

29 April 2009

UPDATE ON ACTIVITIES FOR THE PERIOD TO 31 MARCH 2009

HIGHLIGHTS

- **3D seismic program now complete**
- **Results show Block 31 has 4 key targets with potential for over 25 mmbbls recoverable**
- **At \$US50/barrel oil, netback potential on the project stands at over \$US450m**
- **JPR in active dialogue with potential investment partners**

Jupiter Energy Limited (ASX: JPR) presents the following update on activities for the 3 month period ended 31 March 2009. Also included in this report are details of any subsequent events that have occurred up to the date of this announcement.

Whilst we continue to be in a period of great turbulence in the worlds' capital markets, JPR has remained focussed on completing the 3D seismic work on Block 31, with the clear objective of securing a partner to be involved in further development the permit, including the drilling of an appraisal well during 2009.

Update on Block 31:

3D seismic was recorded over 194 sq km of the Block 31 permit which has resulted in full fold coverage of approximately 95 sq km and this process has yielded complete 3D data on all of JPR's western section of Block 31 in the Mangistau Basin.

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 North West Zhetybai (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. The 3D seismic targeted both the NW2 structure as well as an extension to Akkar N as there is a strong belief that both areas will show very good potential for oil reserves. (Figure 1 provides more details on the NW2 structure and the location of other potential targets on the permit)

Update on the 3D Seismic Program:

The diagram below outlines the seismic program that has been carried out on Block 31 (blue area) as well as some of the targets that the JPR Board believes exist on the permit (yellow areas).

Block 31 – Prospects and Leads

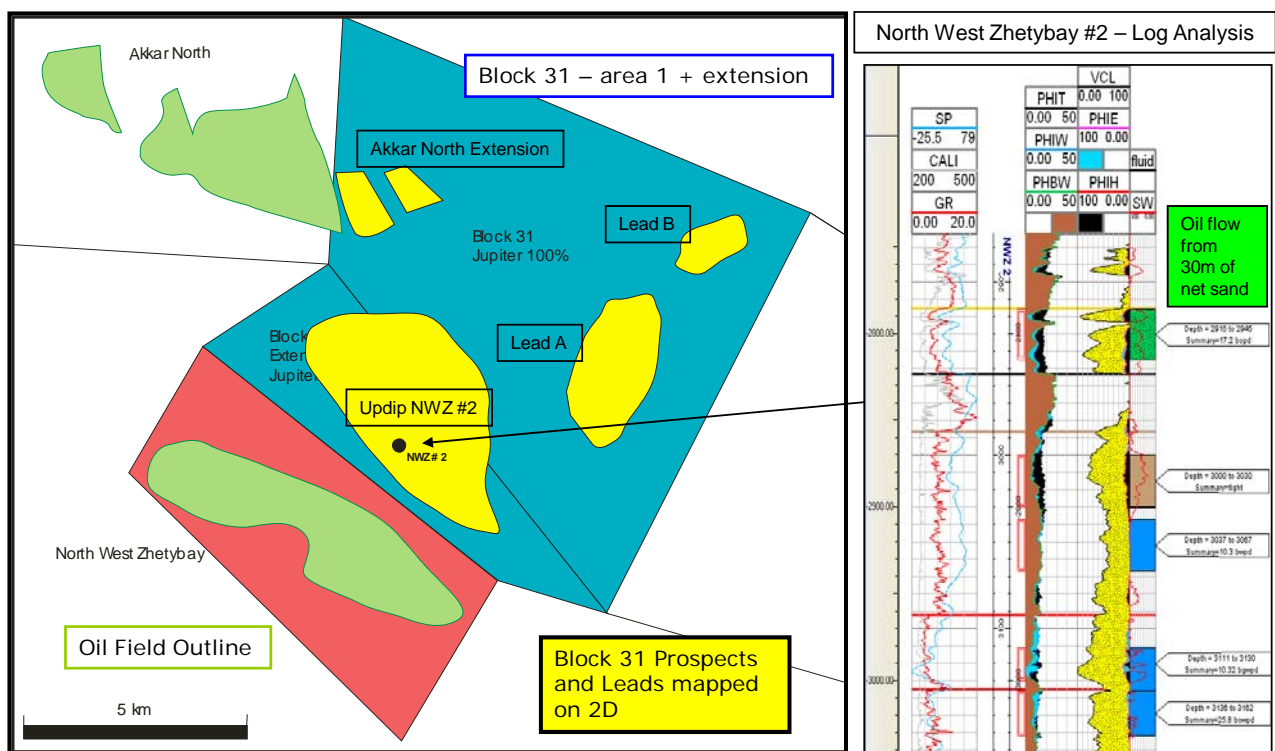


Figure 1: Outline of potential targets on the now extended Block 31 and logs from the NWZ 2 well drilled in the 1980's

Results of the 3D Seismic Program:

The Company has prepared a detailed presentation outlining the results of the 3D seismic program and the opportunities that exist on Block 31 to move into production over the coming 12-18 months. In summary, the results indicate a recoverable oil potential of c 25 mmbbls from 4 key targets on the permit. Based on \$US50/barrel oil, the netback on the project, after Kazakh taxes, has the potential to be over \$US450m, showing that the permit is extremely viable. The

presentation is attached as an appendix to this Quarterly Report and shareholders are encouraged to review the information in detail.

Update on Alliance Activities:

The Company has been in discussions with a number of interested parties in terms of them being involved in the future development of Block 31. Most of the discussions have revolved around the potential farm in by a 3rd 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. JPR also remains in discussions with Biscra Holdings Limited regarding the settlement of its consulting agreement associated with the Block 31 extension and will look to finalise this issue as part of these alliance discussions.

This measure 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 new capital raisings. As already discussed, the equity markets are extremely tight at present and with JPR's share price at its current lows, a farm in arrangement may well result in a better outcome for existing JPR shareholders.

