JUPITER ENERGY LIMITED

HALF YEAR FINANCIAL REPORT

31 DECEMBER 2017

CORPORATE DIRECTORY

Directors and Officers

Geoff Gander
Executive Chairman/CEO

Alexey Kruzhkov
Non-Executive Director

Baltabek Kuandykov
Non-Executive Director

Alexander Kuzev
Non-Executive Director

Scott Mison
Executive Director/Company Secretary

Principal and Registered Office

Ground Floor
10 Outram Street
West Perth
Western Australia 6005

PO Box 1282
West Perth
Western Australia 6872

Telephone	+61 8 9322 8222
Facsimile	+61 8 9322 8244
Email	info@jupiterenergy.com
Website	www.jupiterenergy.com

Auditors

Ernst & Young
11 Mounts Bay Road
Perth, Western Australia 6000

Telephone	+61 8 9429 2222
Facsimile	+61 8 9429 2436

Bankers

National Australia Bank Limited
Perth Central Business Banking Centre
UB13.03, 100 St Georges Terrace
Perth WA 6000

Share Registry

Computershare Investor Services Pty Ltd
Level 2, 45 St George's Terrace
Perth, Western Australia 6000

Telephone	1300 557 010 (within Australia)
	+61 3 9415 4000 (outside Australia)
Facsimile	+61 8 9323 2033
Website	www.computershare.com

ASX and KASE Codes
Jupiter Energy Limited shares are listed on the Australian Securities Exchange under the code JPR and on the Kazakh Stock Exchange under JPRL_AU.

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2017.

Directors

The names of directors who held office during or since the end of the half-year:

Name	
Mr Geoff Gander	
Mr Baltabek Kuandykov	
Mr Scott Mison	
Mr Alexey Kruzhkov	
Mr Alexander Kuzev	Appointed 12 September 2017

The directors have been in office since the beginning of the period unless otherwise stated.

Operating Results

This review covers the 6 months from 1 July 2017 to 31 December 2017 and the "Subsequent Events" section includes any significant events that have occurred between 1 January 2018 and the release date of this report.

The consolidated loss for the period after income tax was $3,259,930 (2016: $6,277,355).

At the end of December 2017, cash levels were $939,747 (June 2017: $397,109). Assets decreased to $48,632,153 (June 2017: $49,200,046) and equity decreased to $(8,922,380) (June 2017: $3,584,207).

Review of Operations

The six month period to 31 December 2017 ("the Review Period") saw the Company return to domestic production on the Akkar East oilfield, with oil being produced from Wells 19, J-51 and J-52.

Oil Production and Revenues:

There were approximately 25,600 barrels of oil produced during the Review Period. No barrels of oil were produced during the same Review Period in 2016.

Revenues from oil sales in this Review Period amounted to $A677,989 ($US528,197). Sales in the previous Review Period were $A nil.

Production Report/Status of Well Licences:

Production – Akkar North (East Block) Oilfield (J-50 well):

The J-50 well remained shut in during the Review Period as the application process for a Trial Production Licence (TPL) for the well continued. The J-50 well is located on the Akkar North (East Block) accumulation and no TPL has been in effect on this area since 29 December 2014.

The key reason for the delay in the issuing of a new TPL has revolved around a dispute over the ownership of the Akkar North (East Block) reserves. As the Company has previously advised, the dispute has been resolved in favour of Jupiter Energy and the Company has been confirmed by the relevant Kazakh authorities as the legal owner of the Akkar North (East Block) reserves.

With that matter now resolved, the Company is in the process of getting approval for a TPL for the J-50 well and once granted the well can recommence domestic oil production.

Production – Akkar East Oilfield (J-51, J-52, J-53 and # 19 wells):

During the Review Period, approximately 25,600 barrels of oil were produced from Wells 19, J-51 and J-52 under their respective TPL's. These three wells are located on the northern section of the permit and are part of the East Akkar oilfield.

The J-53 well, which is also located on the Akkar East oilfield, was shut in for the entire Review Period, awaiting further remedial work before potentially coming back onto production. This work will be carried out when the appropriate funding and approvals are in place.

