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Jupiter Energy Limited ("Jupiter" or the "Company")

QUARTERLY UPDATE ON ACTIVITIES FOR THE PERIOD TO 31 MARCH 2013

KEY POINTS:

- **Approximately 64,000 barrels of oil was produced during Quarter, generating oil sales of ~$US2m at an average price of ~$US32 per barrel at the well head. Domestic pricing reflects lower world oil price and increased transport costs that have been borne by the buyer and passed through to Jupiter.**

- **J-58 well produced from a 5.5m unstimulated zone in the lower T2B Triassic at rates during March of up to ~1,300 bopd. Well is being prepared to be tested from the T2A horizon.**

- **Average production rate over the Quarter of 711 bopd vs peak rate achieved in March of 2,700 bopd reflects sales constraints experienced during January and February 2013 and positive impact of J-58 production during March.**

- **Well J-59 reached TVD of 3,191m on 20 February 2013; mud logs, core and open hole wireline logs indicated hydrocarbons in the Mid Triassic horizon. Initial analysis indicated 102.8m of gross reservoir and approximately 42.8m net pay in the Mid Triassic T2B carbonate reservoir unit and an additional 64.6m of gross reservoir and approximately 40.4m of net pay in the T2A carbonate reservoir.**

- **Results from testing of the J-59 well are expected before the end of June 2013.**

- **Free of selling constraints, J-50, J-51, J-52 combined well production achieved an average of between 1,100 and 1,200 bopd.**

- **Following improved performance, gas emissions from the J-50 well have exceeded the original approved quantum for 2013 and the well will now be shut in pending approval of an amendment to the current J-50 Trial Production License.**

- **Forecasted oil sales for calendar 2013 set at $US10m based on expected sales of approximately 285,000 barrels of oil.**

- **J-53 well remedial cementing resulted in a marginal improvement in oil cut to 15%.**

- **J-55 well produced with an improving oil cut of up to 24%.**

- **The CPR is now planned to include test results of J-59; report is not expected to be ready before the end of 2Q 2013.**

- **In late March 2013 a further $US3m was raised, through a second unsecured loan from Mobile Energy Limited.**

Jupiter Energy Limited (ASX: "JPR" and AIM: "JPRL") presents the following update on activities for the 3 month period ending 31 March 2013 (the "Quarter"). Also included in this report are details of subsequent events that have occurred up to the date of this release.

The Quarter saw a mixture of results with excellent flow rates from the J-58 well but disappointing production results following the remedial action taken on the J-53 and J-55 wells. Overall, there continues to be measured progress being made by the Company in the transition from pure oil explorer to that of explorer and producer (E&P).

<u>The Quarter in brief:</u>

A feature of the Quarter was the performance of the J-58 well, achieving excellent sustained flow rates of over 1,300 barrels of oil per day (bopd) during March from an unstimulated 5.5m zone in the T2B horizon.

The J-59 well reached Total Vertical Depth (TVD) during the period and wireline logs indicated the presence of hydrocarbons at the Mid Triassic carbonate reservoir.

Trial Production oil sales for the Quarter came from the J-50, 51 and J-52 wells, supported by production testing revenue from the J-58 well during March. Over 64,000 barrels of oil were sold during the Quarter, achieving approximately $US2m in sales at an average production rate of 711 bopd. Delivery constraints into the Atyrau refinery during most of the Quarter had a negative impact on the Company's oil production rate, but by mid March the constraints were lifted with aggregate production from the J-50, 51, 52 and 58 wells peaking at approximately 2,700 bopd.

A weaker world oil price and increased transportation costs incurred by the buyer over the Quarter were reflected in a lower average sales price of $US32 per barrel.

Operations in Detail:

AKKAR EAST

During the majority of the Quarter processing capacity constraints at the Atyrau refinery meant that production from wells J-50, J-51 and J-52 had to be managed accordingly. Total oil sales for the Quarter reached $US2m at an average price of approximately $US32 per barrel. All oil was sold on a pre-paid basis.

J-50 (Trial Production):

The average daily flow rate from J-50 in March, when operating without constraint, was ~300 barrels of oil per day (bopd) with all oil produced being sold into the domestic market. Water cut from the well is <1%. A total of approximately 14,300 barrels of oil was produced from the J-50 well during the Quarter, generating approximately $US470,000 in sales.

