Jupiter Energy
Limited
ABN: 65 084 918 481

ASX Release

September 1, 2005

Jupiter's Bellarine 1 Well - Drilling Update

Jupiter Energy Ltd ("JPR") on behalf of its wholly owned subsidiary Jupiter Energy (Victoria) Pty Ltd advises that on early 31st August 2005, the Joint Venture Partners agreed to cease drilling of the Bellarine 1 well at a depth of 2,139 metres due to the considerable expense to retrieve the drill bit and the twisted drill pipe from the bottom of the hole and still continue to the first target depth of 2,500 metres.

A cement plug has been set at the bottom of the casing at a depth of 930 metres. A second cement plug will be set near the surface. The well has been left so that if we wish to re-enter at a later date to target the Pretty Hills sands.

Recent reinterpretation of the existing seismic data by a number of independent consultants have indicated mean recoverable reserves of up to 127 billion cubic feet (bcf) of gas in the Pretty Hills sands, should hydrocarbons be present. The deepening of the Bellarine 1 well with a rig with a capacity in excess of 3,000 metres would be required to achieve what the company considers to be the secondary target zone.

The Operator (Lakes Oil NL) will be making an evaluation of the wireline logs, particularly above 1,000 metres where gas was observed.

The Operator will continue to be assess the data as it is possible from its experience in the Gippsland Basin that this well could be a candidate for fracture stimulation at a later date.

Eddie Smith, Jupiter Energy Limited Chairman said "While we are disappointed with the drilling results, initial analysis of the wireline data indicates that gas is present, but unfortunately no sands of reservoir quality were encountered. Prior to losing the bottom of the drill string it was noted that the gas readings were increasing. We regard this as a positive sign that gas has been generated within the section and may be present at deeper sections with reservoir quality".

Jupiter Energy (Victoria) Pty Ltd is earning a 50% interest in permit PEP 163 by funding the first $1.2 million of the cost of drilling the Bellarine 1 well. For further queries, please contact the company on (08) 9322 8222.

Participants in PEP 163 (upon completion of JPR's farmin will):

Jupiter Energy (Victoria) Pty Ltd	50.0%
Mirboo Ridge Pty Ltd (wholly owned subsidiary of Lakes Oil NL – LKO)	50.0%

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