



**INTERIM FINANCIAL REPORT  
FOR THE HALF-YEAR  
ENDED 31 DECEMBER 2008**

## **CORPORATE DIRECTORY**

### **Directors and Officers**

*Geoff Gander*  
**Executive Chairman**

*Andrew Childs*  
**Non-Executive Director**

*Erkin Svanbayev*  
**Non-Executive Director**

*Scott Mison*  
**Company Secretary / Chief Financial Officer**

### **Principal and Registered Office**

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West Perth  
Western Australia 6005

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West Perth  
Western Australia 6872

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Facsimile +61 8 9322 8244  
Email [info@jupiterenergy.com.au](mailto:info@jupiterenergy.com.au)  
Website [www.jupiterenergy.com.au](http://www.jupiterenergy.com.au)

### **Auditors**

RSM Bird Cameron Partners  
8 St George's Terrace  
Perth  
Western Australia 6000

Telephone +61 8 9261 9100  
Facsimile +61 8 9261 9101

### **Bankers**

Australian and New Zealand Banking Group Limited  
Level 7 / 77 St Georges Terrace  
Perth  
Western Australia 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](http://www.computershare.com)

### **ASX Code**

Jupiter Energy Limited is listed on the Australian Stock Exchange under the codes JPR (shares) and JPROA (options).

## DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2008.

### Directors

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

Name	Directorship
Mr Geoff Gander	Appointed Director 27 January 2005
Mr Erkin Svanbayev	Appointed Director 15 June 2007
Mr Andrew Childs	Appointed Director 9 July 2007

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

### Review of Operations

Jupiter Energy Limited (JPR) presents the following Operations Report covering activities for the 6 month period ending 31 December 2008. Also included in this section are details of any subsequent events that have occurred up to the date of this report.

Whilst the 2nd quarter of the 2008/9 financial year continued to be one of great turbulence for the worlds capital markets and has seen the continued decline in publicly listed company share prices in Australia and around the world, JPR remained focussed on shooting 3D seismic on Block 31, with the clear objective of identifying the most prospective targets on the block, finalising future funding via some form of strategic alliance and then drilling an appraisal well on the permit during 2009.

Because of the global financial crisis, the Company acknowledged during the 4<sup>th</sup> quarter that its plan to purchase the oilfield adjacent to Block 31 would not proceed. Whilst the acquisition of the adjacent North West Zhetybai (NWZ) oil field would have added great value to JPR's asset portfolio, the transaction was just not feasible in a market where both debt and equity has become extremely difficult, if not impossible, to access. The Company put a good deal of effort into understanding the NWZ oil field and the Board hopes that in time JPR will be able to get some return on the investment it has made in compiling that information.

### **Update on Block 31:**

During November 2008 local Kazakh based geophysical services company Dank Scientific Industrial Firm (Dank SIF) completed the shooting of the 3D seismic on Block 31 and processing of that data started shortly thereafter. Dank SIF were contracted to record 194 sq km of 3D seismic which has resulted in full fold coverage of approximately 95 sq km and this process yielded complete 3D data on all of JPR's western section of Block 31 in the Mangistau Basin (Figure 1).

As shareholders should be aware, the Block 31 permit is located in the Zhetybai-Uzen step of the Mangistau Basin. The Basin is extremely well located in terms of access to existing oil infrastructure (road, port and pipelines) and the area has already produced some 6 billion barrels of oil. Most of the discoveries are contained within the Zhetybai-Uzen step itself, with the two biggest fields being Uzen and Zhetybai having produced from both the Jurassic and the Triassic. Block 31 is on the same trend as Uzen and Zhetybai, consists of two parts, covers an area of over 125 sq km and is located adjacent to two existing oil fields which have potential reserves of c 50 million barrels of oil (mmbbls). Adjoining the northern tip of Block 31 is Akkar North (Akkar N). Akkar N was, until recently, much like Block 31 in that it was a pure exploration block with its prospectivity purely based on 1970's and 1980's 2D seismic data. However, 3D seismic was shot on the block in 2007, and a target was identified on an area that borders Block 31. That target was drilled and subsequent development success has meant that the field is now producing some 4,500 barrels per day and has proven and probable (2P) reserves

of 23 mmbbls.