J-50 had an Electric Submersible Pump (ESP) installed in October 2012 to optimize production from this well. The improved performance of the well has meant gas emissions have exceeded the original quantum approved for 2013 and this in turn has meant that the Company needs to obtain an amendment to the current J-50 Trial Production License. The process requires the J-50 well to be shut in pending the approval of this amendment. The amendment will be subject to approvals from various regulatory bodies so the timing of resumption of production from J-50 cannot be predicted at this time; shareholders will be advised when production resumes.

J-51 (Trial Production):

The average daily flow rate from the J-51 well in March, when operating without constraint, was ~400 bopd with all oil produced being sold into the domestic market. Water cut from the well is <1%. A total of approximately 16,600 barrels of oil was produced from the J-51 well during the Quarter, generating approximately $US546,000 in sales.

J-52 (Trial Production):

The average daily flow rate from J-52 in March, when operating without constraint, was ~400 bopd with all oil produced being sold into the domestic market. Water cut from the well is <1%. A total of approximately 22,700 barrels of oil was produced from the J-52 well during the Quarter, generating approximately $US746,000 in sales.

J-53 Well:

The well was drilled in early 2012 and a poor cement bond on its production casing was the cause of the poor production performance of the well. The Company has tried several remedies to improve the performance, however operating restrictions imposed by certain regulatory requirements after the 90 day production testing period finished and before the approval of Trial Production resulted in only limited remedial work being carried out in the second half of 2012.

Work is currently suspended on the well but as reported on 10 April 2013, the oil cut was at 15%, when producing with the assistance of an ESP.

Further work will be carried out on the well once the next round of funding is in place. Consideration is being given to conducting an acid wash to improve inflow and the possible completion of the Z-sand horizon.

The Company has received approval for J-53 to produce under Trial Production.

2Q Outlook for Trial Production:

It is expected that the production from the J-51 and J-52 wells will be increased in 2Q 2013 to help offset the loss of production from J-50. At the date of the release of this report, the J-51 and J-52 wells had, over the previous seven days, produced at a combined average of approximately 900 bopd.

SOUTHERN EXTENSION AREA

J-55 Well:

The J-55 well is the Company's fifth well and the first drilled on the southern extension area.

The well was drilled in the third quarter of 2012 and has also experienced oil production with a high water cut. The cement bond is competent on this well and the presence of water in the current production test is considered perched (discontinuous) water within the oil column. Based on this synopsis it is believed that the perched water will decline as the well continues to produce over time.

Work is currently suspended on the well but as reported on 10 April 2013, the oil cut was at 24%, when producing with the assistance of an ESP.

Consideration will be given to conducting an acid fracture on the T2A horizon to improve inflow once the next round of funding is in place.

J-58 Well:

J-58 is the Company's sixth well and the second to be drilled on the southern extension area. The well is 3.8km to the southeast of the J-55 well location.

Initial production testing of the J-58 well from a 5.5m unstimulated zone in the lower T2B Triassic over a 7 day period with an 9mm choke size, resulted in a flow rate of approximately 1,300 bopd. Preparation for testing of the T2A horizon is currently in progress and the Company is expecting to announce results from this testing during 2Q 2013. A total of approximately 10,600 barrels of oil was produced from the J-58 well during March, generating approximately $US340,000 in sales.

Post production testing of both the T2A and T2B horizons, the well will be shut in and an application will be submitted to the relevant authorities for the J-58 well (along with the J-55 and J-59 wells) to each be granted their respective Trial Production licences.

J-59 Well:

The Company spudded the J-59 well on 31 December 2012 and the well reached Total Vertical Depth (TVD) of 3,191m on 20 February 2013. Hydrocarbon shows while drilling, including a core in the reservoir zone, and subsequent open hole wireline logs all indicated hydrocarbons in the Triassic reservoir. The open hole logs indicated good levels of oil saturation and porosity, similar to that of the J-55 and J-58 wells which were also drilled on the same structure.

Analysis by independent consulting firm Reservoir Evaluation Services LLC ("RES") confirmed some 102.8m of gross reservoir and approximately 42.8m of net pay at the Middle Triassic T2B carbonate reservoir unit, the primary reservoir objective in the well.

In addition RES analysis also confirmed an additional 64.6m of gross reservoir and approximately 40.4m of net pay at the Middle Triassic T2A carbonate reservoir unit.

Cut offs of 3.8% porosity and 50% oil saturation were used in the analysis, with a correction for mud filtrate displacement.

The completion and testing of the T2A and T2B horizons of J-59 well is expected to be carried out in 2Q 2013 after the re-completion of J-58 well; flow rates for the T2A and T2B horizons will be announced in due course.

