

23 January 2019

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

QUARTERLY UPDATE ON ACTIVITIES FOR THE PERIOD TO 31 DECEMBER 2018

KEY POINTS:

- **Oil production steady from the Akkar East and West Zhetybai fields.**
- **Oil Sales for the Quarter total approximately \$US2.32m based on sales of approximately 72,000 barrels of oil from 4 wells. All oil was sold into the Domestic market as per the terms of the various Trial Production Licences.**
- **Jupiter's 9th well (J-57) was drilled during the Quarter. This is the final appraisal well that is expected to be drilled on the Akkar East oilfield before a Final Reserves Report can be completed and submitted to the relevant authorities for approval. Obtaining an approved Final Reserves Report is a critical step in moving an oilfield from Trial to Commercial Production (domestic to export oil sales).**
- **All approvals for J-50 (Akkar North: East Block oilfield) to recommence Trial Production have been received. The well is expected to return to production during 1st Quarter 2019.**
- **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 2018 (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 continued from wells J-51, J-52, 19 and J-58. The J-51, J-52 and 19 wells are all located on the Akkar East field. J-58 is located on the West Zhetybai field.

The Company completed the drilling of its 9th well: J-57. The drilling of the J-57 well was funded via a \$US2m loan for the prepayment of oil sales linked to production from the J-58 well. The initial drilling results are detailed later in this report.

Oil Sales:

The Company continues to sell all its oil through one local trader. During the Quarter, oil sales (including VAT) totalled ~\$US2.32m. This was based on the sale of ~72,000 barrels of oil at an average price of approximately \$US33/bbl. All oil was sold into the Domestic market, as is required by Kazakh laws, when wells are producing under a Trial Production Licence.

Approximate production of oil by well for the Quarter was as follows:

J-51: 7,000 barrels
J-52: 13,000 barrels
Well 19: 6,000 barrels
J-58: 46,000 barrels

J-50 Trial Production Licence:

The necessary Kazakh regulatory approvals required to enable the J-50 well, located on Akkar North: East Block, to recommence Trial Production were received during the Quarter and production from the J-50 well is expected to recommence during the 1st Quarter of 2019.

The J-50 well was shut in at the end of December 2014 due to a dispute with Jupiter's neighbour over the allocation of the Akkar North oil reserves. This matter has now been resolved.

Go Forward Plan:

Quarter by Quarter production is expected to increase with additional contributions from wells J-57 (assuming successful testing of this well) and J-50. A side track of well J-53 is also planned during 2Q 2019 and if the results from that work are positive, oil from J-53 will also contribute towards increased oil production and sales.

J-57 Drilling and Testing Summary:

Well J-57 Akkar East is the Company's ninth well on Block 31. The appraisal well is located in Akkar East's undrilled faulted block (#4) area with probable 2P/C² reserves, located to the south-east of the J-51, J-52 and 19 production wells.

Well J-57 took a total of 61 days to drill and reached a total depth of 3210 m on December 5th, 2018; hydrocarbon shows while drilling, mud logging, coring and subsequent open-hole wireline logs all indicated hydrocarbons in the Mid Triassic reservoir. The open-hole logs and both sections of core indicated oil saturation and reservoir thickness, similar to that of the J-51, J-52 and 19 production wells, which have also been drilled on the same Akkar East structure.

The completion and testing of J-57 will include perforating the well underbalanced with tubing conveyed perforating guns, monitoring fluid levels and running pressure gauges. It is likely that acid treatment is necessary to stimulate the saturated formation and facilitate the flow of oil into the wellbore.

Analysis by local independent consulting firm Reservoir Evaluation Services LLC ("RES") confirmed some 99.4m of gross reservoir thickness and approximately 84.6m of net pay thickness at the Middle Triassic T²B carbonate formation, the primary reservoir objective in the appraisal well.

In addition, analysis also confirmed an additional 15.4m of gross reservoir thickness and approximately 10.4m of net pay thickness at the Middle Triassic T²A carbonate-terrigenous formation.

The T²B will be the first formation to be targeted during testing and this work is expected to commence during February 2019, once a workover rig is made available.

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 2018	Interest acquired / disposed of during the Quarter	Interest held as at 31 December 2018
Kazakhstan	Block 31	100%	Nil	100%

Capital Structure and Finances:

As at 31 December 2018, the Company had 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, on issue.

As at 31 December 2018, total Company debt outstanding stood at approximately \$US49.33m through the following funding agreements:

	US\$
2017 Funding Agreement (max \$US5m)	2.04 m
2016 Funding Agreement (max \$US5m)	4.60 m
Refinanced Series B Promissory Note	13.76 m
Refinanced convertible notes	28.93 m
	\$US49.33

In terms of available short term funding: As at 31 December 2018, the Company had drawn down \$US2.04m¹ under the \$US5.0m 2017 Funding Agreement meaning \$US2.96m is still available under this funding agreement.

The Company also still has access to a further \$US0.4m² under the 2016 Funding Agreement.

The Company continues to operate under an agreed Operations Budget. Based on this Operations Budget, using the combined net revenues from oil sales and the remaining debt facility available through the 2016 and 2017 Funding Agreements (total funds available as at 31 December 2018 being \$US3.36m), the Company will remain funded for the foreseeable future.

Any drilling of new wells will require access to additional working capital and/or agreement to deferred payment terms with the turnkey drilling operator.

Unaudited net cash reserves as at 31 December 2018 stood at approximately \$A1.633m.

¹ Including accrued interest

² Taking into account accruing interest on the drawn down amount

Summary:

Progress during the Quarter was positive and the Company produced approximately 72,000 barrels of oil from the J-51, J-52, 19 and J-58 wells.

Revenue from oil sales (including VAT) for the Quarter amounted to approximately \$US2.32m which was secured via prepayments from a local oil trader.

Drilling of the J-57 well was completed and testing of the T²B formation is expecting to commence during February 2019. Details of this testing will be released to shareholders in due course.

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

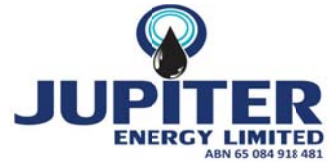
ENDS

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 ASX and KASE stock 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.