

24 July 2023

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

QUARTERLY UPDATE ON ACTIVITIES FOR THE PERIOD TO 30 JUNE 2023

KEY HIGHLIGHTS:

- **Unaudited oil sales revenue (including VAT) for the Quarter ending 30 June 2023 totalled ~\$US2.39m (~65,000 barrels of oil).**
- **During the Quarter, wells located on the Akkar North (East Block), Akkar East and West Zhetybai oilfields produced at a cumulative rate of ~85 tonnes / ~640 barrels per day.**
- **Oil sales for the Quarter went through via various sales channels – major domestic refineries, local mini refineries as well as into the export market.**
- **At the EGM held on 29 June 2023, shareholders approved a “Securities for Fees” plan that has resulted in Balance Sheet debt being reduced by ~\$A500k.**
- **Keith Martens has joined the Board as a Non-Executive Director, following the retirement of Mark Ewing.**

Jupiter Energy Limited (ASX: “JPR”) presents the following update on activities for the 3-month period ending 30 June 2023 (the “Quarter”). Also included in this report are details of any subsequent events that have occurred up to the date of this release.

The Quarter in brief:

During the Quarter, all production wells operated at optimal levels, with the exception of the J-51 well, located on the Akkar East field. This well was shut in for the entire Quarter, awaiting a major workover.

Wells located on the Akkar East and Akkar North (East Block) fields are operating under their Full Commercial licences. Oil sales from these wells are subject to a monthly domestic quota that is set by the Kazakh Ministry for Energy. All remaining oil can be sold through other channels, including the export market.

The West Zhetybai field continues to operate under its Preparatory Period licence, meaning that oil produced from the J-58 well is not subject to a domestic quota allocation and can be sold to local mini refineries. Oil produced under a Preparatory Period licence cannot be sold into the export market.

2Q 2023 Oil Sales:

During the Quarter, unaudited oil sales revenue (including VAT) totalled ~\$US2.39m (~\$A3.58m) based on sales of ~65,000 barrels of oil (average price of ~\$US37/bbl).

Cash receipts for the Quarter were ~\$A2.086m. The variance between revenue recognised and cash receipts is due to the timing of the receipt of oil prepayments that are then amortised over one to two months of oil deliveries.

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

- Akkar North (East Block): **11,300 barrels** (production from J-50)
- Akkar East: **29,000 barrels** (J-51 was shut in for the Quarter – production was from wells 19 and J-52)
- West Zhetybai: **17,700 barrels** (production from J-58)

The differential between total sales of 65,000 barrels vs total production of 58,000 is a result of 7,000 barrels, held in inventory as at 31 March 2023, being sold during the Quarter.

As at 30 June 2023, inventory levels stood at ~700 tonnes / ~5,200 barrels of oil. This oil was sold during July 2023.

Domestic Oil Sales:

Domestic oil was sold via Jupiter's Joint Venture vehicle, Jupiter Refining LLC. Oil was sold into the Atyrau refinery and unaudited oil sales revenue (including VAT) totalled ~\$US657,000 (~\$A983,000) based on sales of ~22,500 barrels of oil (average price of ~\$US29/bbl).

Mini Refinery Oil Sales:

Oil sold from the West Zhetybai field was sold directly to a local mini refinery. Unaudited oil sales revenue (including VAT) totalled ~\$US1.062m (~\$A1.589m) based on sales of ~31,200 barrels of oil (average price of ~\$US34/bbl).

Export Oil Sales:

Sales of oil into the export market were limited during the Quarter.

Export oil pricing is linked with the destination to which the oil is routed. Routing, associated logistics costs, the discount to Brent quoted by traders and the additional Kazakh taxes levied on export oil, meant that for much of the Quarter the net price received for export oil was not attractive when compared to other sales channels. The geopolitical tension in the area was a contributing factor to the discount to Brent being quoted by traders.

During the Quarter, 10,900 barrels of oil were sold into the export market, achieving unaudited oil sales revenue (including VAT) of ~\$US672,000 (~\$A1m), meaning an average price of ~\$US62/bbl before costs of logistics and additional Kazakh taxes.

The Company continues to monitor the export oil pricing formula being offered by traders and will revert to this sales channel when the net price achieved is superior to pricing being offered via other available sales channels.

During the Quarter, oil that was produced under a Preparatory Period Licence, not sold into the export market and not subject to the domestic quota allocation set by the Kazakh Ministry of Energy, was sold to a local mini refinery.

Forward Work Program – Increasing Production:

Recent focus has been on the planning and execution of a major workover on the J-51 well. The workover of the J-51 is expected to be completed in the next week or two.

Following the workover of J-51, it is expected that electric submersible pumps (ESP's) will be installed in wells J-50 and J-52. The installation of these ESP's, coupled with a successful workover of the J-51 well, should lead to an increase in overall daily production.

With regards the 2023 drilling plan, the Company continues to review the appropriate timing to commence the drilling of its next well. Future drilling work will require access to additional working capital and/or securing deferred payment terms with a local turnkey drilling operator and/or prepayment of additional oil sales by an oil trader.

