

23 September 2013

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

New Funding Arrangement: \$US6.5m Convertible Notes issued

The Board of Jupiter Energy Limited, the Kazakhstan-focused oil exploration and production company, trading on AIM ("JPRL"), ASX ("JPR") and KASE ("AU_JPRL"), announces that, as part of its plans for funding the future development of the business, the Company has, as at 20 September 2013 committed to issue \$US6.5 million of Convertible Notes ("the Convertible Notes").

\$US6.5m Convertible Notes (Series B):

The key terms of the Convertible Notes are as follows:

- Term: 3 years
- Conversion Price: \$US1.25 per share (maximum of 5.2 million shares may be issued)
- Coupon Rate: 12% per annum, with the interest accruing from and including the Issue Date until the earlier of the Conversion Date, Redemption Date or Maturity Date of the Note.
- The Convertible Notes may be redeemed by Jupiter at any time with a minimum of 12 months interest payable if the Convertible Notes are redeemed within the 1st 12 months of their Term
- The issue of the Convertible Notes is carried out under Jupiter's 15% capacity in accordance with ASX Listing Rule 7.1

The breakdown of subscriptions for the Convertible Notes is as follows:

- Waterford Petroleum Limited: \$US1.5m
- Mid Ocean Limited \$US0.5m
- Mobile Energy Limited: \$US4m
- Other Private Investors: \$US0.5m

The net cash proceeds of the fundraising will be \$US3.305m, following the repayment of \$US3m of Promissory Notes held by Mobile Energy Limited and the payment of a fee of 3% of the proceeds of the raising (\$US195,000) by the Company to Waterford Petroleum Limited for its role in arranging the funding.

The net cash proceeds of the fundraising will be used for the following purposes:

- Remedial work on the J-53 well: ~\$US150,000;
- Further testing of the J-59 well: ~\$US350,000 and
- General working capital: ~\$US2.805m.

The holders of Series A Convertible Notes issued on 31 May 2013 have also agreed to convert their notes to Series B Convertible Notes, effective from 20 September 2013.

This means that all interest payable on the entire \$US15.5m Convertible Notes now outstanding will be deferred and accrue from and including the Issue Date of the Series B Convertible Notes until the earlier of the Conversion Date, Redemption Date or Maturity Date of the Note.

In light of the quantum of the shareholding of Waterford Petroleum Limited (29.5%) in Jupiter, Waterford Petroleum Limited is deemed to be a related party for the purposes of AIM Rule 13. The participation in the fundraising and the fee payable to Waterford Petroleum Limited are related party transactions pursuant to the AIM Rules (the "Related Party Transactions").

The Directors of Jupiter consider, having consulted with finnCap, the Company's Nominated Adviser, that the terms of the Related Party Transactions are fair and reasonable insofar as Jupiter's shareholders are concerned.

Since Alastair Beardsall is the appointed Jupiter Board representative of Waterford Petroleum Limited, he did not take part in the discussions of the Jupiter Board of Directors in relation to the Board agreement to the terms of the related party transaction with Waterford Petroleum Limited.

If shareholders have any questions regarding this announcement, they should contact the Company on +61 89 322 8222.

ENDS

Enquiries:

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About the Company:

Jupiter Energy Limited is an oil exploration and production company, quoted on the AIM, ASX and KASE 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.

