

## **April 19 2007**

### **THIRD QUARTER ACTIVITIES REPORT – MARCH 2007**

Jupiter Energy Limited (ASX: JPR) presents the following report on activities for the three months ending 31 March 2007. Also included in this report are details of any significant subsequent events that have taken place in April 2007.

#### **Activities:**

Jupiter Energy Limited (ASX: JPR) reported in its half yearly report that the Company had decided to sell its Malaysian based subsidiary formalising its exist from the biodiesel sector. The JPR Board announced on 25 January 2007 that the Company had entered into a letter of intent with FEI Resources (M) Sdn Bhd (FEI) whereby FEI would purchase 100% of the issued capital of Jupiter Biofuels Sdn Bhd. Jupiter Biofuels Sdn Bhd is a 100% owned subsidiary of JPR and holds all the various licences and contracts pertaining to the Malaysian biodiesel project.

The payment plan was based on the following parameters:

- 5 monthly payments of \$A50,000 (\$A250,000) with the 1<sup>st</sup> payment paid immediately.
- \$A750,000 on or before 21 July 2007

FEI have unfortunately not been able to secure their own project funding as planned and this has led to the Board to open discussions with other interested parties who may have wish to acquire the Malaysian subsidiary and its assets.

However, because of the lack of investment interest in the biodiesel sector, we have found it very difficult to get a firm purchaser. We will continue to inform the market of any further developments.

In relation to its core Oil & Gas exploration activities, JPR has made a number of decisions:

1. As already reported, JPR has carried out further detailed seismic work on PEP 163 of which Jupiter has earned a 50% interest.
2. As already reported, JPR has carried out initial seismic work on the adjacent permit PEP 164 and had agreed terms with Lakes Oil NL regarding the opportunity for Jupiter to earn a 33.3% interest in PEP 164 should the results of the seismic work have suggested opportunities for commercial quantities of oil and/or gas. The 33.3% interest in the permit would require the expenditure by Jupiter of \$1.2m less the cost of the seismic work already carried out on PEP 164.
3. During the quarter, the Company received the seismic reports from Lakes Oil NL and the Jupiter Energy Board has decided that there should be no further expenditure on PEP 163 in the

foreseeable future and that the option on PEP 164 will not be taken up. This position has now been confirmed with Lakes Oil NL.

- The Company finished the March quarter with 117,861,389 fully paid ordinary shares on issue and with approximately \$3 million in cash.
- As at 31 March 2007, there were also 8,250,000 unlisted 12 cent options on issue. These options expire on 30 June 2008. There were also 3,062,800 unlisted 8 cent options on issue and these have an expiry date of 31 December 2008.

### **Subsequent Events:**

The JPR Board announced on 10 April 2007 that the Company had signed a mandate with Indian Ocean Capital Pty Ltd (IOC), whereby IOC will raise, on a best endeavours basis, a total of \$4.8 million before costs.

The raising will be via three separate placements, namely:

- Placement of 17,500,000 fully paid ordinary shares at 4 cents per share to raise \$700,000 before costs. This placement will be done under the 15% provision and will not require shareholder approval – of which 8,000,000 fully paid ordinary shares were issued on 18 April 2007.
- Placement of 100,000,000 fully paid ordinary shares at 4 cents per share to raise \$4,000,000 before costs. Each share will have a free attaching option. These options will have an exercise price of 8 cents, will expire on 30/06/2010 and it is the intention of the Company for these options to be listed on the ASX. This placement will require shareholder approval.
- Placement of 100,000,000 options at a price of 0.1 cent per option to raise \$100,000 before costs. These options will have an exercise price of 8 cents, will expire on 31/05/2010 and it is the intention of the Company for these options to be listed on the ASX. This placement will require shareholder approval.

As outlined in the announcement, the Company will prepare a Notice of Meeting as soon as practical and dispatch this to shareholders. It is expected that the General Meeting to approve the placements will occur in early June 2007 and that the relevant monies will be available to the Company soon after the General Meeting is concluded.

The placement of the 17,500,000 fully paid shares should be completed by the end of April 2007. Assuming shareholders approve the proposed placements, the Company will have cash reserves of approximately \$8,000,000 and the Board believes that this level of funding will enable it to secure a cornerstone Oil & Gas project on which the Company can build a solid future and set about creating shareholder wealth.

Indian Ocean Capital Pty Ltd will receive a fee of 5% (ex GST) of all the funds raised, so assuming the full raising of \$4,800,000 is successful, this fee will be \$240,000 (ex GST).

If shareholders have any questions regarding this third quarter report, they can contact the JPR office on (08) 9322 8222 or myself on 0417 914 137 or via email – [geoff@highway1.com.au](mailto:geoff@highway1.com.au)

Geoff Gander  
Executive Director

## **EXPLORATION ACITIVITIES - PEP 163**

PEP 163 covers is located in the eastern Otway Basin and is located 10 kilometers from the city of Geelong and 50 kilometers from Melbourne. The proximity to established markets and infrastructure suggest that even modest discoveries of gas and/or oil could be commercially developed

Under the terms of an agreement signed on April 26 2005 with Lakes Oil NL, Jupiter agreed to fund the first \$1.2 million of the drilling and completion costs of the Bellarine No. 1 well to earn 50% interest in PEP 163.

The 50% interest in PEP 163 has been earnt.

**ENDS**