The Board feels that whilst good progress has been made with interested parties over the past few months, many have been waiting to see the final results of the 3D seismic which have only just become available. The Company has today forwarded a copy of the 3D seismic presentation to a range of interested parties and will be holding discussions with a number of these organisations during May in a bid to resolve the most productive way forward in terms of the ongoing development of Block 31. The Company will advise shareholders if and when a legally binding agreement covering some form of alliance has been signed.

Capital Structure and Finances:

As at 31 March 2009, 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 23m unlisted options, 20m of which 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 March 2009 stood at approximately \$A2m with the vast majority of the costs of the 3D seismic program having already 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 8 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 recently completed 3D seismic program confirms what was always expected, that Block 31 offers an exciting exploration opportunity with potential oil reserves of c 25 mmbbls. The program has also confirmed the specific locations of what are believed to be the best targets on the permit.

The Company believes that the quality of the Block 31 asset will attract 3rd parties to seek involvement in the development of the field during 2009 and if and when a binding agreement is reached covering this further development, an announcement will be made outlining the terms of the transaction.

If shareholders have any questions regarding this update report or the attached presentation, they can contact myself via phone on 0417 914 137 or via email – geoff@jupiterenergy.com.au

Geoff Gander
Executive Chairman

***Footnote:** 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 the above statements . Mr. Keith Martens consents to the inclusion of the 1P, 2P and 3P reserves and production outlook in the form and context in which they appear.*

ENDS



Block 31: An Investment Opportunity

May 2009 | www.jupiterenergy.com.au

This presentation contains forward looking statements that are subject to risk factors associated with the oil and gas industry. It is believed that the exceptions reflected in these statements are reasonable, but they may be effected by a variety of variables which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, commercialisation, development process, operating results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial markets conditions in various countries, approvals and cost estimates.

All references to dollars, cents or \$ in the document are United States currency, unless otherwise stated.



Kazakhstan



Corporate Overview

- Jupiter Energy Limited is a listed company trading on the Australian Stock Exchange (ASX) under the ticker “JPR”.
- JPR began reviewing oil & gas opportunities in Kazakhstan in early 2007.
- JPR has since then reviewed a range of acquisitions from exploration permits through to producing oil fields.
- In 2008 JPR purchased an exploration permit located in the oil rich Mangistau Basin, strategically located in close proximity to existing oilfields and transport infrastructure.
- A 3D seismic program was commissioned in late 2008 and covered the most prospective areas of the permit. The results of that program have now been finalised.

JPR Executives

Technical Leadership

Keith Martens



- B.Sc. in Geophysics / Geology
- 30 years experience in onshore oilfield discovery and remediation
- Exploration manager at SANTOS, Tap Oil and BOW energy
- Has reviewed 100+ opportunities in Kazakhstan
- Responsible for all JPR exploration activities and the 3D seismic program

Local Kazakh Representation

Executive Director

Erkin Svanbayev



- Based in Almaty, Kazakhstan
- Oil trader responsible for exporting c 1m barrels a month out of Kazakhstan
- Responsible for managing all interaction with Kazakh Government and Industry officials

JPR Australian Board Members

Executive Chairman

Geoff Gander

- Manages interaction with finance community
- Responsible for day to day business operations



Non Executive Director

Andrew Childs

- Geologist by background
- Involved in a number of listed oil companies







Block 3 I

JUPITER
ENERGY LIMITED

Area 1 & 2



~6 Billion barrels

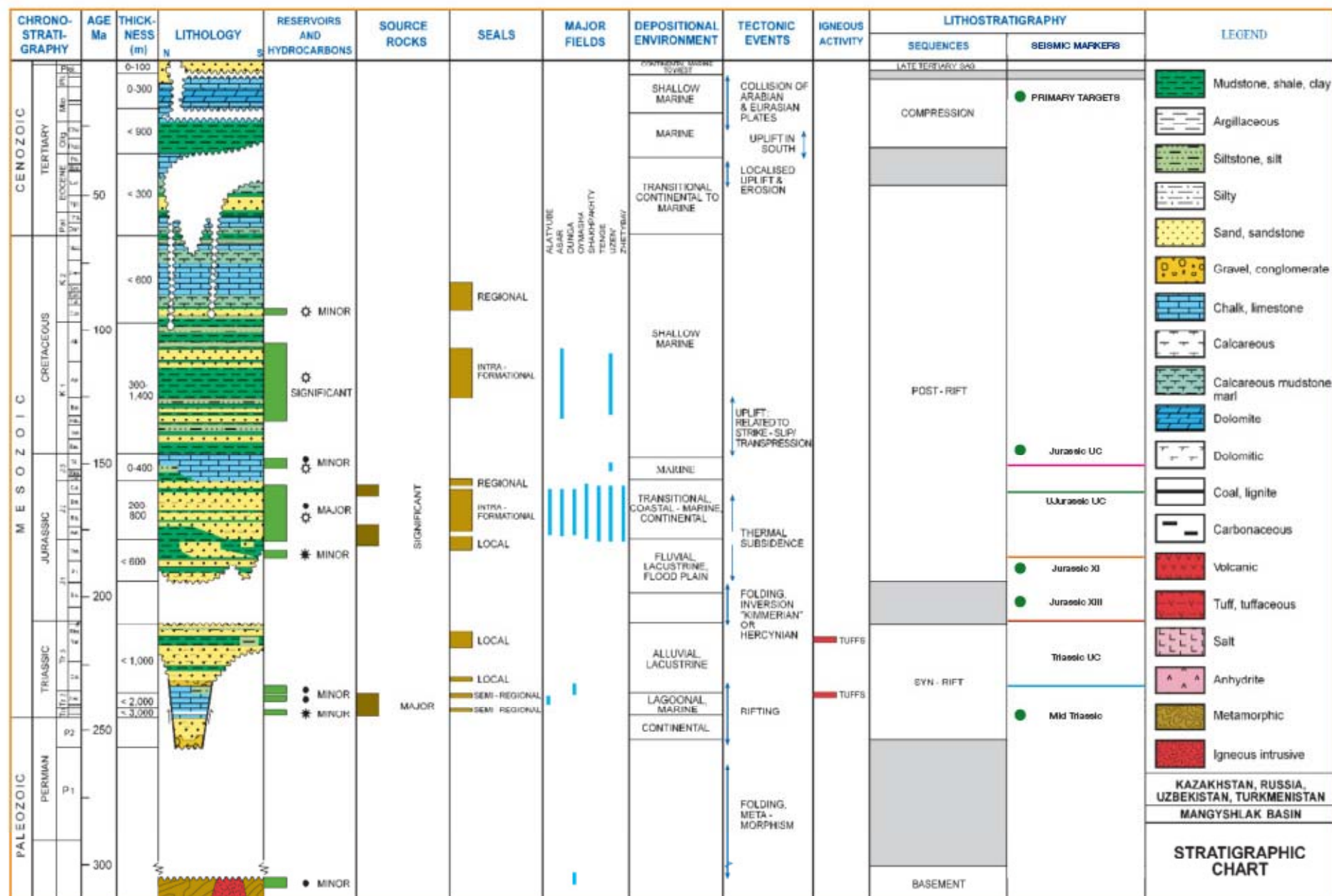
-  Main oil fields
-  Oil Pipelines
-  Gas Pipelines
-  Railroad

