

17 January 2014

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

**QUARTERLY UPDATE ON ACTIVITIES FOR THE PERIOD TO
31 DECEMBER 2013**

KEY POINTS:

- 51,303 barrels of oil was produced during the Quarter, generating domestic oil sales of ~\$US1.7m at an average price of ~\$US33 per barrel at the well head.
- Oil sales achieved for the 6 month period ending 31 December 2013 totalled ~111,900 barrels, generating domestic oil sales of ~\$US3.7m at an average price of ~\$US33 per barrel at the well head.
- Oil sales achieved for calendar year 2013 totalled ~\$US7.9m based on sales of 240,558 barrels of oil at an average price of ~\$US33 per barrel.
- Remedial work on the J-53 well was successfully carried out during the Quarter and the well has now resumed trial production. Average daily production from J-53 is currently ~80 bopd.
- 2014 Emission permits for wells J-50, J-51, J-52 and J-53 were received in late December and these wells are now on Trial Production.
- Trading of the Company's shares on KASE, the Kazakh stock exchange, commenced on 10 December 2013.

Jupiter Energy Limited (ASX: "JPR", AIM: "JPRL" and KASE: "AU_JPRL") presents the following update on activities for the 3 month period ending 31 December 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 in brief:

Oil sales for the Quarter came predominantly from the J-51 and J-52 wells, with a small quantity from the J-53 well during December and none from J-50 which required an amendment to its Trial Production licence, as previously announced. In aggregate, 51,303 barrels of oil were sold in the domestic market during the Quarter, achieving approximately \$US1.7m in sales at an average price of \$US33 per barrel. All oil was sold on a pre-paid basis.

Production for the Quarter averaged 638 barrels of oil per day (bopd).

Operations in Detail:

AKKAR EAST

J-50 (Trial Production):

Kazakh regulations required the Company to obtain an amendment to the 2013 J-50 Trial Production Licence to address the increased emission level from the well as a result of improved production post the installation of an Electric Submersible Pump. As a result no oil was produced from the well during the Quarter.

The 2014 J-50 Emissions permit was received in December 2013 and the J-50 well returned to production in early January 2014. The well is currently producing at ~240 bopd. The emissions permit is valid from 1 January 2014 to 31 December 2014.

J-51 Well (Trial Production):

The average daily flow rate from the J-51 well for the Quarter was ~261 bopd with all oil produced being sold into the domestic market. There was a slight decline in production from the J-51 well during December to ensure compliance with the 2013 Emission targets.

Water cut from the well remains at <1%. A total of approximately 23,500 barrels of oil was produced from the J-51 well during the Quarter, generating approximately \$US0.8m in sales.

The 2014 J-51 Emissions permit was received in December 2013 and this is valid from 1 January 2014 to 31 December 2014.

J-52 Well (Trial Production):

The average daily flow rate from J-52 during the Quarter was ~302 bopd with all oil produced being sold into the domestic market. There was a slight decline in production from the J-52 well during December to ensure compliance with the 2013 Emission targets.

Water cut from the well remains at <1%. A total of approximately 27,210 barrels of oil was produced from the J-52 well during the Quarter, generating approximately \$US0.9m in sales.

The 2014 J-52 Emissions permit was received in December 2013 and this is valid to from 1 January 2014 to 31 December 2014.

J-53 Well (Trial Production):

Remedial work was successfully carried out on the well during the Quarter and during December a total of approximately 595 barrels of oil was produced from the well at a flow rate of ~80 bopd.

The 2014 J-53 Emissions permit was received in December 2013 and this is valid from 1 January 2014 to 31 December 2014.

WEST ZHETYBAI (SOUTHERN EXTENSION AREA)

J-55 Well:

Work on the J-55 well is currently suspended until funding for further remedial work is available. A Trial Production Licence application for this well will be submitted to the relevant authorities post the completion of the remedial work.

