

04 July 2011

## **OPERATIONS UPDATE**

### **KEY POINTS:**

- **Testing of J-52 Jurassic Reservoir has commenced**
- **J-52 Trial Production Licence application remains on schedule**
- **J-50 Trial Production Licence application proceeding**
- **J-51 Exploration well expected to spud in July**

The Board of Jupiter Energy Limited (ASX: JPR) is pleased to provide shareholders with the following operations update:

### **J-52 Well (Triassic)**

During June, the Company completed the 90-day testing period of the J-52 Triassic Reservoir and submitted its reserves report to the relevant authority. JPR is pleased to advise that the J-52 reserves have been approved by the Kazakh Geological Committee.

Following this signoff, a Trial Production License Project has been submitted for the approval by the required experts prior to the final submission to the Central Development Committee.

The Company will update shareholders once this process is completed.

### **J-52 Well (Jurassic)**

Hydrocarbon shows were present in mudlogging, coring and open-hole logging through the Jurassic zone during J-52 drilling operations.

Completion work to suspend the Triassic and perforate and fracture stimulate the secondary Jurassic reservoir in J-52 has now started and the Company will provide an update on the results in due course.

## **NWZ2**

Based on the results of the testing of the J-52 Jurassic reservoir, NWZ2 will be considered for fracture stimulation.

## **J-51 (2011 Commitment Well)**

Preparations for the drilling of J-51 are ahead of schedule and the well is expected to spud before the end of July. The Company will advise when drilling has begun.

Modifications were made to the J-51 drilling programme based on the experience of the drilling operations on the J-52 well. It is anticipated that this on-going process of review will continue to improve operational efficiencies.

## **Block 31 Extension Application**

The process to incorporate the new extension area into the existing Block 31 contract has taken longer than expected as a number of amendments to the Block 31 contract are being made simultaneously; these amendments reflect the changes made to the Kazakh oil & gas legislation announced during 2010 and do not alter the fiscal terms of the contract.

The process is now near completion and an update on the Block 31 extension area is expected shortly.

## **J-50 Well**

The J-50 Trial Production Licence Project has been prepared and the application is soon to be submitted to the required local authorities before final submission to the Central Development Committee.

The process has been more complex than the J-52 application because of the need to allocate the reserves for the single accumulation (on which J-50 has been drilled) that is present in both Jupiter's Block 31 and the adjacent North Akkar field, owned by MangistauMunaiGas.

The Company will update shareholders once this process is completed.

## **Finances**

Unaudited cash reserves of the Company as at 30 June 2011 stood at approximately \$A14.5m, with most cash being held as \$US.

## **Summary**

The forward plan for the next 6 months should see a number of significant milestones achieved and the Board will keep shareholders informed on progress.

Any questions on this announcement should be directed to the Company on +61 89 322 8222.

Geoff Gander  
Chairman/CEO

**ENDS**