Production – West Zhetybai Oilfield (J-55, J-58 and J-59 wells):

During the Review Period, no oil was produced from either the J-58 or J-59 wells under their respective TPL's. These two wells are located on the southern section of the permit and are part of the West Zhetybai oilfield.

The J-55 well, which is also located on the West Zhetybai oilfield, was shut in for the entire Review Period, awaiting further remedial work before potentially coming back onto production. This work will be carried out when the appropriate funding and approvals are in place.

It is expected that workovers on the J-58 and J-59 wells will be carried out in the next few months and the wells will then be ready to commence Trial Production.

The forward plan is for the J-58 well to be put on production from the T^2B horizon, and J-59 will be used to test the potential of the shallow Jurassic horizon discovered during the drilling of the well, before being completed for production from the T^2B horizon.

Status Of Licence under the Exploration Period

The Company operates under Contract 2275 and this Contract has an Exploration Period that runs until 29 December 2019. No extension to the Exploration Period beyond 29 December 2019 is expected at this time.

The Company has an approved Work Program for the 2018 and 2019 years and intends to prepare all three oilfields (Akkar North (East Block), Akkar East and West Zhetybai) for commercial production before the end of the Exploration Period on 29 December 2019.

Assuming success, the Company will then operate under a 25 year Commercial Production licence allowing it to export at least 60% of its production into the export market.

Oil Sales:

The Company is in frequent dialogue with various local oil marketing groups and is currently selling its oil into the domestic market through one trader. The trader is based in Aktau and pays for Jupiter's oil on a prepaid basis and is responsible for collection of the oil from the well head.

Drilling Report:

No new wells were drilled during the Review Period.

Subject to obtaining the requisite approvals and funding, the Company plans to continue with its drilling program as soon as it is possible. At this stage, under the approved 2018-2019 Work Program, the drilling of two new wells is planned for 2018 and sidetracks are scheduled for wells J-53 and J-55 in 2019.

<u>Significant Corporate Appointments:</u>

There were no significant corporate appointments made during the Review Period.

A number of key appointments were made within the Aktau office to support the return to oil production on the Akkar East oilfield.

<u>2017 Annual General Meeting:</u>

The 2017 Annual General Meeting was held in Perth on Friday 10 November 2017 and all Resolutions were passed.

<u>Funding and Capital Management:</u>

As at 31 December 2017, the Company had 153,377,693 listed shares trading under the ASX ticker "JPR" and the KASE ticker “AU_JPRL”.

The Company delisted from London’s AIM on 25 August 2017. This was driven by a desire to reduce corporate cashflow and also was a reflection of the lack of European capital markets activity being undertaken by the Company and the low trading volumes on AIM.

The Company has no options or Performance Shares, listed or unlisted, on issue.

As at 31 December 2017, total Company debt outstanding was $US43,283,174 ($A55,20,257) through a total of five (5) Promissory Notes, with the following holders:

- Waterford Petroleum Limited: $US17,371,150
- Waterford Petroleum Limited: $US10,877,706
- Mobile Energy Limited: $US11,605,754
- Midocean Holdings Limited: $US2,609,350
- Other Private Investors: $US819,214

As at 31 December 2017, the Company had drawn down $US1,027,898 ($A1,315,710) (including accrued interest) under the 2017 $US5,000,000 ($A6,400,000) Funding Agreement with Waterford. This meant a further $US3,972,102 ($A5,084,290) was still available under this funding agreement as at 31 December 2017.

The Company also still has access to a further $US1,191,267 ($A1,524,822) (including accrued interest) under the 2016 Funding Agreement.

Directors have deferred their Directors’ Fees since February 2015 and will continue to do so until such time that the Company has an improved cashflow position.

The Company is still reviewing its ongoing funding requirements for 2018 and the directors are exploring a range of options for financing the further development of the Akkar East and West Zhetybai fields during 2018 and beyond, to the stage where export oil sales are being achieved and further development of the field is self-funding; these options may include the further issue of new equity, reserve based debt, convertible debt or a combination of these and other funding instruments.

Once the appropriate funding has been secured, the further development of both the Akkar East and West Zhetybai fields, and in particular building of the topside infrastructure on Akkar East including a processing facility and gas separation plant, will be accelerated.