The 3D seismic that has been carried out on Block 31 includes the 25 square kilometre extension to the permit that was granted by the relevant Kazakh authorities in late October 2008. This extension covers an area situated between JPR's initial exploration permit area and the NWZ oil field and includes an area that was drilled by the Soviets in the early 1980's called NW2. A review of the logs from the NW2 drilling program shows that a 30 metre sand flowed oil to surface at 17.2 barrels of oil per day (bopd) without acid or pump. JPR's technical team believes that there is very good potential for oil reserves in this updip structure and they look forward to being able to fully analyse the 3D seismic shot over this specific location as well as the results of seismic shot over other potential targets identified from the 2D seismic compiled by the Soviets. (Figure 2 provides more details on the location and results of the 1980's drilling program on the NW2 structure)

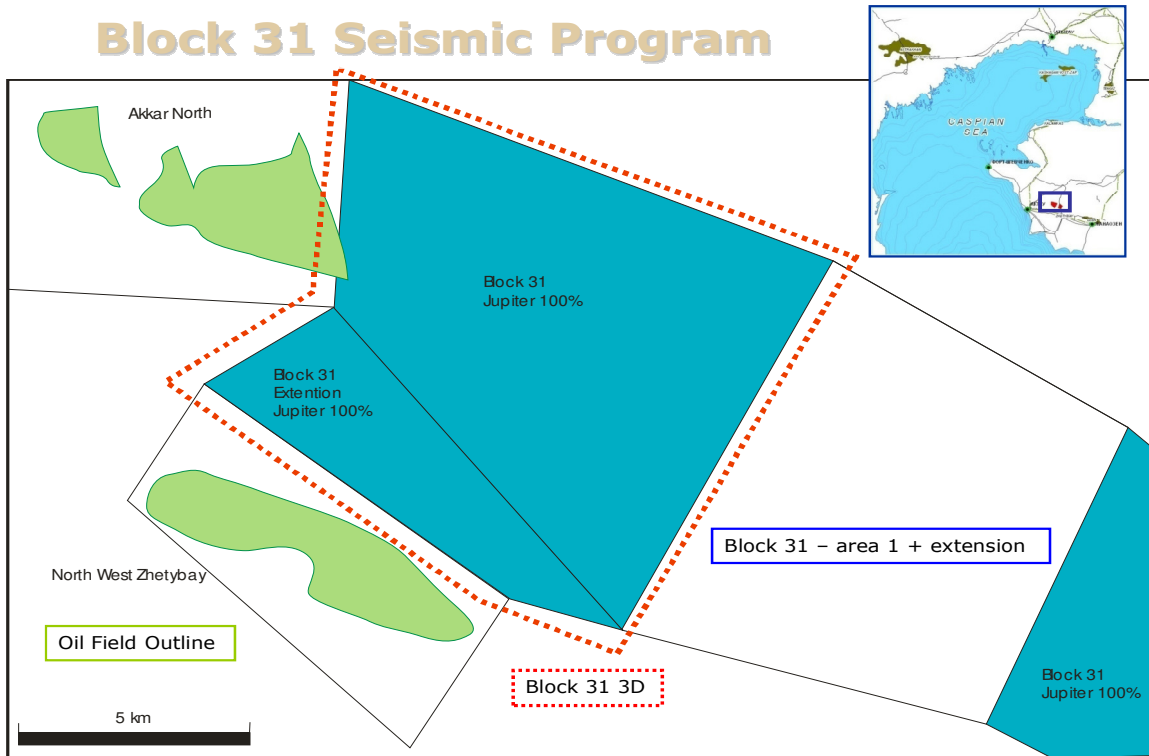


Figure 1: Outline of Block 31 seismic program

# BLOCK 31- PROSPECTS AND LEADS

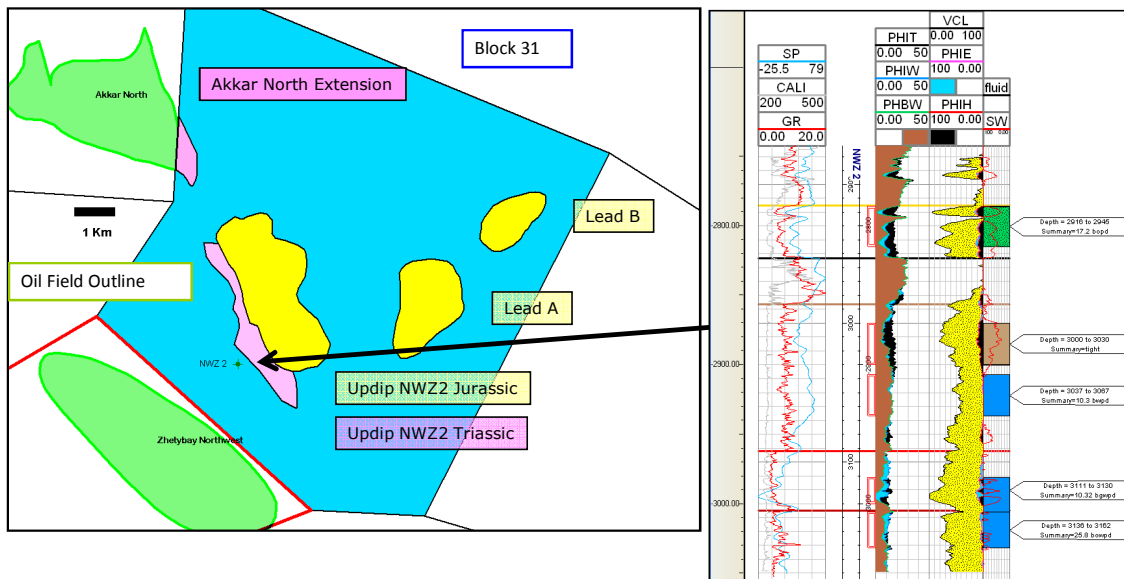


Figure 2: Outline of potential targets on the now extended Block 31 and logs from the NWZ 2 well

## Update on 3D Seismic Processing:

The 3D processing was carried out by the Almaty office of Petroleum Geo Services (PGS). Founded in Norway in 1991, PGS has offices in 30 countries around the world and the company is listed on the Oslo Stock Exchange. The processing sequence results in a prestack time migration with preserved amplitudes allowing AVO analysis if warranted.

