

WARRANT PURCHASE AGREEMENT

THIS WARRANT PURCHASE AGREEMENT, dated as of July 7, 2006 (this “**Agreement**”) is entered into by and among LiveWorld, Inc., a Delaware corporation (the “**Company**”) and J. Walter Thompson U.S.A., Inc., a Delaware corporation (“**WPP**”).

BACKGROUND

A. The Company and WPP have entered into a joint venture relationship (the “**Joint Venture**”) that shall be conducted through a limited liability company (the “**LLC**”) pursuant to a certain limited liability company operating agreement (the “**LLC Agreement**”). The parties have also entered into a Voting and Covenant Agreement (the “**Voting Agreement**”) and together with this Agreement and the LLC Agreement, the “**Transaction Documents**”).

B. On the terms and subject to the conditions set forth herein and as a condition to entering into the Joint Venture, WPP is willing to receive from the Company, and the Company is willing to issue to WPP, warrants to purchase Company common stock in the amounts and on the terms and conditions set forth herein.

C. Capitalized terms not otherwise defined in this Agreement shall have the meaning set forth in the form of Warrant (as defined below) attached as **Exhibit A**.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing, and the representations, warranties, and conditions set forth below, the parties intending to be legally bound, agree as follows:

1. *The Warrants.*

(a) *Issuance of Warrants.* At each Closing (as defined below), the Company agrees to issue to WPP a warrant in the form attached as **Exhibit A** (each, a “**Warrant**” and, collectively, the “**Warrants**”) in such amounts as specified in this Agreement for such Closing. The terms “**Closing**” and “**Closings**” refer to the Initial Closing (defined in Section 1(c) below) and subsequent closings (referred to in Section 1(d) below).

(b) *Delivery.* The issuance of the Warrants shall take place at Closings to be held at such place and time as specified in this Agreement (each a “**Closing Date**”). At each Closing, the Company will deliver to WPP the Warrant to be issued at such Closing.

(c) *Initial Closing.* The initial Closing (the “**Initial Closing**”) shall occur on the date of this Agreement. At the Initial Closing, the Company shall issue to WPP (i) a Warrant to purchase one million (1,000,000) shares of Common Stock, par value \$0.001 per share (“**Common Stock**”), of the Company at a per share exercise price of \$1.00 and a Warrant to purchase one million (1,000,000) shares of Common Stock at a per share exercise price of \$1.10, each of which shall