Based on current management forecasts, the Company has sufficient working capital, including its access to the remaining funding under the 2017 Funding Agreement and the additional funding from the 2016 Funding

Agreement, until September 2018. The Company continues to seek a longer term funding package that will enable the continuation of the approved 2018-2019 Work Program, recommencing domestic oil production from the West Zhetybai field and for on-going working capital in the 2nd half of 2018 and beyond.

Subsequent Events:

There have been no Subsequent Events to report between 1 January 2018 and the date of this Report.

Summary:

The Company had a productive 6 month period from 1 July to 31 December 2017.

The recovery in global oil prices meant that Kazakh domestic oil prices returned to a level that allowed for production to recommence and approximately 25,600 barrels of oil were produced, deriving revenues of almost $A677,989 ($US528,197).

Since acquiring an exploration permit in 2008, independent reserve reports continue to confirm that that Jupiter has now discovered two sizeable oilfields with significant reserves and resources. The goal of developing Jupiter Energy into a full cycle E&P company with a meaningful production profile and sizeable 2P reserves base remains the key objective for the Board and Management and the Company remains confident of continuing to make progress towards achieving this goal during 2018.

Competent Persons Statement:

General

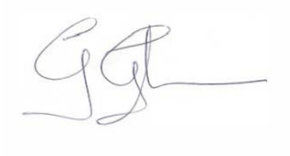
Alexey Glebov, PhD, with over 33 years' oil & gas industry experience, is the qualified person as defined in the AIM Guidance Note on Mining and Oil & Gas Companies dated June 2009, who has reviewed and approved the technical information contained in this report. Alexey PhD's in technical science (1992) and geology science (2006), an Honors Degree in Geology and Geophysics (1984) from Novosibirsk State University and a Gold Medal (1985) from USSR Academy of Sciences. He is a member since 2001 of the European Association of Geoscientists & Engineers (EAGE #M2001-097) and was made an Honorary Oilman in 2011 by the Ministry of Energy of the Russian Federation. Alexey Glebov is qualified in accordance with ASX Listing Rule 5.41.

Auditor's Independence Declaration

In accordance with section 307C of the Corporations Act 2001, the Directors have obtained a declaration of independence from Ernst & Young, the consolidated entity's auditors. The independence declaration is included at page 9 of the financial report.

Dated at Perth on 16 March 2018.

This report is signed in accordance with a resolution of the Board of Directors.



G A Gander
Executive Chairman/CEO

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Auditor's Independence Declaration to the Directors of Jupiter Energy Limited

As lead auditor for the review of Jupiter Energy Limited for the half year ended 31 December 2017, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Jupiter Energy Limited and the entities it controlled during the financial period.

Ernst & Young

Darryn Hall
Partner
16 March 2018

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Independent auditor's review report to the members of Jupiter Energy Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Jupiter Energy Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 31 December 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2017 and of its consolidated financial performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter – Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Group's consolidated financial position as at 31 December 2017 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Ernst & Young

Darryn Hall
Partner
Perth
16 March 2018

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Jupiter Energy Limited, I state that:

In the opinion of the Directors:

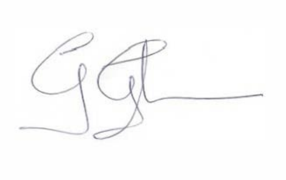
a. The financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

   I. giving a true and fair view of the financial position of the consolidated entity as at 31 December 2017 and the performance for the half-year ended on that date, and

   II. complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

b. Subject to the matters disclosed at note 2(a), there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



