

23 June 2010

## **Jupiter confirms commercial rates as J-50 well goes onto long term test production**

### **Summary**

- **J-50 well is currently achieving rates of approximately 435 barrels of oil per day (bopd) during long term production test.**
- **Commercial oil sales from J-50 well are ongoing**
- **Jupiter continues to monitor well performance with a view to optimising long term well rate**

The Board of Jupiter Energy Limited (ASX:JPR) is pleased to announce that the J-50 well, which is located on JPR's 100% owned and operated Block 31 in Kazakhstan, is now producing on what will be an extended production flow test program. The Company has re-completed and performed an acid clean up on the well to achieve improved flow rates. Oil production has been reinitiated with improved well performance and J-50 oil is again being sold into the domestic market to achieve early cash flow.

During testing the J-50 well has achieved stable average production rates of 435 bopd with peak production rates in excess of 600 bopd. The performance of the well will continue to be monitored and optimal flowing conditions (choke setting) determined to maximize flow rate.

Jupiter has engaged experienced local contractors to undertake reservoir modelling and production technology studies to determine optimal methods for further production rate enhancements. Based on local experience well productivity is capable of being further enhanced by hydraulic reservoir fracturing combined with installation of an Electric Submersible Pump in the well. It is expected that significant further production

enhancements can be achieved post the completion of this well productivity work. The experience on J-50 (the Company's first well) will be applied to future wells to minimize cost and optimize rates - thereby maximising the value of full field development.

The forward plan will see JPR continue the J-50 90 day long term production test, which is expected to run until early September 2010. The Company is also well progressed with the required documentation for the granting of a Trial Production License.

Work has also now commenced on bringing the re entered NWZ 2 well onto test production and flow rates from this well will be available in due course.

JPR believes the J-50 well result is in-line with, and supports, the reserves certified by independent reserves auditors (Senergy) of 8.6 MMstb of Middle Triassic 2P proven reserves and an additional 12.2 MMstb of P50 prospective resource mapped in Block 31.

Furthermore, JPR believes that the value potential of JPR's reserves and resources places the Company at a very attractive discount to the majority of its ASX listed producing peers on an EV/BOE (enterprise value per barrel of oil equivalent) basis.

Managing Director David Thorpe said "The recompletion and successful acid treatment of the J-50 well has provided production rates that we expect will sustain a successful full field development. Our achievements to date demonstrate the Company's growing capability as an operator and oil producer in the Mangistau.

We are now focussed on further production maximisation initiatives for the J-50 well, bringing NWZ 2 onto test production, and finalising our plans for drilling the J-51 well. What we have been learning on the ground with J-50 we expect will deliver improved results in the future in terms of minimising cost and maximising well rates. The Board, Management and staff are pleased that Jupiter is making the successful transition to an oil producer and the Company looks forward to further developing the Middle Triassic in Block 31 during 2010."

If shareholders have any questions on this announcement, they should direct them to the Company on (08) 9322 8222 or the Managing Director on 0417 984 023.

**ENDS**

*The information in this document which relates to Triassic oil reserves (2P) and prospective resource (P50) is based on information compiled by Senergy Limited, an international oil & gas consulting company that specialises in oil & gas reserve estimations. Senergy Limited has sufficient experience which is relevant to reserve estimations and to the specific exploration permit in Kazakhstan to qualify as competent to verify information pertaining to the Triassic oil reserves (2P) and prospective resource (P50). Senergy Limited has given and not withdrawn its written consent to the inclusion of its name and the Triassic 2P reserves and prospective resource (P50) figures in the form and context in which they appear in this announcement. Senergy Limited has no material interest in the Company.*