Oil Sales:

The current arrangement of delivering the Company's un-processed oil to a local facility was adversely affected by certain processing capacity constraints at the receiving refinery during January and February 2013. This meant that production from wells J-50, J-51 and J-52 had to be managed accordingly. The second week of March saw improvement in the volume of oil that could be processed and this was reflected in increased production and sales for that period.

Sales are currently being completed through three different local trading companies; the Company continues to investigate new markets for the sale of its oil from the Block 31 fields. Going forward it is hoped that oil sales utilizing rail transport can be replaced with sales directly into the pipeline, thereby reducing transportation costs and improving the overall netback per barrel achieved in the domestic market.

Forecasted revenues for calendar year 2013 are now approximately $US10m, with oil sales generated either from Trial Production or during Production Testing.

Competent Persons' Report (CPR):

Work began on the new CPR during December 2012 but delays with results from J-58 and the follow on delay in testing the J-59 well has meant that the report is now not likely to be available until the end of 2Q 2013.

As outlined in the announcement made on 28 March 2013, the Company is currently in discussions with a number of parties regarding a range of long term funding options including convertible notes and/or bank debt; completion of the CPR may be a condition precedent on the closing of some or all of this funding. In the meantime, the Company remains funded via the recent Mobile Energy Limited loan and internal cash reserves generated from oil sales.

Corporate Activities:

On 15 March 2013, the Company was admitted to the All Ordinaries Index. This should provide the Company with improved exposure to the investment community, particularly those organisations investing in the broader ASX Index.

Also during the Quarter the Company presented in London at the industry forum, Oil Barrel, and a range of broking firms either updated or initiated research coverage on the Company. Details of which brokers cover Jupiter Energy can be found on the Company web site. All of this activity continues to provide important exposure of the Company to the investment community in UK, Europe and Central Asia.

Capital Management:

A second $US3 million unsecured loan via three Promissory notes, each with the same terms and each with a face value of $US1m, was provided by Mobile Energy Limited in late March 2013. As with the initial $US3m loan, monies are repayable on 31 December 2013 or at such time that the Company raises additional funding of a minimum of $20 million. The unsecured loan has a coupon rate of 15% per annum, payable quarterly in arrears.

The directors are currently reviewing a range of options for financing the further development of the East Akkar field during 2013 and beyond to the stage where export oil sales are being achieved and further development of the field is self-funding.

Capital Structure and Finances:

As at 31 March 2013, the Company had 153,377,693 listed shares trading under the ASX ticker "JPR" and AIM ticker "JPRL".

The Company has no options, listed or unlisted, on issue.

The Company has on issue a total of 7,200,001 unvested Performance Rights. These Performance Rights all expire on 31 December 2013 and the vesting terms for all the Performance Rights on issue are the same.

Unaudited net cash reserves as at 31 March 2013, including the proceeds from the second $US3m unsecured loan from Mobile Energy Limited, totalled approximately $A4.4m.

Summary:

The Quarter saw continued progress towards the goal of developing Jupiter into a full cycle E&P company with a growing production profile and material reserves.

If shareholders have any questions regarding this Quarterly report they are welcome to contact the Company on +61 89322 8222.

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Competent Persons Statement:

The information in this announcement which relates to the Mid Triassic prospectivity is based on information compiled by Reservoir Evaluation Services LLP ("RES"), a Kazakh based oil & gas consulting company that specialises in oil & gas reserve estimations. RES has sufficient experience which is relevant to oil & gas reserve estimation and to the specific permit in Kazakhstan to qualify as competent to verify the information pertaining to the Mid Triassic prospectivity. RES has given and not withdrawn its written consent to the inclusion of the Mid Triassic prospectivity figures in the form and context in which they appear in this announcement. RES has no financial interest in the Company.

About the Company:

Jupiter Energy Limited is an oil exploration and production company, quoted on both the AIM and ASX markets. The Company is focused on developing its onshore assets in western Kazakhstan. In 2008 the Company acquired 100 per cent of the Block 31 permit, located in the oil-rich Mangistau Basin, close to the port city of Aktau.

Jupiter has a proven in-country management team, led by an experienced, international Board, together possessing the skills, knowledge, network and attention to detail needed to operate successfully in Kazakhstan. The forward plan will see Jupiter develop a group production facility on Block 31 to process, store and export oil. This topside infrastructure is a key element in moving to long-term production and the achievement of self-funding for further development of Block 31.