0  14km



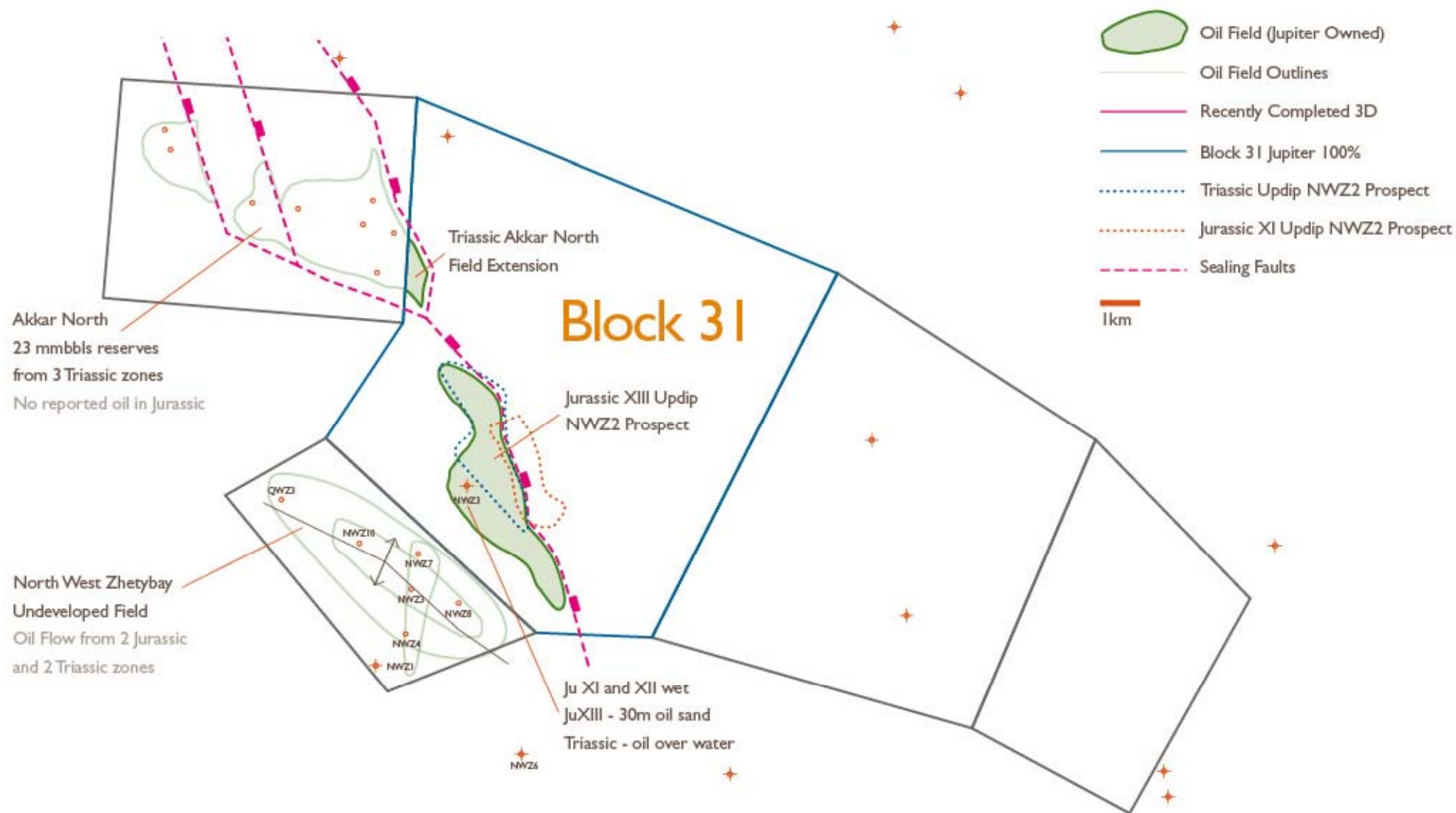
Block 31 Overview

- Initial permit acquired by JPR in June 2008.
- Size was approximately 100 square kms and located in the Zhetybai-Uzen step of the Mangistau Basin, close to infrastructure and the city of Aktau.
- Permit has a 10 year exploration licence (6 years with 2 * 2 year extensions). Licence commenced in 2007.
- Extension to Block 31 was approved by the Kazakh Government in October 2008.
- Extension enlarged the permit by an additional 25 square kms and was granted on the same terms as the original permit.
- A 3D seismic program commenced in November 2008 and final processing and interpretation was completed in April 2009.
- The results of the 3D survey and a summary of the overall prospectivity of the permit is outlined in this presentation.
- JPR is now seeking a partner/investor to further develop the permit.