The Brute Stack was completed during February 2009 and has provided an indication of the general size and shape of all large prospects found on the area over which the seismic was shot. The Final Stack is the finished migrated cube used for conventional interpretation and this will be completed in March 2009.

With the Brute Stack now completed, preliminary maps, including the Mid Triassic Time Structure map shown below, highlight the undrilled closed structures in the area (Figure 3). Completion of the mapping and prospectivity analysis will be finalised in late March when the final processing is completed. Final results will be released at this time, however early indications from JPR's inhouse technical evaluation of the Brute Stack is that the permit may have up to 35 mmbbls of recoverable oil which would make it a similar (if not slightly larger) field to both the Akkar North and North West Zhetysay oil fields that surround it.

### Block 31 – Mid Triassic Time Structure

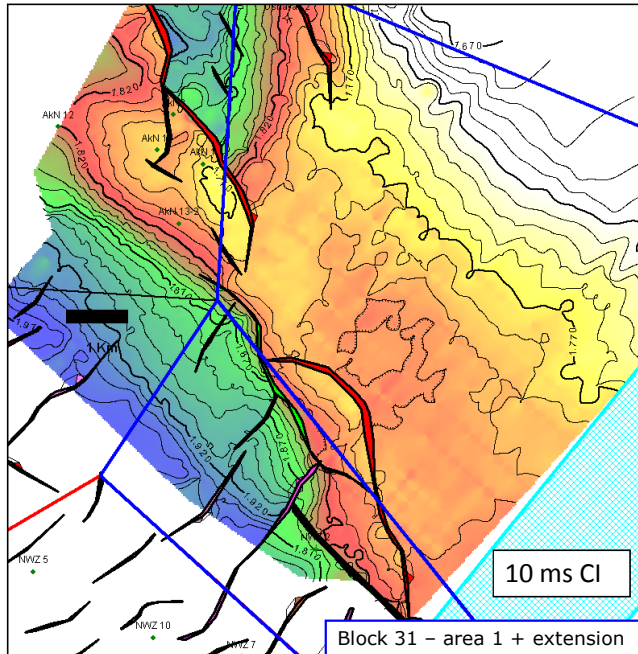


Figure 3: 3D seismic view of Block 31

#### Update on Alliance Activities:

The Company has been in discussions with a number of interested parties in terms of being involved in the future development of Block 31. Most of the discussions have revolved around the potential farm in by a 3<sup>rd</sup> party into Block 31 and in return the incoming party would be involved in the ongoing development of the permit including the funding of the appraisal well that is expected to be drilled on the permit during 2009. Not surprisingly, interested parties have wanted to see the results of the 3D seismic before making a final decision. Whilst the Final Stack will not be ready until later in March, the data that is currently available is relatively detailed and has enabled interested parties to do thorough technical due diligence on the prospectivity of the permit.