G A Gander
Executive Chairman/CEO

Signed at Perth 16 March 2018.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Note	Consolidated Entity 6 months to 31 Dec 2017 $A	 6 months to 31 Dec 2016 $A
Revenue		677,989	-
Cost of sales		(329,747)	-
Gross profit		**348,242**	**-**
Foreign currency gain / (loss)		955,143	(1,343,720)
General and administrative costs		(970,638)	(1,702,186)
Operating loss		**(332,747)**	**(3,045,906)**
Finance income		9,189	9,363
Finance costs		(3,601,865)	(3,240,812)
Loss before tax		**(3,259,930)**	**(6,277,355)**
Income tax expense		-	-
Loss after income tax		**(3,259,930)**	**(6,277,355)**
Other comprehensive income in subsequent periods (net of tax)			
Foreign currency translation		(2,078,242)	2,422,766
Total comprehensive loss for the period		**(5,338,172)**	**(3,854,589)**
Loss per share attributable to ordinary equity holders of the parent (cents per share)			
Basic loss per share		(2.13)	(4.09)
Diluted loss per share		(2.13)	(4.09)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	31 Dec 2017 $A	30 June 2017 $A
ASSETS			
Current Assets			
Cash and cash equivalents	4	939,747	397,109
Trade and other receivables		486,407	145,139
Other current assets		18,653	16,489
Inventories		41,970	18,352
Total Current Assets		1,486,777	577,089
Non-Current Assets			
Trade and other receivables		2,519,141	2,845,507
Oil and gas properties	6	16,734,660	15,112,180
Plant and equipment		678,294	338,386
Exploration and evaluation expenditure	5	26,821,744	29,930,249
Other financial assets		391,537	396,635
Total Non-Current Assets		47,145,376	48,622,957
Total Assets		48,632,153	49,200,046
Current Liabilities			
Trade and other payables	7	1,274,248	877,359
Unearned revenue	8	528,929	-
Total Current Liabilities		1,813,177	877,359
Non-current Liabilities			
Provisions		221,097	234,680
Other financial liabilities	9	55,520,257	51,672,210
Total Non-Current Liabilities		55,741,354	51,906,890
Total Liabilities		57,554,531	52,784,249
Net (Liability) / Assets		**(8,922,378)**	**(3,584,203)**
Equity			
Contributed equity	10	85,633,935	85,633,935
Share based payment reserve		5,764,014	5,764,014
Foreign currency translation reserve		(27,600,487)	(25,522,243)
Accumulated losses		(72,719,841)	(69,459,909)
Total (Deficiency)/ Equity		**(8,922,378)**	**(3,584,203)**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

CONSOLIDATED	Issued Capital **$A**	Share based payment reserve **$A**	Foreign currency translation reserve **$A**	Accumulated Losses **$A**	Total Equity **$A**
As at 1 July 2017	**85,633,935**	**5,764,014**	**(25,522,243)**	**(69,459,909)**	**(3,584,203)**
Loss for the period	-	-	-	(3,259,930)	(3,259,930
Other comprehensive income	-	-	(2,078,242)	-	(2,078,242))
Total comprehensive income / (loss)	-	-	(2,078,242	(3,259,930)	(5,338,172)
As at 31 December 2017	**85,633,935**	**5,764,014**	**(27,600,487)**	**(72,719,841)**	**(8,922,379)**
As at 1 July 2016	85,633,935	5,764,014	(26,303,650)	(61,383,052)	3,711,247
Loss for the period	-	-	-	(6,277,355)	(6,277,355)
Other comprehensive income	-	-	2,422,766	-	2,422,766
Total comprehensive income / (loss)	-	-	2,422,766	(6,277,355)	(3,854,589)
As at 31 December 2016	**85,633,935**	**5,764,014**	**(23,880,886)**	**(67,660,407)**	**(143,346)**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Consolidated Entity	
	6 months to 31 December 2017 $A	6 months to 31 December 2016 $A
Cash flows from operating activities		
Receipts from customers	1,206,919	-
Payments to suppliers and employees	(976,770)	(1,775,861)
Interest received	9,189	9,363
Net cash used in operating activities	239,338	(1,766,498)
Cash flows from investing activities		
Payments for exploration and development expenditure	(536,345)	(321,074)
Payments for plant and equipment	(420,753)	(5,000)
Net cash used in investing activities	(957,098)	(326,074)
Cash flows from financing activities		
Proceeds from unsecured loan	1,266,843	1,910,923
Net cash provided by financing activities	1,266,843	1,910,923
Net decrease in cash held	549,083	(181,649)
Cash at the beginning of the financial period	397,109	663,446
Foreign exchange gain/(loss)	(6,445)	(9,039)
Cash at the end of the financial period	939,747	472,758

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENT

1. CORPORATE INFORMATION

The half year financial report of Jupiter Energy Limited for the period 31 December 2017 was authorised for issue in accordance with a resolution of the Directors on 16 March 2018.