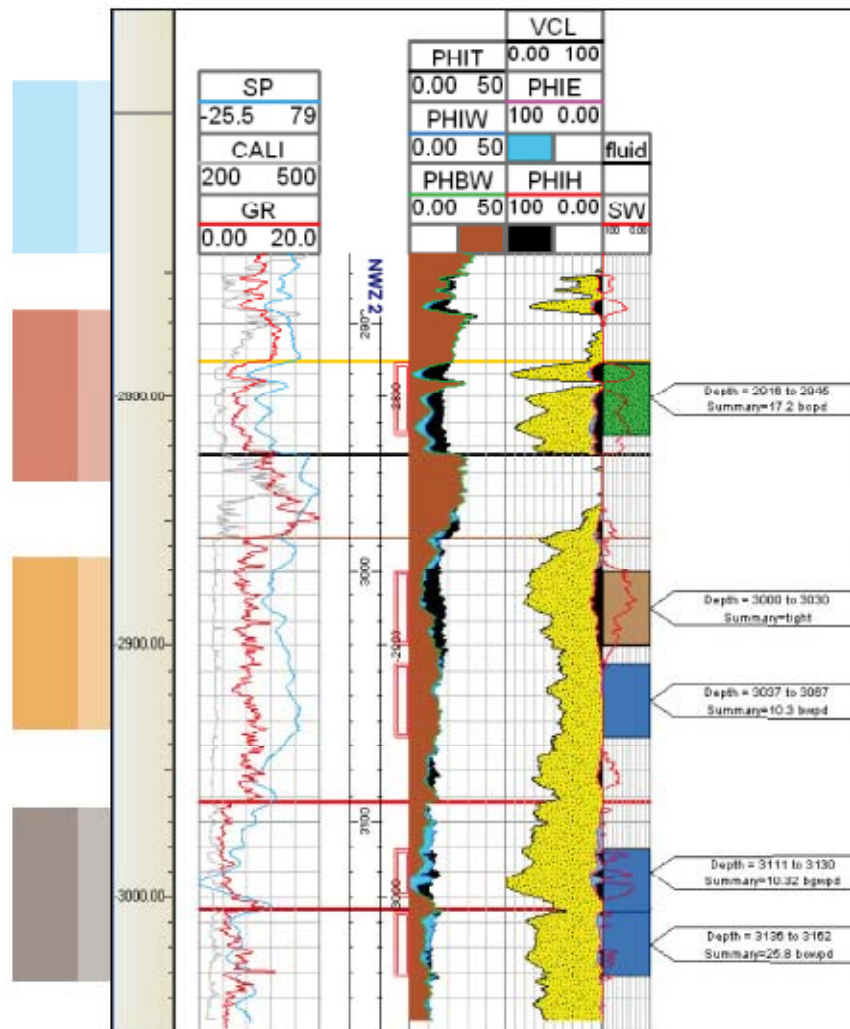
Data Summary

- Block 31 has 2 parts with the 3D seismic recently shot providing 95 square kms of full fold coverage over the western part (Part 1). No 3D was shot over the eastern part (Part 2). This 3D survey forms the main data used for prospect identification and the quantifications contained in this presentation.
- Part 1 borders 2 oil fields and includes a 1980's well that showed an oil discovery.
- The Akkar North oilfield that borders and probably extends into Block 31 is currently producing oil from the Triassic (the Jurassic is presumed wet). Its official reserves are 23 mmbbls.
- The Northwest Zhetybai (NWZ) oilfield that also borders Block 31 to the south west is a proven but undeveloped oilfield. Government reports list the 1P reserves of NWZ at 4.5 mmbbls but recent 3D on the field indicates a field with potential for c 30 mmbbls.
- JPR has a great deal of petrophysical and seismic information on the NWZ permit and this analysis forms some of the numerical basis for volume estimation of the prospects on Block 31.
- In addition JPR has access to the logs from a well drilled on the permit in the 1980's. The NWZ 2 well had shows throughout the Jurassic/Triassic and flowed oil from a 30m sand just about the Jurassic/Triassic UC (which is labelled Ju XIII).



Historic Drilling

Log Analysis



Jurassic X-XII no shown.
Wet on logs not in closure.

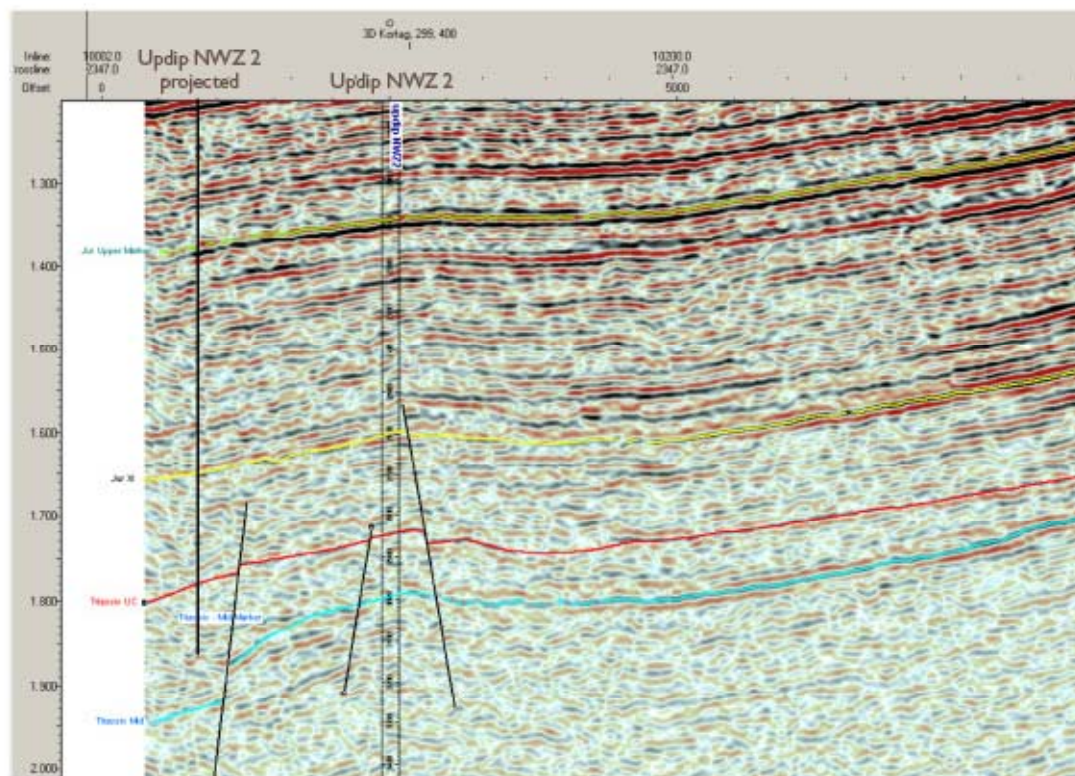
Jurassic XIII – Potential Oil producer at NWZ.
NWZ #2 - 30 m of net sand which flowed oil on test.

