

24 October 2023

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

**QUARTERLY UPDATE ON ACTIVITIES FOR THE PERIOD TO 30 SEPTEMBER
2023**

KEY HIGHLIGHTS:

- **Unaudited oil sales revenue (including VAT) for the Quarter ending 30 September 2023 totalled ~\$US1.85m (~59,000 barrels of oil).**
- **Oil sales for the Quarter were all via domestic sales channels – to both major domestic refineries and local mini refineries. There were no sales into the export market due to poor pricing as a result of routing restrictions.**
- **The Company's Annual Accounts were lodged on 29 September 2023.**
- **The Annual General Meeting is to be held as a hybrid meeting on 22 November 2023. A Notice of Meeting covering business to be covered at the AGM has been despatched to shareholders.**

Jupiter Energy Limited (ASX: “JPR”) presents the following update on activities for the 3-month period ending 30 September 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 expected levels, with the exception of the J-51 well, located on the Akkar East field. This well was shut in for the vast majority of the Quarter, undergoing 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. Oil from these oilfields, outside this domestic quota allocation, can be sold through other channels, including into 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.

3Q 2023 Oil Sales:

During the Quarter, unaudited oil sales revenue (including VAT) totalled ~\$US1.85m (~\$A2.82m) based on sales of ~59,000 barrels of oil (average price of ~\$US31/bbl).

Cash receipts for the Quarter were ~\$A3.54m. 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): **11,000 barrels** (production from J-50)
- Akkar East: **30,600 barrels** (J-51 was shut in for the vast majority of the Quarter – almost all production was from wells 19 and J-52)
- West Zhetybai: **13,500 barrels** (production from J-58)

The differential between total sales and total production is a result of inventory, as at 30 June 2023, being sold during the Quarter.

As at 30 September 2023, inventory levels stood at ~18 tonnes / ~135 barrels of oil. This oil was sold during October 2023.

Domestic Oil Sales:

Oil sold to the major domestic oil refinery 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 ~\$US0.35m (~\$A0.53m) based on sales of ~12,000 barrels of oil (average price of ~\$US29/bbl).

Mini Refinery Oil Sales:

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

This meant that oil produced from the West Zhetybai field, as well as excess oil from the Akkar North (East Block) and Akkar East oilfields that was not covered by the monthly domestic oil quotas set during the Quarter, was sold directly to a local mini refinery.

Unaudited oil sales revenue (including VAT) totalled ~\$US1.5m (~\$A2.29m) based on sales of ~47,000 barrels of oil (average price of ~\$US32/bbl).

Export Oil Sales:

There were no sales of oil into the export market 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 the entire Quarter, the net price received for export oil was not attractive when compared to available domestic sales channels. The geopolitical tension in the area was a contributing factor to the discount to Brent being quoted by traders.

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.

Forward Work Program – Focus on 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 has been recently completed and oil from this well is now contributing to daily production.

A workover of the J-58 well commenced during October 2023 and it is expected that this workover will be followed the installation of an electric submersible pump (ESP) into well J-52.

The installation of this ESP, coupled with a successful workover of the J-58 well, should lead to an increase in overall daily production.

Remediation of well J-55 is now also being considered and if this work was to proceed, the project would commence in the coming few months.

With regards the 2023/24 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.

Discussions are ongoing in this regard.

Annual Accounts:

The Company lodged its 2023 Annual Accounts on 29 September 2023. The accounting profit of ~\$A44m reflected the ~\$A52.7m gain that resulted from the significant debt restructure the Company completed in December 2022.

Annual General Meeting of Shareholders:

On 20 October 2023 the Company despatched a Notice of Meeting to shareholders covering business to be put to shareholders at the Annual General Meeting (AGM), scheduled for 22 November 2023.

The AGM will be held virtually and instructions on how to participate are contained in the Notice of Meeting. Shareholders are encouraged to attend.

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 June 2023	Interest acquired / disposed of during the Quarter	Interest held as at 30 September 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.

Capital Structure and Finances:

As at 30 September 2023, the Company had 1,270,330,255 listed shares trading under the ASX ticker "JPR".

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

As at 30 September 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.
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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 September 2023 stood at approximately \$A0.721m.

Summary:

Progress during the Quarter continued to be positive.

Unaudited revenue from oil sales (including VAT) for the Quarter amounted to ~\$US1.85m (~\$A2.82m) which was secured via prepayments from domestic oil traders.

Cash receipts for the Quarter were ~\$A3.54m. 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.

There were no sales of oil into the export market during the Quarter. 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:

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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.

Alexey Glebov has been a member of the European Association of Geoscientists & Engineers (EAGE #M2001-097) since 2001 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.