Jupiter Energy Limited is a company limited by shares that is incorporated and domiciled in Australia and whose shares are publicly listed and traded on Australian Securities Exchange and KASE, the Kazakh Stock Exchange. Jupiter Energy is a for profit entity.

The registered office is Ground Floor, 10 Outram Street, West Perth, Western Australia 6005.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Basis of preparation

This condensed financial report for the half-year ended 31 December 2017 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.*

All monetary values are reported in Australian Dollar unless otherwise stated.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2017 and considered together with any public announcements made by Jupiter Energy Limited during the half-year ended 31 December 2017 and in the subsequent period to the date of this report in accordance with the continuous disclosure obligations of the ASX listing rules.

Going Concern

The consolidated financial statements have been prepared on a going concern basis with the Directors of the opinion that the Group can meet its obligations as and when they fall due.

As at 31 December 2017, the Group had a net liability position of ($8,693,275) (30 June 2017: ($3,584,203). However at 31 December 2017, the Group had a Framework Funding Agreement in place and at that time. At 31 December 2017, the Group had drawn down US$1,027,898 (A$1,315,710) (including accrued interest) meaning that a further $US3,972,102(including accrued interest) (A$5,084,290) was still available under this agreement.

Based on management forecasts, the Group has sufficient working capital, including its access to the remaining funding under the 2017 Funding Agreement. For the Group to carry out its 2018-2019 Work Program and develop Block 31 to the stage where export oil sales are being achieved and further development of the field is self-funding, the group will need to secure additional funding by September 2018. Funding options may include the further issue of new equity, reserve based debt, convertible debt or a combination of these and other funding instruments.

The Directors, after consultation with the major shareholders and debt providers, are confident of being able to raise the required capital, but note that financing has not been secured at the date of this report and that the recommencement of production is dependent on a recovery in the Kazakh domestic oil price which is in turn linked to an overall recovery in world oil prices. Should the Group not achieve the matters set out above, there is uncertainty whether the Group would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include adjustments relating to the recoverability or classification of the recorded assets amounts nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(b) Accounting policies

The accounting policies adopted in the preparation of the half year financial report are consistent with those followed in the preparation of the Group's financial statements for the year ended 30 June 2017. All new and amended accounting standards and interpretations effective 1 July 2017 have been adopted by the Group. The adoption of new standards and amendments from 1 July 2017 has not had a significant impact on the accounting policies of the Group.

The Group has not elected to early adopt any new standards or amendments that are issued but not yet effective.

3. SEGMENT REPORTING

The Consolidated Entity is exploring for oil and gas in Kazakhstan. Each activity has been aggregated as they have similar economic characteristics and are being conducted in one area of interest. The operations of the Consolidated Entity therefore present one operating segment under AASB 8 Operating Segments.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the half year financial report.

4. CASH AND CASH EQUIVALENTS

	Consolidated Entity	
	31 Dec 2017 $A	**31 Dec 2016 $A**
For the purpose of the half year cash flow statement, cash and cash equivalents are comprised of the following:		
Cash at bank	939,747	472,758
	939,747	472,758

5. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated Entity	
	31 Dec 2017 $A	**30 June 2017 $A**
Exploration expenditure carried forward in respect of areas of interest in:		
Exploration and evaluation expenditure at cost	26,821,744	29,930,249
Movements during the period		
Balance at beginning of period	29,930,249	28,215,402
Expenditure incurred during the period	536,345	1,099,755
Reclassification to oil and gas assets	(2,392,773)	-
Foreign exchange translation	(1,252,187)	615,092
Balance at end of period	26,821,744	29,930,249

Exploration and evaluation assets are capitalised on the basis that the Company continues to hold a current contract ("the Contract") for all areas of interests to which the capitalised costs relate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. OIL AND GAS PROPERTIES

