

16 November 2009

## **NWZ 2 workover successful: Hydrocarbons present at Jurassic XIII.**

### **Highlights:**

- **NWZ 2 workover complete, hydrocarbons have been confirmed at the Jurassic XIII and oil samples gathered.**
- **Production logging indicates an expected flow rate from the well at ~ 400 to 500 bopd when in full production.**
- **Workover has confirmed the prospectivity of Block 31 and gives positive impetus for the drilling of the SV Akkar well.**
- **SV Akkar turnkey drilling tender has closed and a successful contractor is expected to be announced within a week.**
- **SV Akkar well scheduled to spud in December 2009.**
- **JPR is set to move from explorer to producer in 1H 2010.**

The Board of Jupiter Energy Limited (ASX: JPR) is pleased to advise shareholders that the North West Zhetybai 2 well (NWZ 2) has been successfully re entered and re perforated over the interval 2916m to 2950m (the Jurassic XIII).

Oil samples have been successfully recovered from the well and indications of the well and reservoir performance are positive. Well performance has not been fully appraised because of the current weather conditions and surface equipment restrictions on site, however the flow rate that has been estimated means that the well will be taken into production at what is expected to be a flow rate of approximately 400 to 500 barrels per day (bopd) when in full production. A higher rate has been suggested as being possible but the Board is of the view that from the data available this estimated flow rate is appropriate, until a more detailed performance review is carried out during 1Q 2010.

JPR Chairman Geoff Gander wishes to thank all those that have been involved in the workover and in particular wishes to recognise the leadership shown by David Thorpe and Erkin Svanbayev in terms of not only bringing together the contracting team that

performed the workover but also for providing the engineering rigor that was essential in achieving this result.

Some further testing will be carried out on NWZ 2 over the next week and then JPR will suspend the well and begin to focus on the planning and site preparation for the drilling of the SV Akkar well, which is now expected to spud in mid December 2009.

Once SV Akkar has been drilled, both wells will be put onto production testing at the same time, reducing logistical overheads. Production testing will run for a maximum of 3 months during which time JPR will apply to the Kazakh government authorities to approve trial production licences for both wells.

### **SV Akkar Well:**

The location of the SV Akkar well is on a separate structure to NWZ 2. JPR has had access to a large amount of 3D seismic data on the SV Akkar target and is confident that this new well should be a low risk option for the Company. Based on data from other wells drilled nearby, it is believed that the structure contains ~ 6 mmbbls recoverable and that the well should flow at a production rate of at least 500 bopd.

The turnkey drilling rig and services tender process for the SV Akkar well has now closed and a contract will be awarded to the successful turnkey drilling operator in the next week. Long lead time items such as casing and well heads have already been sourced and mudlogging, wireline logging and well testing service contracts will also be finalised in the next week. Details of the terms of the successful tender and the various contractors to be used in the drilling of SV Akkar will be announced shortly.

### **2010 Drilling Program:**

JPR can confirm that Zapkaznedra, the regional office of the Kazakh Ministry of Energy and Mineral Resources (MEMR) has, in the last few days, approved JPR's 2010 drilling program and this paves the way for the Company to drill a 3rd well on the permit next year. The 2010 well will be located on what JPR believes is the largest structure on Block 31.

The 2010 target location has been chosen to enable the drilling to intersect with all 4 oil producing zones in the area - Jurassic XI, Jurassic XIII, Triassic A and Triassic B. It is within this structure that the Company believes the majority of the oil on Block 31 is located with recoverable reserves of ~ **20 mmbbls** out of a total reserve estimate of 28 mmbbls.

At this point in time it is expected that the drilling of the 2010 well will commence in the middle of next year, after the Company has completed the building of the topside infrastructure on the block and received approval for trial production licences for both the NWZ 2 and SV Akkar wells. The exact timing of the spudding of the 2010 well will be confirmed by the Company in 1Q 2010.

## **Broker Roadshow**

The Company will be making presentations to brokers on the east and west coast during the week of November 23 to November 27 and will also hold its Annual General Meeting (AGM) in Perth on Wednesday November 25. JPR Director Erkin Svanbayev will be in Australia for this week and will accompany Geoff Gander and David Thorpe on the roadshow and will also be present at the AGM.

## **New Opportunities:**

Technical and legal due diligence work continues on two new oilfield opportunities being reviewed by the Company and a separate announcement will be made on this as soon as a definitive decision has been made by the Board in relation to either of these projects.

## **Summary:**

The Company is pleased with the outcome of the NWZ 2 workover and is now focused on following up on this result with the drilling of the SV Akkar well, which should spud within the next month.

Any questions relating to this announcement can be directed to the Company on 08 9322 8222.

**ENDS**

*The information in this document that relates to oil exploration results and reserves is based on information compiled by Mr. Keith Martens who is a Director of Martens Petroleum Consulting Pty Ltd. Mr. Keith Martens has sufficient experience which is relevant to oil exploration and to the specific activity in Kazakhstan to qualify as competent to verify statements relating to potential reserves. Mr. Keith Martens consents to the inclusion of the estimated reserves and production outlook in the form and context in which they appear in this announcement.*