JPR also remains in discussions with Biscra Holdings Limited regarding the settlement of its consulting agreement relating to the Block 31 extension and will look to finalise this issue as part of these alliance discussions.

The creation of an alliance has clearly been contemplated by the Board as an alternative to JPR retaining 100% of the permit and funding the appraisal well and future development of Block 31 via its own new capital raisings. As already discussed, the equity markets are extremely tight at present and with JPR's share price at an all time low, a farm in arrangement with the appropriate 3<sup>rd</sup> party may well result in a better outcome for JPR shareholders.

The Board feels that good progress has been made with interested parties over the past few months and will advise shareholders if and when a legally binding agreement has been reached.

#### Capital Structure and Finances:

As at 31 December 2008, the Company had 361,860,189 listed shares (trading as JPR) and 300,000,000 listed options (trading as JPROA). These options have an exercise price of \$0.08 and expire on 30 June 2010. The Company also has approximately 23m unlisted options, 20m of which are management options that vest over the next two years and are subject to performance hurdles. These options, should they vest, have an exercise price of \$0.08 and will expire on 31 December 2011. The remaining 3m options have an exercise price of \$0.20 and expire on 31 December 2012.

Cash reserves of the Company as at 31 December 2008 stood at approximately \$A2m with the vast majority of the costs of the 3D seismic program having been paid. As outlined at JPR's Annual General Meeting in November 2008, the Board has instigated cutbacks, predominantly in the area of remuneration, across all levels of the Company in a bid to reduce cash outflows and these cuts will be in place until there is resolution with regards the source and amount of the 2009 funding program for Block 31.

### **Summary:**

The past 6 month period has been a very difficult one for all listed companies and JPR's share price has suffered with the overall market decline that has taken place. However, there has been significant progress made with the appraisal of Block 31. The seismic program is almost complete and the Company now has much better clarity on the total upside of this acreage and in particular the specific location of the initial well that is planned to be drilled during 2009.

The Company believes that the quality of the Block 31 asset will attract 3<sup>rd</sup> parties to seek involvement in the development of the field during 2009 and if and when a binding agreement is reached, an announcement will be made outlining the terms of any such alliance.

### **Subsequent Events**

There were no material events that occurred after reporting date.

### ***Auditor's Independence Declaration***

In accordance with section 307C of the Corporations Act 2001, the Directors have obtained a declaration of independence from RSM Bird Cameron Partners, the consolidated entity's auditors. The independence declaration is included at page 4 of the financial report.

Dated at West Perth on 16 March 2009.

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



**G A Gander**  
**Director**

# RSM Bird Cameron Partners

Chartered Accountants

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GPO Box R1253 Perth WA 6844  
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www.rsmi.com.au

## AUDITOR'S INDEPENDENCE DECLARATION TO THE BOARD OF DIRECTORS OF JUPITER ENERGY LIMITED

As lead auditor for the review of the financial report of Jupiter Energy Limited for the half-year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

*Rsm Bird Cameron Partners*  
RSM BIRD CAMERON PARTNERS  
Chartered Accountants



J A KOMNINOS  
Partner

Perth, WA  
Dated: 16 March 2009



# RSM Bird Cameron Partners

Chartered Accountants

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## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF JUPITER ENERGY LIMITED

### *Report on the Half-Year Financial Report*

We have reviewed the accompanying half-year financial report of Jupiter Energy Limited (the consolidated entity) which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, accompanying notes to the financial statements and the directors' declaration. The consolidated entity comprises both Jupiter Energy Limited (the company) and the entities it controlled during the half-year.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *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 an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its 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 Jupiter Energy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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*.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Jupiter Energy Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.


