electric logging of the well, there appears to be multiple gas intervals totalling approximately 15 to 20 feet of net pay in the primary objective being the Forbes sandstone. Livingstone's partner in this well is Orchard Petroleum Limited (ASX: OPL).

This discovery is considered typical for a successful Forbes well. As a result, the Operator (Orchard) has decided to set pipe and complete Edge 1-10. A testing program at Edge 1-10 is scheduled to commence immediately after the New Year, following testing of the Larner 2-12 well. A commercial gas flow at Edge 1-10 will be relatively straightforward to bring into production, requiring construction of a three kilometre pipeline.

The Edge 1-10 well is the second well in the current two well drilling program to encounter gas in the primary objective. The Operator is planning a new 6 well program for the Forbes area in 2006 and subject to rig availability is expected to commence during the second quarter of 2006 following the wet season. Orchard's technical team are assessing the possibility of prioritising other targets near the Larner 2-12 and Edge 1-10 discoveries based on the success of these two wells.

Comments

Livingstone is extremely pleased with the successful discoveries at Larner 2-12 and Edge 1-10, being both wells drilled since Livingstone became an equal 50% partner in the Forbes Gas Project.

The success of this current two well drilling program validates the exploration strategy and goes a long way in supporting the new technical assessments of our prospects. With this enhanced ability to identify large potential gas targets on the Forbes area, many new wells are being planned for future drilling programs. The Forbes area contains a large prospect inventory covered by 3D seismic as well as existing production. In addition, Livingstone is looking at new prospects in the Forbes sandstone to bring forward some drilling opportunities early in the new year.

Participants in Edge 1-10 are:

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

Craig Burton
Executive Director

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