Triassic A minus – Oil saturated at NWZ but no reservoir.
Oil saturated for top 30-40m with wet sands below. Non Net.

Triassic A – Oil producer at Akkar North – Potential Producer at NWZ.
Mixed gas/oil/water at NWZ#2, 40m of oil pay potential up dip.
Triassic B not penetrated.

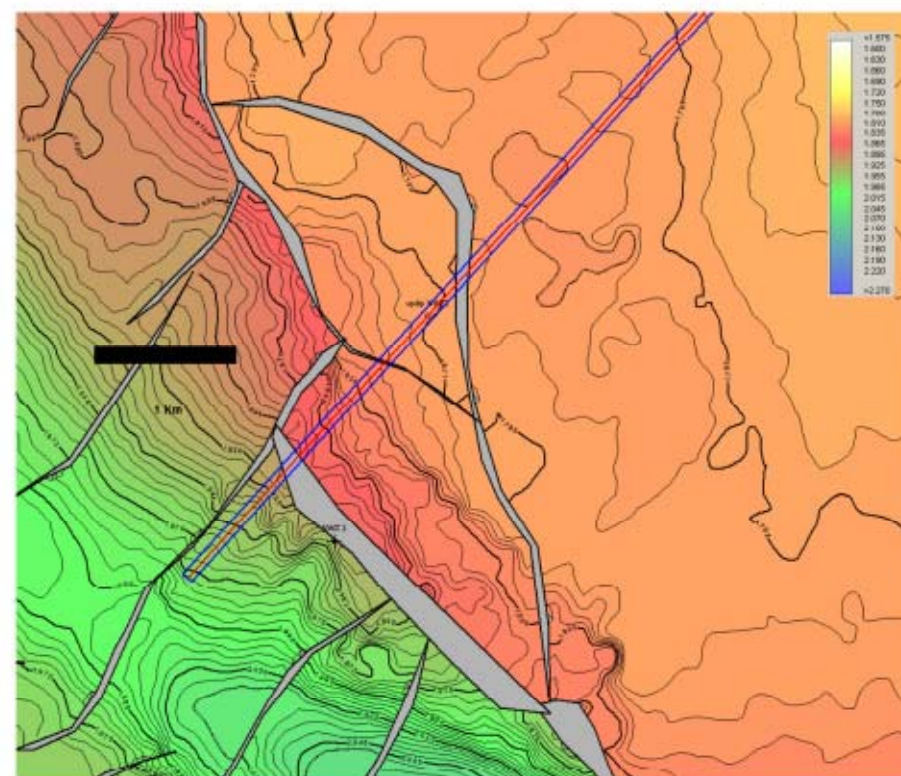
Updip NWZ2

Drill Line – Xline 2347



Near Triassic A and B Time Structure

Drill Line (10m contour)



Updip NWZhetybay2

Primary Targets

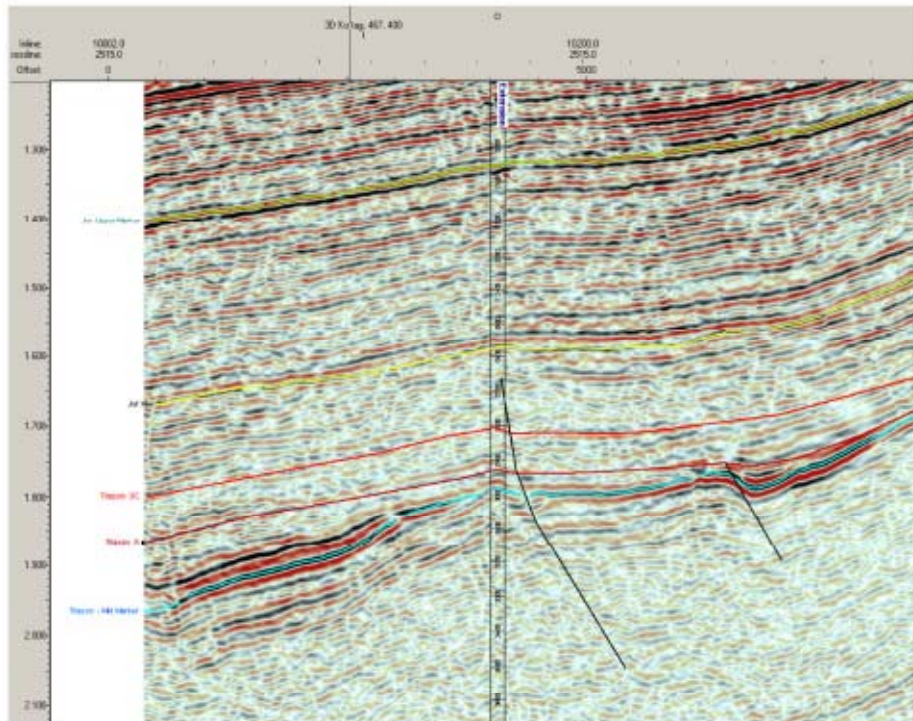
1km

NWZ 2

	Formation	Oil-in-place	Recoverable Oil Potential	Summary
Updip NWZ #2	Jurassic XIII	44.575	11.144 mmbbls	Proven oil
Updip NWZ #2	Jurassic XI	6.655	1.996 mmbbls	Updip potential
Updip NWZ #2	Triassic A & B	29.859	8.958 mmbbls	On trend to producing field