	Consolidated Entity	
	31 Dec 2017 $A	**30 June 2017 $A**
Movements during the period		
Balance at beginning of period - 1 July	**15,112,180**	16,805,439
Transfer from exploration and evaluation expenditure	2,392,773	-
Additions	-	-
Net exchange differences	(671,005)	135,630
Balance at end of period	**16,833,948**	16,941,069
Depletion and impairment at beginning of period	(1,828,889)	(1,828,889)
Charge for the period / year	(99,288)	-
Depletion and impairment at end of period	(1,928,177)	(1,828,889)
Net book value at end of period	16,734,660	15,112,180

7. TRADE AND OTHER PAYABLES

	Consolidated Entity	
	31 Dec 2017 $A	**30 June 2017 $A**
Trade creditors	670,918	451,161
Accrued expenses	603,330	426,198
	1,274,248	877,359

8.. UNEARNED REVENUE

	Consolidated Entity	
	31 Dec 2017 $A	**30 June 2017 $A**
Unearned Revenue	528,929	-
	528,929	-

The unearned revenue refers to an amount received in advance for oil sales.

9. OTHER FINANCIAL LIABILITIES

	Consolidated Entity	
	31 Dec 2017 $A	**30 June 2017 $A**
Non-Current		
Promissory notes (unsecured)	55,520,257	42,936,226
	55,520,257	42,936,226

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Promissory Notes

During the half year, The Group was granted a range of approvals that positioned it to return to domestic production. As a result, major shareholder and debtholder Waterford Petroleum Limited ("Waterford") and debt holder Midocean Holdings Limited ("Midocean") (together "the Lenders") agreed to provide up to a total of a further US$5,000,000 (including accrued interest), in the amounts of up to US$4,900,000 and US$100,000, respectively under a new Funding Agreement signed on 28 July 2017 (the "2017 Funding Agreement").
The 2017 Funding Agreement is similar to the 2016 Funding Agreement with the addition of one new condition. This condition relates to the payment of a bonus to the Lenders should all or part of the permit area be sold during the term of the 2017 Funding Agreement.

A summary of the terms of the 2017 Funding Agreement is as follows:

- Unsecured
- Effective 31 July 2017
- Repayable on 31 July 2019 (or such later date agreed by the parties in writing) (the "Repayment Date")
- Interest rate of 15% pa
- Interest will accrue and be repayable with principal
- Lenders can elect to be repaid if there is a change of control in Jupiter Energy Limited or Jupiter Energy Pte Ltd or there is a change in control in contract 2275 covering the Block 31 Licence
- Bonus will be payable to the Lenders equivalent to 5% of the sale price of contract 2275 in the event that the contract is assigned, transferred or sold to a 3rd party during the period of the facility. No Liability has been recognized, as no sale agreement has been entered into.

As at 31 December 2017, the Company had drawn down $US1,027,898 ($A1,315,710) (including accrued interest) under the 2017 $US5,000,000 ($A6,400,000) Funding Agreement with Waterford. This meant a further $US3,972,102 ($A5,084,290) was still available under this funding agreement as at 31 December 2017.

10. CONTRIBUTED EQUITY

	31 Dec 2017 $A	30 June 2017 $A
Issued Capital		
Ordinary shares (a)	85,339,737	85,339,737
Options (b)	294,198	294,198
	85,633,935	85,633,935

(a) Movements in ordinary share capital

	No.	$A
Balance 30 June 2016	153,377,693	85,339,737
Movement during the period	-	-
Balance 31 December 2016	153,377,693	85,339,737
Balance 30 June 2017	153,377,693	85,339,737
Movement during the period	-	-
Balance 31 December 2017	153,377,693	85,339,737

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(b) Movements in options

	No.	$A
Balance 30 June 2016	-	294,198
Movement during the period	-	-
Balance 31 December 2016	-	294,198
Balance 30 June 2017	-	294,198
Movement during the period	-	-
Balance 31 December 2017	-	294,198

11. SHARE BASED PAYMENTS

During the current period, there were no share based payments.

12. CONTINGENT LIABILITIES

There has been no significant change in contingent liabilities since the last annual reporting date.

13. EVENTS SUBSEQUENT TO REPORTING DATE

There are no further “Subsequent Events” to report prior to the release of this report.