

30 July 2015

Jupiter Energy Limited (“Jupiter” or the “Company”)

QUARTERLY UPDATE ON ACTIVITIES FOR THE PERIOD TO 30 JUNE 2015

KEY POINTS:

- All producing wells have been shut in until domestic oil pricing reaches a level where oil production is cashflow positive.
- Discussions continue with relevant parties regarding the resolution of the Akkar North division of Reserves
- A Framework Agreement was signed on 30 April 2015 with major shareholder Waterford Petroleum to provide up to an additional \$US5m in working capital. \$US2m of this amount was drawn down during the Quarter.

Jupiter Energy Limited (ASX: “JPR”, AIM: “JPRL” and KASE: “AU_JPRL”) presents the following update on activities for the 3 month period ending 30 June 2015 (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:

There were no oil sales made during the Quarter. All producing wells were shut in during February 2015 due to low domestic oil prices.

Outlook for Future Oil Sales:

The Company announced on 19 February 2015 that as a result of the material reduction in world oil prices, the sales price being achieved for domestic oil in Kazakhstan had fallen to levels that made oil production from Block 31 cashflow negative.

The Company therefore decided to cease production from both of its producing Akkar East wells (J-51 and J-52) until the domestic oil price improved. The Company continues to monitor local pricing on an ongoing basis, and believes that production may recommence in 1st Quarter 2016 but is unable to give any guarantee that oil production will recommence in that timeframe.

The Company has restructured its operations accordingly and overall monthly operating costs have been reduced by ~40% providing an annual saving in running costs of over \$US2 million.

In addition, the Company has reviewed its overall approach to Trial Production. It was initially thought in 2012 that the Trial Production phase would be relatively short and the temporary topside infrastructure required for each well site for that phase would be quickly replaced by integrated, Full Field Development, facilities. As a result much of the Trial Production equipment used on the Akkar East field has been rented from a local contractor; the purchase of onsite equipment, rather than ongoing rental, will offer longer term savings.

Based on a cost structure that uses purchased topside equipment, the Company believes that with the additional oil produced from the J-58 and J-59 wells (once Trial Production Licences for these wells have been approved) it should be possible to return to selling into the domestic market on a cashflow positive basis.

The challenge facing the Company in the short term is that without additional funding, the purchase of the requisite topside equipment cannot proceed.

Funding Update:

On 30 April 2015 the Company signed a Framework Agreement with a substantial shareholder, Waterford Petroleum Limited (Waterford), which will provide the Company with up to \$US5m in additional working capital via the issuance of promissory notes.

The continued use of unsecured promissory notes to fund the Company is driven by the fact that the Company has been unable to get the required permission from the Ministry of Energy (the Waiver) to raise equity through the issue of new shares. The Board has been advised by Waterford Petroleum and the other promissory note holders that funding via equity is their preferred structure and are urging the Company to pursue the granting of a Waiver as soon as possible. Once a suitable Waiver is granted it is the intention of the note holders to convert their unsecured debt to equity, subject to the necessary approvals being granted, and for the provision of additional funding to come through the issue of new shares.

Based on current management forecasts, the Company has sufficient working capital, including its access to the remaining funding under the Framework Agreement, for the 2015 calendar year. The Company continues to seek a longer term funding package that will enable the commencement of the 2015/16 drilling program.

West Zhetybai Trial Production Licences (wells J-58 and J-59)

Progress continued to be made during the Quarter in relation to the granting of Trial Production Licences for the J-58 and J-59 wells, with most regulatory approvals now having been obtained.

The Company will update shareholders once all approvals have been received.

Extension of J-50 Trial Production Licence:

The Company advised shareholders on 28 November 2014 that the application to extend the Trial Production Licence for well J-50 was being held by the Kazakh Committee of Geology pending resolution of the allocation of reserves associated with the well.

The J-50 well has been shut in since 29 December 2014 (the date at which the last Trial Production licence expired).

The underlying issue delaying the Trial Production Licence renewal is the demand by the Committee of Geology that Jupiter Energy reach agreement with its neighbour MangistauMunaiGas (MMG) over the division of reserves associated with both companies' share of the Akkar North accumulation. Jupiter Energy has been in dialogue with MMG on this issue for some time but has been unable to reach formal agreement with MMG with respect to the division of Akkar North reserves.

The Company continues to try and bring the matter to a satisfactory conclusion and will keep shareholders updated on this situation.

Forward Plan – Operations:

The Company has been experiencing delays in progressing the development of Block 31 over the past nine months due to constraints on several fronts.

As outlined in this report, oil production has been shut-in and will remain so until such time that domestic oil pricing becomes cash flow positive. As outlined earlier in this report, the Company believes that using a revised cost structure for the topside equipment, i.e. purchase rather than rent, and achieving increased oil production with the addition of wells J-58 and J-59, this should be possible by 1Q 2016.

Subject to obtaining the requisite funding, the Company plans to continue with its drilling program during 2015. At this stage two wells are planned and the Company has sent a request to the Ministry of Energy asking that the timing for completing the drilling program for 2015 be extended into 2016.

Of the two wells, one well is intended to be located on Akkar East in an area of C2 reserves. This appraisal well (J-57) would be drilled as part of the process of finalising the Akkar East Reserves Report for the relevant Kazakh authorities. Approval of the Akkar East reserves will, in turn, allow the Company to move forward with the approval process to begin building of the Full Field Development

infrastructure for the Akkar East field, subject again to obtaining the requisite financing.

The second well would be an exploration well on the north east area of the permit (J-54). The J-54 prospect is a large structural closure mapped using 3D seismic to the north of the producing Akkar East field. The Company believes the prospect is a separate field and the hypothesis is that it is structurally up dip of Akkar East.

The Company considers that the main risk associated with the J-54 well is the presence of an adequate top seal to trap oil. Assuming success, the Company believes that the reservoir quality and flow rates should be similar to that found in the Akkar East field.

Licence Information:

As is required under ASX disclosure rules, the Company confirms that it currently holds the following licence:

Country	Block / Licence	Interest held as at 31 March 2015	Interest acquired / disposed of during the Quarter	Interest held as at 30 June 2015
Kazakhstan	Block 31	100%	Nil	100%

Capital Structure and Finances:

As at 30 June 2015, 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 or Performance Shares, listed or unlisted, on issue.

On 30 April 2015 the Company reached agreement with substantial shareholder Waterford Petroleum to provide up to a further \$US5m in working capital to the Company via the issue of the Series B Promissory Note.

The terms of the Series B Promissory Note are covered under a Framework Agreement were announced on 30 April 2015. During the Quarter, the Company drew down a total of \$US2m from the new facility and with accrued interest, the total drawn down from the \$US10m facility, as at 30 June 2015, stood at \$US7.46m.

Unaudited net cash reserves as at 30 June 2015 stood at approximately \$A1.6m. The Directors of the Company continue to defer their Directors' Fees until such time that the Company has an improved cashflow.

Summary:

Progress during the Quarter has been constrained but sufficient working capital is in place to enable the Company to work towards resolving its longer term funding requirements.

If shareholders have any questions regarding this Quarterly report they are welcome to contact the Company on +61 89 322 8222.

Geoff Gander
Chairman/CEO

ENDS

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Competent Persons Statement:

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.