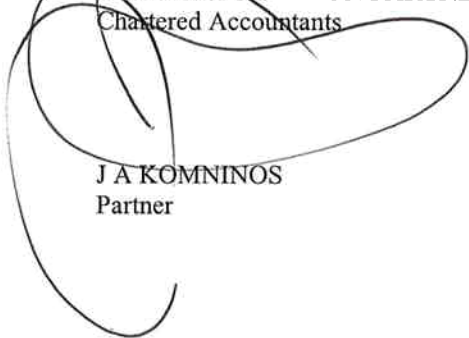
*Material Uncertainty Regarding Continuation as a Going Concern*

Without qualification to the conclusion expressed above, we draw attention to Note 1 in the financial report, which indicates that:

- (a) during the half-year ended 31 December 2008, the consolidated entity incurred a net loss of \$1,428,710 and a cash outflow of \$3,908,770; and
- (b) at balance date, the consolidated entity has net current liabilities of \$2,847,579.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Perth, WA  
Dated: 16 March 2009

  
RSM BIRD CAMERON PARTNERS  
Chartered Accountants  
  
J A KOMNINOS  
Partner

**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes thereto set out on pages 10 to 17 are in accordance with the Corporations Act 2001, and:
  - (a) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
  - (b) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2008 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date.
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Dated at West Perth on 16 March 2009.

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



**G A Gander**  
Director

**INCOME STATEMENT  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

		<b>Consolidated</b>	
		<b>2008</b>	<b>2007</b>
		<b>\$</b>	<b>\$</b>
<b>Continuing operations</b>			
Other revenue	3	<b>192,059</b>	208,316
Administration expenses		<b>723,703</b>	381,053
Consulting fees		<b>357,607</b>	335,423
Depreciation expenses		<b>6,825</b>	7,266
Directors fees		<b>161,865</b>	204,174
Legal fees		<b>190,976</b>	206,312
Provision for impairment		-	563,598
Occupancy expenses		<b>21,297</b>	17,835
Share based payments		<b>158,496</b>	270,495
<b>Total Expenses</b>		<b>1,620,769</b>	1,986,256
<b>(Loss) from continuing operations before related income tax expense</b>		<b>(1,428,710)</b>	(1,777,940)
Income tax expense		-	-
<b>Net (loss) for the period</b>		<b>(1,428,710)</b>	(1,777,940)
Basic loss per share (cents per share)		<b>(0.400)</b>	(0.754)
Diluted loss per share (cents per share)		<b>(0.400)</b>	(0.754)

The accompanying notes form part of this interim financial report.

**BALANCE SHEET  
AS AT 31 DECEMBER 2008**

	<b>Consolidated</b>	
	<b>31 December 2008</b>	<b>30 June 2008</b>
	<b>\$</b>	<b>\$</b>
<b>Current Assets</b>		
Cash and cash equivalents	2,120,867	6,009,381
Trade and other receivables	12,837	641,472
Other current assets	130,184	116,175
<b>Total Current Assets</b>	<b>2,263,888</b>	<b>6,767,028</b>
<b>Non Current Assets</b>		
Plant and equipment	32,323	23,733
Mineral exploration expenditure	4 17,251,928	8,629,935
<b>Total Non Current Assets</b>	<b>17,284,251</b>	<b>8,653,668</b>
<b>Total Assets</b>	<b>19,548,139</b>	<b>15,420,696</b>
<b>Current Liabilities</b>		
Trade payables	38,770	418,784
Other payables	5 5,072,697	-
<b>Total Current Liabilities</b>	<b>5,111,467</b>	<b>418,784</b>
<b>Total Liabilities</b>	<b>5,111,467</b>	<b>418,784</b>
<b>Net Assets</b>	<b>14,436,672</b>	<b>15,001,912</b>
<b>Equity</b>		
Contributed equity	6 29,720,713	29,715,593
Share based payments reserve	635,149	476,653
Foreign currency translation reserve	695,245	(4,609)
Accumulated losses	(16,614,435)	(15,185,725)
<b>Total Equity</b>	<b>14,436,672</b>	<b>15,001,912</b>

The accompanying notes form part of this interim financial report.

