

23 September 2005

Joint ASX and Media Announcement

New Drilling Program to Start in Sacramento Basin—Part of Forbes Gas Project with Livingstone Petroleum Ltd.

Orchard Petroleum Limited (ASX: OPL) (Orchard) and Orchard Petroleum Inc. (OP Inc), a wholly owned subsidiary of Orchard, are pleased to announce a new drilling program in the Sacramento Basin (Forbes Project) of California.

OP Inc plans to resume drilling in October 2005 in the Sacramento Basin area of California where we have approximately 15,000 acres of leased mineral rights. This acreage is the Forbes project where we are partnering with Livingstone Petroleum Ltd (ASX: LPL) (Livingstone) and Livingstone Exploration, Inc, its wholly owned subsidiary.

A drilling rig has been contracted for a period of six weeks to drill between two to three wells depending on actual drilling time and other logistical matters.

The wells to be drilled are Lerner North 2-12 and Wallace 2-13. The Lerner well is located near the site where OP Inc's first gas discovery was made last year in this area. Our target is a Forbes Formation, a prolific gas producing structure in the region and very similar to the first gas discovery made at Lerner1-12.

The Wallace well is expected to be drilled approximately two miles from Lerner North. It will also target a potentially gas charged Forbes Formation. A third prospect has been identified and will be readied should we be able to complete the first two wells within the expected timeframes.

Depending on final rig availability, it is expected that drilling will commence mid October. OP Inc has a 50% interest in the Forbes project and is the Operator. Livingstone holds a 50% interest.

Comments

Orchard is very pleased to be restarting the Forbes Project with its new partner Livingstone. Our leased area is a very productive gas region with good infrastructure for us to take a discovery to market in very short order. With gas prices above US\$ 10 per mcf, it could not be a better time to be drilling gas wells.

For further information please contact Mr Steve Graves on 0011 1805 469 4656.

The geological information included in this announcement is based on information provided by Mr Edward Duncan, a qualified geologist employed as a technical consultant to the Company. Mr Duncan has practiced as a geologist in the petroleum industry for over 20 years. Mr Duncan has consented to the inclusion of the geological information in this announcement in the form and context in which it appears.

**Orchard Petroleum Limited
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