

19 January 2018

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

**QUARTERLY UPDATE ON ACTIVITIES FOR THE PERIOD TO 31 DECEMBER
2017**

KEY POINTS:

- **Oil production steady from the Akkar East Field.**
- **Oil Sales for the Quarter total \$US700,000 based on sales of approximately 27,000 barrels of oil.**
- **The Company continues to work on various options to provide long term funding for the ongoing development of Block 31.**

Jupiter Energy Limited (ASX: "JPR" and KASE: "AU_JPRL") presents the following update on activities for the 3 month period ending 31 December 2017 (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:

During the Quarter production commenced from wells J-51, J-52 and 19. All wells are located on the Akkar East field.

The current expectation is that oil production from the J-58 and J-59 wells, which are both located on the West Zhetybai oilfield, will recommence during the 1st half of 2018.

Workovers on wells J-51 and 19 will be completed during January/February 2018 and the workover rigs will then be relocated to the West Zhetybai field, where work can commence on wells J-58 and J-59.

The Company will keep shareholders updated on progress with production from all wells.

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Oil Sales:

The Company sold all its oil through one local trader. During the Quarter, oil sales totalled ~\$700,000. This was based on the sale of approximately 27,000 barrels of oil at an average price of approximately \$US26/bbl. All oil was sold into the Domestic Market as is required under Kazakh laws when wells are producing under Trial Production licences.

The Company was successful in using chemicals to reduce the water cut to under 1% when collected by the trader and this was material as the pricing schema is based on two key parameters – water cut and the World Oil price (Brent).

With water cut being low and the price of Brent being strong, the resultant price received at the wellhead was ahead of expectations.

Production of fluids by well for the Quarter (before use of chemicals) was as follows:

J-51: 10,100 barrels
J-52: 8,900 barrels
Well 19: 9,100 barrels

This provided total production of 28,100 barrels of fluids with ~27,000 barrels of oil sold to the trader reflecting a ~4% reduction in the fluids produced when water was removed from the oil via the use of chemicals.

Go Forward Plan:

The Company continues to discuss longer term funding options with interested parties.

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 30 September 2017	Interest acquired / disposed of during the Quarter	Interest held as at 31 December 2017
Kazakhstan	Block 31	100%	Nil	100%

Capital Structure and Finances:

As at 31 December 2017, the Company has 153,377,693 listed shares trading under the ASX ticker "JPR" and the KASE ticker "AU_JPRL".

The Company has no options or Performance Shares, listed or unlisted, in issue.

As at 31 December 2017, total Company debt outstanding was \$US43,283,174 through a total of five (5) Promissory Notes, with the following holders:

- Waterford Petroleum Limited: \$US17,371,150
- Waterford Petroleum Limited: \$US10,877,706
- Mobile Energy Limited: \$US11,605,754
- Midocean Holdings Limited: \$US2,609,350
- Other Private Investors: \$US819,214

As at 31 December 2017, the Company had drawn down \$US1,027,898 (including accrued interest) under the 2017 \$US5m Funding Agreement with Waterford. This means a further \$US3,972,102 is still available under this funding agreement.

The Company also still has access to a further \$US1,191,267 (including accrued interest) under the 2016 Funding Agreement.

The Company is now working under an agreed "Operations Budget". The amount of additional funding made available to the Company has been based on a revised budget that takes into account the cost structure required to support a return to production offset by the revenues derived from budgeted oil sales.

Based on this additional funding, the revised "Operations Budget" shows sufficient working capital is now in place until March 2018. Additional funding still available under the 2016 Funding Agreement (~\$US1.2m) will enable the Company to fund operations until May 2018, by which time the Company will need to have secured additional funding.

Unaudited net cash reserves as at 31 December 2017 stood at approximately \$A900,000.

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 was positive and the Company produced ~27,000 barrels of oil from the J-51, J-52 and 19 wells located on the Akkar East oilfield. Revenue from oil sales for the Quarter amounted to ~\$US700,000 which was secured via prepayments from a local oil trader.

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

Competent Persons Statement:

Alexey Glebov, PhD, with over 33 years' oil & gas industry experience, is the qualified person who has reviewed and approved the technical information contained in this report. Alexey PhD's in technical science (1992) and geology science (2006), an Honors Degree in Geology and Geophysics (1984) from Novosibirsk State University and a Gold Medal (1985) from USSR Academy of Sciences. He is a member since 2001 of the European Association of Geoscientists & Engineers (EAGE #M2001-097) and was made an Honorary Oilman in 2011 by the Ministry of Energy of the Russian Federation. Alexey Glebov is qualified in accordance with ASX Listing Rule 5.41.

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.

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