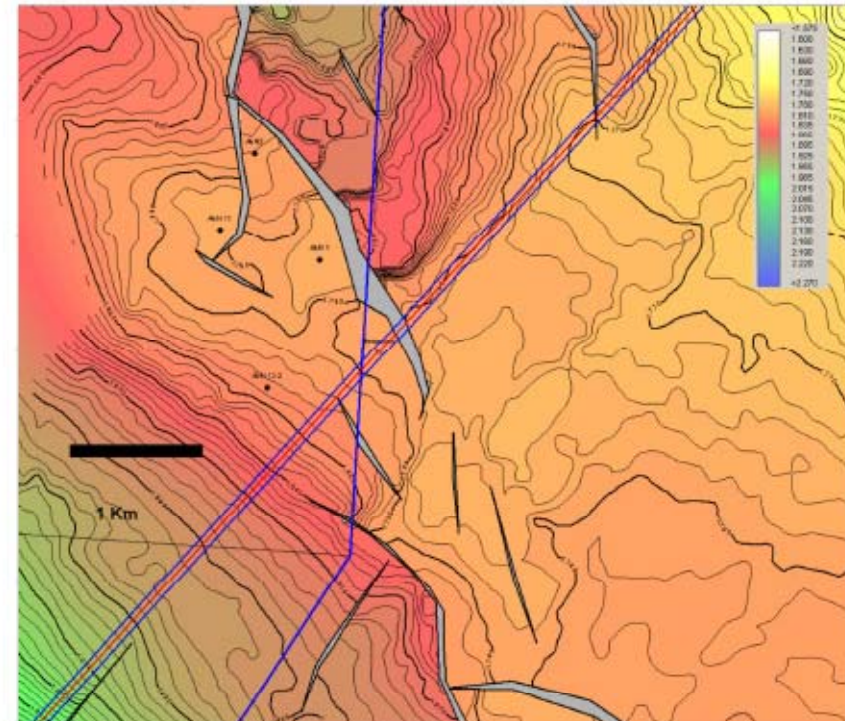
Akkar North Field Extension

Drill Line – Xline 2515



Near Triassic A and B Time Structure

Drill Line



Akkar North Ext.

