

18 November 2010

Operations Update

The Board of Jupiter Energy Limited (ASX: JPR) ("Jupiter" or "the Company") is pleased to provide shareholders with an operational update.

J-52

J-52 was spudded on 2nd November 2010 and 12 3/4" casing has been set at 400m. The well is progressing as per schedule and has been drilled to depth of 857m in 11 5/8" hole.

The Company proposes to evaluate both the Jurassic XIII and Middle Triassic formations while drilling the deeper 8 1/2" hole section. If electric wireline logs indicate that commercial hydrocarbons might be present in one or both of these formations they will be tested. On a success case basis, the well will then be suspended and the Company will implement plans for production testing of the well using a smaller more cost effective rig.

The Company will release further information on the well when matters of material interest occur during the drilling and testing phases.

Management Appointments

The Company has commenced consolidation of its Kazakh operations into a single operations centre located in Aktau and expects this to be completed by the end of November. In addition, the Company has been recruiting specialist Operations, Finance and Administration staff.

Izbergen Kubekbayev has been appointed as Chief Geologist and he will be responsible for integrating the Company exploration and production geo-science activities. He has 25 years experience working in Kazakhstan in a variety of managerial and technical positions including a period as Chief Geologist at JSC Mangistaumunaigas, the large regional oil and gas producer.

Two senior Finance and Legal appointments have been made.

Sanym Bissenaliyeva has joined the Company as Chief Financial Manager and will be responsible for all Finance, Administration and Legal functions in country. Sanym has spent over twenty years in accounting, planning and budgeting, taxation and audit roles. She has an in-depth knowledge of the oil and gas sector and has been in management roles for the past eleven years. She was most recently working for ENI in Turkmenistan as Finance Manager and before that was Deputy General Manager of Finance for Nelson Petroleum before the company was purchased by Lukoil. She is fluent in Kazakh, Russian and English and is a Kazakh national.

Galina Belova has joined the Company as Head of Contracts and Legal and will be responsible for all procurement and legal activities. She has 19 years legal experience in petroleum operating companies, private practice and also the Regional Court system in Kazakhstan.

These appointments have significantly strengthened the skill, experience and ability of the management team to make the successful transition from explorer to producer and develop the Block 31 field.

NWZ-2

The Jurassic XIII reservoir in the NWZ-2 well is a secondary target in the J-52 well that is currently being drilled. On a success case basis, the J-52 well will provide the most up to date geological information on the Ju-XIII reservoir in Block 31. The Company has recently suspended operations on the NWZ-2 well until the prognosed Jurassic XIII reservoir interval in the J-52 well has been evaluated. The suspension of operations is to allow the design of a more optimal and cost effective stimulation strategy for NWZ-2. The data from the 2009 and 2010 evaluation programs on the NWZ-2 well is positive and very important to any review of reserve estimates in the Ju-XIII formation in Block 31 that may follow after the J-52 well results are known.

Summary

Progress with drilling operations on J-52 has continued in parallel with strengthening the Aktau based operations team. The integration of information from the J-52 well to optimise the forward plan for NWZ-2 will delay the start of production from the NWZ-2 well.

Managing Director David Thorpe commented "The exploration activities on Block 31 are progressing well with the drilling activities of the J-52 well ahead of schedule. The J-52 well is prognosed to intersect both the Ju-XIII and Middle Triassic reservoirs and, on a success case basis, when combined with the recent information from NWZ-2, this would significantly increase the Company's understanding of the distribution of reserves and resources of both the Jurassic XIII and Middle Triassic reservoirs in Block 31. We look forward to updating shareholders on progress on both the J-52 and NWZ-2 wells when there is information of material interest. The recent additions to the management team in Aktau are indicative of the Company's commitment to build on the skills of our operating team in the Mangistau basin."

If shareholders have any questions on this announcement, they should direct them to the Company on (08) 9322 8222.

ENDS



Operations at the J-52 well site underway with a ZJ-40 drilling rig from Fracjet.