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

	Issued Capital	Share based payment reserve	Foreign currency translation reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
As at 1 July 2007	19,887,111	120,412	-	(12,651,857)	7,355,666
Loss for the period	-	-	-	(1,777,940)	(1,777,940)
Shares issued	17,986	-	-	-	17,986
Options Issued	-	270,495	-	-	270,495
As at 31 December 2007	19,905,097	390,907	-	(14,429,797)	5,866,207
As at 1 July 2008	<b>29,715,593</b>	<b>476,653</b>	<b>(4,609)</b>	<b>(15,185,725)</b>	<b>15,001,912</b>
Loss for the period	-	-	-	(1,428,710)	(1,428,710)
Shares issued	5,120	-	-	-	5,120
Cost of share based payments	-	158,496	-	-	158,496
Translation of foreign subsidiaries	-	-	699,854	-	699,854
As at 31 December 2008	<b>29,720,713</b>	<b>635,149</b>	<b>695,245</b>	<b>(16,614,435)</b>	<b>14,436,672</b>

The accompanying notes form part of this interim financial report.

**CASH FLOW STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

	<b>Consolidated</b>	
	<b>31.12.08</b>	<b>31.12.07</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	29,115	-
Payments to suppliers and employees	(1,120,982)	(1,251,699)
Interest received	142,688	208,316
<b>Net cash (used in) operating activities</b>	<b>(949,179)</b>	<b>(1,043,383)</b>
<b>Cash flows from investing activities</b>		
Payment for oil field acquisition	-	(563,698)
Payments for exploration expenditure	(3,549,296)	-
Payments for plant and equipment	(15,415)	(14,990)
<b>Net cash (used in) investing activities</b>	<b>(3,564,711)</b>	<b>(578,688)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	605,120	17,986
Transaction costs from issue of shares	-	-
<b>Net cash provided by financing activities</b>	<b>605,120</b>	<b>17,986</b>
<b>Net increase/(decrease) in cash held</b>	<b>(3,908,770)</b>	<b>(1,604,085)</b>
Cash at the beginning of the financial period	6,009,381	7,615,057
Foreign exchange gain/(loss)	20,256	-
<b>Cash at the end of the financial period</b>	<b>2,120,867</b>	<b>6,010,972</b>

The accompanying notes form part of this interim financial report.

**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008****NOTE 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES****Basis of preparation**

This general purpose condensed financial report for the half-year ended 31 December 2008 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

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 2008 and considered together with any public announcements made by Jupiter Energy Limited during the half-year ended 31 December 2008 in accordance with the continuous disclosure obligations of the ASX listing rules.

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

**Changes in accounting policy**

From 1 July 2008 The Group has adopted the following Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2008.

The following standards and interpretations have also been adopted from 1 July 2008:

- AASB 2008-10 *Amendment to Australian Accounting Standards – Reclassification of Financial Assets (amendments to AASB 139 Financial Instruments: Recognition and Measurement and AASB 7 Financial Instruments Disclosures)*
- Interpretation 12 and AASB 2007-2 *Service Concession Arrangements* and consequential amendments to other Australian Accounting Standards
- Interpretation 129 *Service Concession Arrangements: Disclosures*
- Interpretation 4 (revised) *Determining whether an arrangement contains a lease*
- Interpretation 13 *Customer Loyalty Programmes*.
- Interpretation 14 *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*.

Adoption of these standards and interpretations did not have any effect on the financial position or performance of the Group.

The Group has not elected to early adopt any new standards or amendments.



**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008****NOTE 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Cont.)****Going Concern**

As disclosed in the financial statements, the consolidated entity recorded a loss of \$1,428,710 and a cash outflow of \$3,908,770 for the six months ended 31 December 2008. At balance date the consolidated entity had net current liabilities of \$2,847,579 which includes a present obligation to acquire oil exploration properties of \$5,072,697.

The Directors are aware that a material uncertainty exists due to the above matters which may cast doubt upon the consolidated entity's ability to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe after consideration of these financial conditions, that the going concern basis for the consolidated entity is appropriate and recognise that additional funding is required to ensure the consolidated entity can continue its operations, from the date of this financial report and to fund the continued development of the consolidated entity's exploration and development assets. This basis has been determined after consideration of the following factors:

- The ability to issue additional share capital under the Corporations Act 2001, if required, by a share purchase plan, share placement or rights issue; and
- The ability, if required, to dispose of interests or enter into joint ventures in respect of oil exploration interests.

Accordingly, the Directors believe there is a reasonable expectation the consolidated entity will obtain sufficient cash inflows to enable it to continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial statements.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary if the entity does not continue as a going concern.