Formation : Triassic A & B

Net Pay (m) : 30

Geometric Correction : 90%

Area (hectares) : 156

Sw % : 42%

Oil-in-place : 12.537

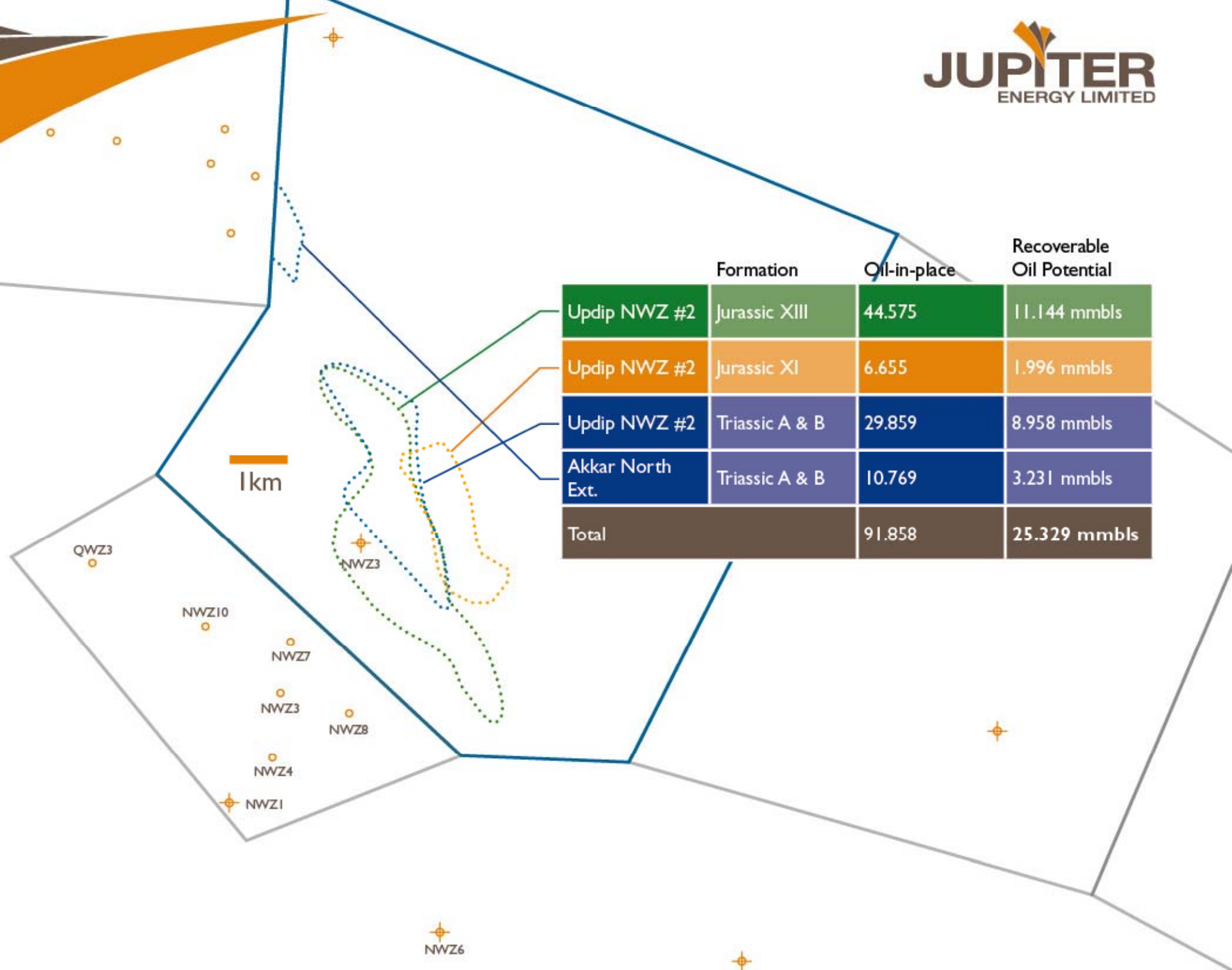
Porosity : 9.5%

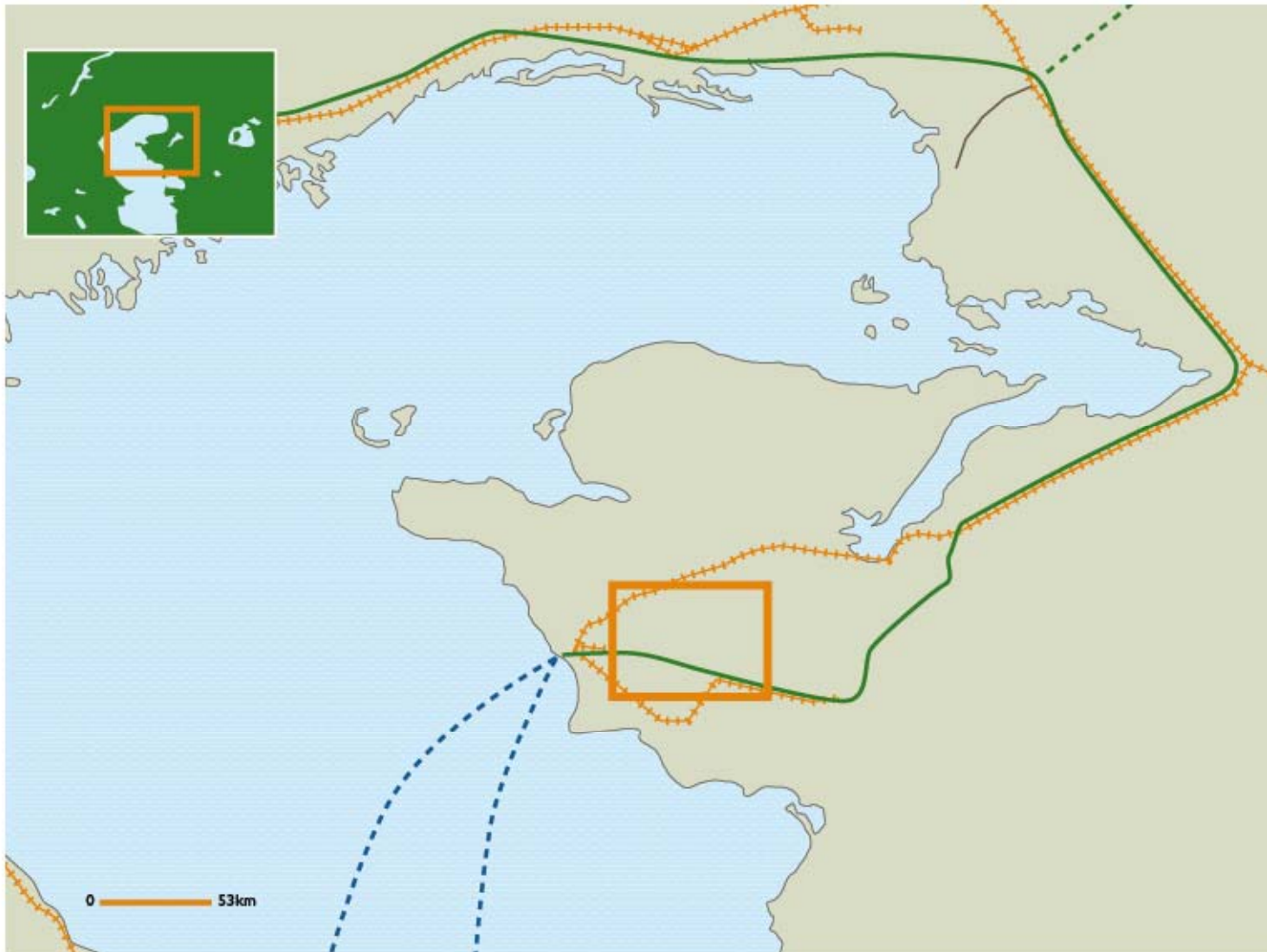
Recovery % " 30%

Recoverable Oil Potential : 3.761 mmbls

Geology Factors in the Area

- Source/Charge - multi billion barrels trapped in basin, surrounding structures and only modern well in the permit have movable oil
- Seal - Main targets (Triassic A&B, Jurassic XIII) have on trend seals
- Reservoir - Producing Triassic A&B field at Akkar North, Jurassic XIII flowed on test in NWZ and produces from Zhetybay North 15 km to the south. 9-11% porosity is calculated from logs.
- Trap - Jurassic XIII trap is updip of known oil while the Triassic prospects are in the same horst system as Akkar North
- Recovery Factor and Flow Rate - detailed estimates from local fields are not published but accepted field averages are 20-30% recovery with water drive and 250-500 bbls/day on pump from each well. Fields are appraised on a 160 acre spacing with many in filled to 80 and even 40 acres due to in part to multi-zoned production.