General Meeting of Shareholders:

On 29 June 2023, shareholders approved the implementation of a "Securities for Fees" plan (the Plan). The Plan enables participating Directors to exchange any outstanding Directors Fees, accrued as at 31 December 2022, for shares in Jupiter.

The issue price of the Jupiter shares was set at \$A0.03 – this issue price represented a 50% premium to the Jupiter share price as at 29 June 2023. Participating Directors will also take their 2023 Directors Fees in shares – these shares will also be issued at \$A0.03.

Shares issued under the Plan will be subject to the meeting of certain vesting conditions.

The introduction of the Plan has meant a reduction in Balance Sheet debt of ~\$A500k. This debt was attributable to the unpaid Directors Fees of the participating Directors.

Shareholders also approved the allotment of 12,500,000 shares to Kazakh contractor Sleipnir Technologies LLP (Sleipnir). These shares were issued in full and final

settlement of fees owing to Sleipnir in relation to the planning and implementation of the Stage 1 Gas Utilisation Plan.

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 2023	Interest acquired / disposed of during the Quarter	Interest held as at 30 June 2023
Kazakhstan	Contract 2275/4803	100%	Nil	100%

Payments to Related Parties:

Payments made to related parties and their associates during the Quarter were fees paid to Geoff Gander, Baltabek Kuandykov and Alexander Kuzev for Consulting Services provided to the Company. These fees included the payment of fees that were accrued during the 1st Quarter 2023 and paid during the 2nd Quarter 2023.

Changes to the Board:

Keith Martens joined the Board as a Non-Executive Director on 05 July 2023, following the retirement of Mark Ewing.

Keith has served as a technical advisor and consultant to a number of Australian oil & gas companies and is very familiar with the Company, having been instrumental in the discovery of Jupiter's Akkar East and West Zhetybai oil fields.

The Company thanks Mark for his valuable contribution over the past 2.5 years and welcomes Keith to the Board.

Capital Structure and Finances:

As at 30 June 2023, the Company had 1,229,850,121 listed shares trading under the ASX ticker "JPR".

This figure will increase to 1,270,330,255 as a result of the issue of a further 40,480,134 shares, resulting from the passing of several Resolutions at the 29 June 2023 General Meeting.

The Company has no Options or Performance Shares, listed or unlisted, on issue.

As at 30 June 2023, the Company's total debt outstanding stood at ~\$US16.57m. This outstanding debt will be carried interest free until 31 December 2024. The Company expects to repay this debt, using \$US generated from oil sales, over the coming years.

As announced on 03 July 2023, the Company has put in place a new \$US5m funding facility, provided by Waterford Finance and Investment Limited. This new facility has the following key terms:

- 0% interest;
- Unsecured;
- Repayable on or before 31 December 2024, unless extended by mutual agreement; and
- Any monies drawn down from this facility will be repaid in priority to the existing ~\$US16.57m of balance sheet debt.

No funds have been drawn down from this facility as at the date of this report.

Operations Budget:

The Company continues to operate under an approved Operations Budget using the net revenues from prepaid oil sales. The Company expects to remain funded at an operational level based on current and forecasted oil production, under differing well production scenarios, for the foreseeable future.

Unaudited net cash reserves as at 30 June 2023 stood at approximately \$A0.86m.

Summary:

Progress during the Quarter continued to be positive.

Unaudited revenue from oil sales (including VAT) for the Quarter amounted to ~\$US2.39m (~\$A3.58m) which was secured via prepayments from both local and international oil traders.

Cash receipts for the Quarter were ~\$A2.086m. The variance between revenue recognised and cash receipts is due to the timing of the receipt of oil prepayments that are then amortised over one to two months of oil deliveries.

Production from wells on the Akkar North (East Block), Akkar East and West Zhetybai oilfields averaged ~85 tonnes (~640 barrels) per day during the Quarter. The workover of the J-51 well (Akkar East) is expected to be completed in the next week or two and it is hoped that daily production will increase, post the successful completion of this workover.

Whilst the first sale of oil into the export market was achieved in April 2023, export sales during the Quarter were limited. The Company will continue to focus on using sales channels that achieve the best net revenues possible.

If there are any questions regarding this Quarterly report, shareholders are welcome to contact the Company on +61 3 9863 9779.

Geoff Gander
Chairman/CEO

ENDS

Authorised by the Board of Jupiter Energy Limited

Enquiries:

Jupiter Energy (+61 3 9863 9779)
Geoff Gander (geoff@jupiterenergy.com)

About the Company:

Jupiter Energy Limited is an oil exploration and production company, quoted on the ASX. The Company is focused on developing its onshore assets in Western Kazakhstan. The Company holds 100 per cent of the Block 31 permit, located in the oil-rich Mangistau Basin, close to the port city of Aktau.

The Company is operating two of its fields under a Full Commercial Licence and the third under a Preparatory Period Licence. Oil produced from the three fields can now be sold through a variety of sales channels, including both the domestic and export oil markets.

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.

Competent Persons Statement:

Alexey Glebov, PhD, with over 35 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.