Notwithstanding that the Directors' plans include the potential for disposal of oil exploration interests, the accounting treatment for exploration and evaluation assets remain consistent with those disclosed in the June 2008 report.

Exploration and evaluation assets are assessed for impairment if:

- sufficient data exists to determine technical feasibility and commercial viability; and
- circumstances suggest that the carrying amount exceeds the recoverable amount

On the basis that activities in these areas have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves and active and significant operations in these areas of interest are continuing no formal impairment assessment has been performed.

**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**
**NOTE 2. SEGMENT REPORTING**

The consolidated entity during the year had only one business segment, oil and gas exploration in Kazakhstan.

**NOTE 3. REVENUE**

	<b>Consolidated</b>	
	<b>31 December 2008</b>	<b>31 December 2007</b>
	<b>\$</b>	<b>\$</b>
Other revenue	49,371	-
Interest revenue	142,688	208,316
	<b>192,059</b>	<b>208,316</b>

**NOTE 4. MINERAL EXPLORATION EXPENDITURE**

	<b>Consolidated</b>	
	<b>December 2008</b>	<b>June 2008</b>
	<b>\$</b>	<b>\$</b>
Opening balance	8,629,935	-
Additions	8,621,993	8,629,935
Provision for impairment	-	-
Balance at the end of the half-year	<b>17,251,928</b>	<b>8,629,935</b>

During November 2008 local Kazakh based geophysical services company Dank Scientific Industrial Firm (Dank SIF) completed the shooting of the 3D seismic on Block 31 and processing of that data started shortly thereafter. Dank SIF were contracted to record 194 sq km of 3D seismic which has resulted in full fold coverage of approximately 95 sq km and this process yielded complete 3D data on all of JPR's western section of Block 31 in the Mangistau Basin

**NOTE 5. OTHER PAYABLES**

	<b>Consolidated</b>	
	<b>December 2008</b>	<b>June 2008</b>
	<b>\$</b>	<b>\$</b>
Other payables	<b>5,072,697</b>	-
	<b>5,072,697</b>	-

Last financial year, the Company entered into an agreement with Zher Munai LLC and Biscra Holdings (together the Vendor) to seek an extension to Block 31 and obtain an additional 25 square kilometres of exploration acreage, situated between Block 31 and the existing North West Zhetybai oil field.

**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**
**NOTE 5. OTHER PAYABLES (Cont.)**

Under the agreement a success fee of US\$3,500,000 (AUD\$5,072,697) is payable once the extension has been granted and all government approvals have been received by the Company.

Government approval was granted on 31 October 2008 thus making the US\$3,500,000 due and payable. However, as a result of the significant decline in the world financial markets, JPR is currently not in a position to pay the vendors a full cash settlement and has agreed that payment will be made once a new joint venture partner is identified to develop Block 31. If no such partner is able to be found, JPR has agreed to settle the outstanding amount via the payment of cash and the issue of JPR shares. The exact quantum of the cash and scrip payment to the Vendor will be subject to further negotiation between the parties.

**NOTE 6. CONTRIBUTED EQUITY**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<i>Issued Capital</i>		
Ordinary shares (a)	29,436,515	19,600,487
Options (b)	284,198	304,610
	<u>29,720,713</u>	<u>19,905,097</u>
	<b>2008</b>	<b>2008</b>
	<b>No.</b>	<b>\$</b>
<b>(a) Movements in ordinary share capital:</b>		
Balance 30 June 2008	356,796,189	29,431,395
Exercise of options – July 2008	64,000	5,120
Issue of shares – share based payment	5,000,000	-
Balance 31 December 2008	<u>361,860,189</u>	<u>29,436,515</u>
<b>(b) Movements in options</b>		
Balance 30 June 2008	340,628,000	284,198
Exercise of options	(64,000)	-
Forfeit of options	(10,000,000)	-
Expiry of options – 31 Dec 08 - \$0.08	(2,564,000)	-
Expiry of options – 31 Dec 08 - \$0.20	(5,000,000)	-
Balance 31 December 2008	<u>323,000,000</u>	<u>284,198</u>

**NOTE 7. CONTINGENT LIABILITIES**

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

**NOTE 8. EVENTS SUBSEQUENT TO REPORTING DATE**

There were no material events that occurred after reporting date.