■ **Transport Infrastructure is within 10kms of the Block 31 permit**

■ **Pipeline**

- Eastern Europe
- Baltic
- Black Sea
- Proposed Eastern Link to China

■ **Caspian Trade - tanker**

- Baku
- Iran (oil swap)

■ **Rail**

- Aktau - Caspian trade

■ **Road**

- Aktau - Caspian trade

Next Steps

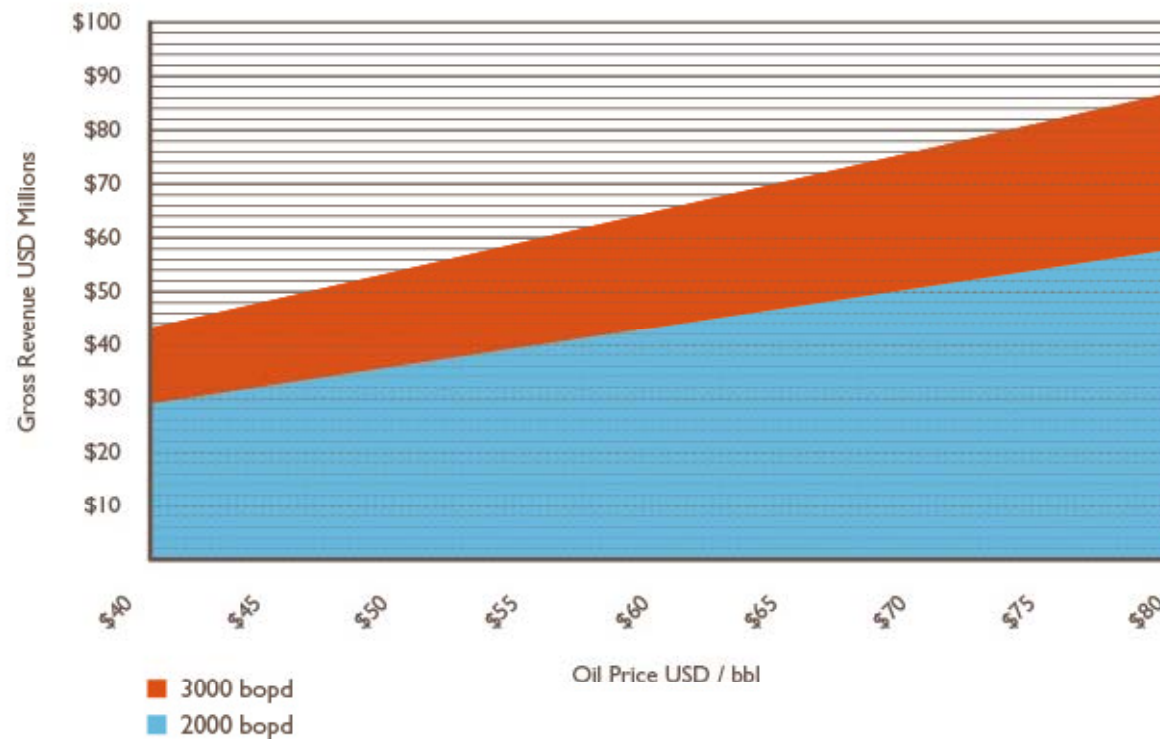
- Block 31 has an approved 2009 working program that covers the drilling of the permit's 1st exploration well to a depth of 3100m. Budget: \$US5.7m
- Subsequent yearly working programs on the permit are expected to be:
 - 2010:** 2nd exploration well: \$US5.7m
 - 2011:** 3rd exploration well and beginning of production tests: \$US6m
 - 2012:** Drilling of 2 new wells and organisation of production testing: \$US11m
 - 2013- onwards:** Oil Production
- Fiscal regime and expected netbacks outlined in the next 2 slides.
- Permit has the ability to generate a **\$US450m** netback to the owner based on a \$US50/barrel oil price. (\$US18/barrel net)
- JPR is seeking a partner/investor to develop Block 31.

Kazakh Fiscal Regime

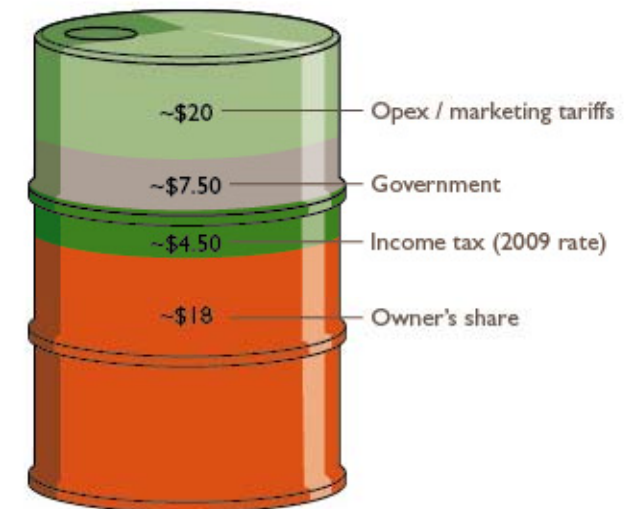
- Corporate income tax has been reduced to 20% in 2009 and will continue to drop to 17.5% in 2010 and then to 15% in 2011.
- Rent tax on Oil Exports rates set at 0 – 32%, with higher rates applied to larger amounts of exports .(JPR has used a rate of 7% in its model based on \$US50 / barrel)
- Excess Profit Tax (EPT) – EPT is applicable to the part of net profit when the ratio of aggregate annual income / deductions > 1.25 and uses a sliding progressive scale of tax rate from 0% - 60%. (The JPR model assumes 0%)
- Asset acquisition costs as well as capital costs and losses are tax deductible.
- Minerals Extraction Tax (MET) – The tax base will be the value of extracted minerals determined upon average world oil price using a sliding progressive scale of tax rate from 0% - 18%. (JPR model assumes 8% up to 1m tonnes/7m barrels per year)
- Value added tax rate in 2009 is 12%.

Financial Snapshot

Range of Gross Revenues per Year



Allocations based on \$US 50/barrel



Summary of the Opportunity

- Extended Block 31 offers a range of targets based on the latest 3D seismic, historical drilling results and the fact that the area is in close proximity to proven oilfields.
- 3D seismic is complete and specific targets have been identified.
- Expectation is to have 4 wells on the permit and production of at least 2,000 barrels per day by 2011.
- JPR is seeking an investor to further develop Block 31 including the drilling of an appraisal well during 2009.
- JPR's permit costs to date including 3D seismic are \$US12m
- Netback on the permit is potentially in excess of \$US450m
- Options available to an incoming investor include:
 - Farm in
 - 100% acquisition (subject to shareholder approval)

Further Questions?

Geoff Gander

Chairman

Jupiter Energy Limited

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Competent Person Statement

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