

28 November 2011

OPERATIONS UPDATE

Key Points:

- **J-51 well has begun its 90-day production test and is producing at an initial flow rate of 340 bopd on a 5mm choke from the mid-Triassic reservoir.**
- **Arrangements to sell oil to two domestic oil traders in place.**
- **J-53 exploration well spudded on November 25 2011.**

The Board of Jupiter Energy Limited (“Jupiter Energy or the Company”) is pleased to provide this operations update for activity at the Company’s Block 31 permit in the Mangistau.

J-51 Well

The J-51 well has begun production testing and is currently cleaning up at a flow rate of 340 barrels of oil per day (bopd) at a flowing tubing pressure of 56 atm (approximately 820 psi) on a 5mm choke from the mid-Triassic reservoir.

The well is being flowed at a constrained rate through a 5mm choke while oil transportation capacity has been temporarily reduced following recent local heavy rainfall that has affected some sections of the access roads. The condition of the road is improving and shortly the choke size will be increased and a higher stabilised flow rate achieved. The Company believes that the potential performance of the J-51 well will be similar to that of the J-52 well and that a stabilised production rate of approximately 500 bopd should be achieved. Details of the stabilised flow rate are expected to be announced during December 2011.

The Company intends to run the production test on J-51 for 90 days, the maximum period allowed by the Government to evaluate the properties of the mid-Triassic reservoir. The well will then be shut in and an application will be submitted to the relevant regulatory authorities for the well to be put onto a Trial Production Licence.

The surface location for the J-51 well was 2 km southwest from the J-50 well and 1.7 km northwest from the J-52 well. The J-51 well was designed to evaluate the potential of the primary mid-Triassic reservoir within the structure known as Akkar East.

The Company previously reported that the mid-Triassic had 123m gross and 83m of net oil pay. The well was perforated underbalanced with tubing conveyed guns and selective acid stimulations were performed with a total of 244m³ 15% HCl acid and additives.

Oil Sales Agreements

The Company intends selling its oil to two local oil traders and oil produced during the production testing period will be purchased at the well head for approximately \$US42 per barrel; all costs in relation to the transport and storage of oil are borne by the purchaser.

Oil produced from the J-50 and J-52 wells will initially be sold under the same terms as above and as the total volume of oil for sale increases other options will be considered. The final approvals for implementing the Trial Production Licences for J-50 and J-52 remain on schedule and the Company expects to provide an update on production from these wells during December 2011.

J-53 Well

The J-53 exploration well spudded on 25 November 2011.

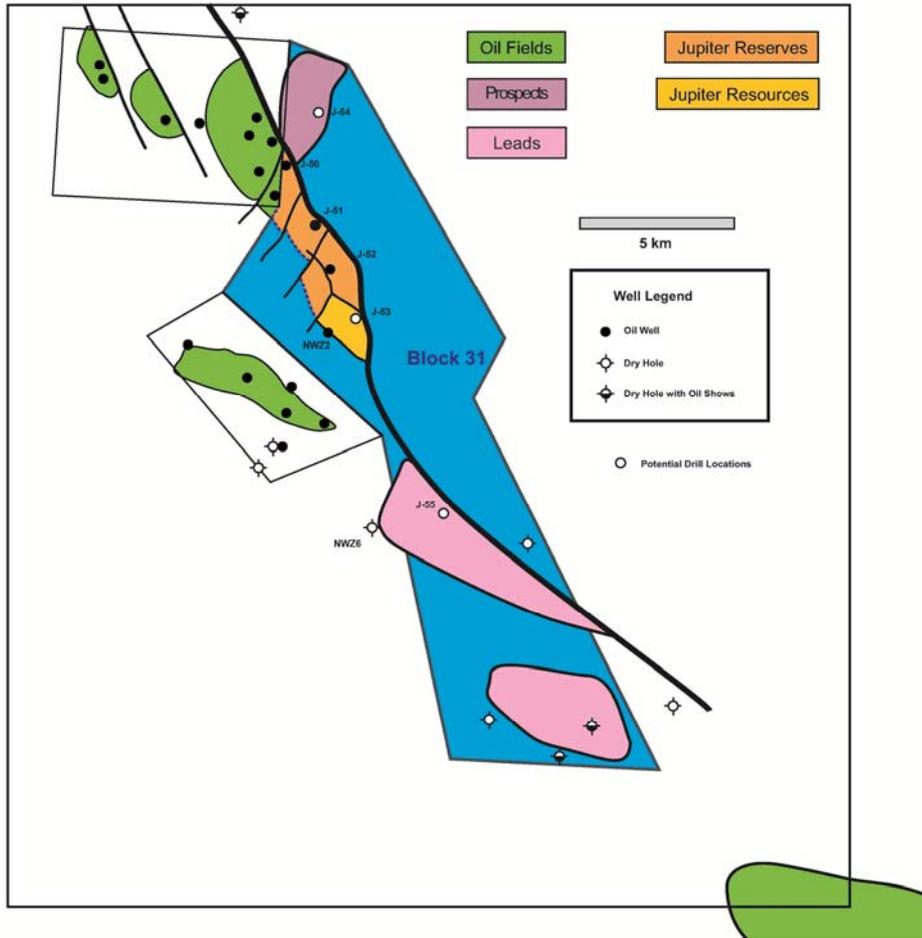
The J-53 well is the 1st of the Company's two 2012 commitment wells and is located at the southeast corner of the Akkar East oil accumulation. The Company believe that the area being targeted by this well may contain up to 10 million barrels of potential resources (see diagram below).

The well is planned to be vertical and is expected to intersect a secondary Jurassic clastic reservoir target and a primary Mid-Triassic carbonate reservoir target before drilling to a planned total depth of approximately 3,200m true vertical depth. The Company expects to acquire core samples in the primary and secondary reservoir targets while drilling the well.

The J-53 well will again be drilled by local Kazakh drilling contractor FracJet who will use the same ZJ-40 rig as used previously for the J-51 and J-52 wells. The well is anticipated to take approximately 60 days from spud through to running production casing and temporarily suspending the well. The Company will then demobilise the drilling rig and, on a success case basis, mobilise a smaller and more cost-effective service rig to complete and test the well.

The planning and mobilisation of the workover rig and testing equipment may take two to three weeks before commencing the initial testing programme. The Company will complete this well in a similar fashion to the J-51 and J-52 wells.

The Company proposes to release information only of material interest during the drilling and testing of the J-53 well.



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