J-58 Well:

Well J-58 is currently suspended. An application for a Trial Production Licence for the well will be submitted once the State Authorities have approved its associated reserves. The trial production application is expected to be lodged during 1Q 2014.

J-59 Well:

The Company has lodged an application for an additional 90 days test period so further completion and testing work can be carried out on the J-59 well. The timing of this work is expected to be during the 1Q 2014.

An application for a Trial Production Licence for the well will be submitted once the State Authorities have approved its associated reserves. The trial production application is expected to be lodged during 1Q 2014.

Forward Plan – Operations:

When all necessary approvals have been received, the Company will carry out testing of the Jurassic zone identified when drilling the J-59 well. Post this work, and assuming the requisite funding is in place, the Company will commence the drilling of the J-54 exploration well.

The J-54 prospect is a large structural closure mapped using 3D seismic to the north of the producing East Akkar field. The prospect is believed to be a separate field and the prognosis is that it is structurally up dip of Akkar East.

The Company considers that the main risk associated with the well is an adequate top seal to trap oil. Assuming success, it is believed that the reservoir quality and flow rates should be similar to that found in the Akkar East field.

Oil Sales:

Oil sales are currently being completed through two local trading companies; the Company continues to investigate new markets for the sale of its oil from the Block 31 wells. Going forward it is hoped that oil sales utilizing rail transport can be replaced with sales directly into the pipeline or sales can be made to a refinery nearer the field. Both of these strategies would reduce transportation costs and improving the overall netback per barrel achieved in the domestic market.

Internal budgeted revenues for the 2013 calendar year were \$US8.3m and the actual revenue achieved was \$US7.95m. The 4% difference was a result of reduced production from the J-51 and J-52 wells during December to ensure compliance with the 2013 Emission targets.

Oil sales for 2014 will come largely from the J-50, J-51, J-52 and J-53 wells. The Company's anticipated annual yearly revenue figure will be reviewed as the year progresses and as additional wells commence trial production.

Capital Management:

The Company is reviewing its ongoing funding requirements for 2014. Positive progress is being made in terms of various methods of funding and the Company will provide a further update as soon as it is appropriate to do so. In the meantime, revenue from oil sales will fund Company operations.

KASE:

The Company announced on 16 September 2013, that the Company had fulfilled the relevant conditions required under the Kazakh Stock Exchange (KASE) Listing Rules, and the KASE Listing Committee had confirmed that the Company's shares would be included on the official list of shares trading on KASE.

The process of trading shares on KASE commenced on 10 December 2013, with Halyk Finance acting as Market Maker.

2013 Annual General Meeting:

The 2013 Annual General Meeting was held on Thursday 7 November 2013 and all Resolutions were passed on a show of hands.

Capital Structure and Finances:

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

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

The Company also has on issue \$US15.5m in Series B Convertible Notes made up of 12,400,000 Notes with a conversion price of \$US1.25 per Note. All Series A Convertible Notes issued on 31 May 2013 have been converted to Series B Convertible Notes and the Company has no Promissory Notes outstanding.

The Company has on issue a total of 8,275,000 unvested Performance Rights. These Performance Rights all expire on 31 December 2014 and the vesting terms for all the Performance Rights on issue are the same.

Unaudited net cash reserves as at 31 December 2013 stood at approximately \$A2.2m.

Summary:

The Company has now received its J-50, 51, 52 and 53 Emission permits for 2014 and was successful during the Quarter with its efforts to bring the J-53 well back onto production. As a result, the outlook in the short term for oil revenues is encouraging and the focus is now on completing a financing package to enable to company to commence its 2014 drilling program and to continue its planning for the Full Field Development implementation associated with the Akkar East field.

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

Geoff Gander
Chairman/CEO

ENDS

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Competent Persons Statements:

Keith Martens, BSc Geology and Geophysics, with over 35 years' oil & gas industry experience, is the qualified person who has reviewed and approved the technical information contained in this report.

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.