

July 31 2007

FOURTH QUARTER ACTIVITIES REPORT – JUNE 2007

Jupiter Energy Limited (ASX: JPR) presents the following report on activities for the three months ending 30 June 2007. Also included in this report are details of any significant subsequent events that have taken place in July 2007.

Main Activities:

Jupiter Energy Limited (ASX: JPR) reported during the quarter that it had made significant progress in transforming the Company into an oil exploration and production company based primarily in the Republic of Kazakhstan.

Kazakhstan is recognized as a country with international quality oil permits and the JPR Board believes that there is an abundance of good opportunities for organizations that have good local relationships. JPR has been able to quickly establish significant contacts in Kazakhstan and has a stated objective of accumulating undervalued prospective oil exploration acreage and niche oil producing assets within the country.

The JPR Board announced on 10 April 2007 that the Company had signed a mandate with Indian Ocean Capital Pty Ltd (IOC), whereby IOC would raise a total of \$4.8 million before costs. This money was required to begin preliminary work on the acquisition of sub surface rights (permits) in Kazakhstan and open a branch office in Almaty, the financial capital of Kazakhstan.

The raising was to be via three separate placements, namely:

- Placement of 17,500,000 fully paid ordinary shares at 4 cents per share to raise \$700,000 before costs. This placement was done under the 15% provision and therefore did not require shareholder approval.
- The placement of 100,000,000 fully paid ordinary shares at 4 cents per share to raise \$4,000,000 before costs. Each share had a free attaching option. These options would have an exercise price of 8 cents and expire on 30/06/2010. The options would be listed on the ASX. This placement required shareholder approval.
- The placement of 100,000,000 options at a price of 0.1 cent per option to raise \$100,000 before costs. These options would have an exercise price of 8 cents, would also expire on 30/06/2010 and would be listed on the ASX. This placement would also require shareholder approval.

The Company held a General Meeting of shareholders on 7 June 2007 and all resolutions were passed on a show of hands. The placements were completed by mid June and senior

management travelled to Almaty during the week of June 18 to review the initial permit that had been identified as being an appropriate cornerstone opportunity for the Company.

The Company finished the June 2007 quarter with 235,571,389 fully paid ordinary shares on issue and 200,000,000 listed options (under the ASX ticker JPROA). After the placement, JPR had approximately \$7.6 million in cash. As at 30 June 2007, there were also 8,250,000 unlisted 12 cent options on issue. These options expire on 30 June 2008. There were also 2,852,800 unlisted 8 cent options on issue and these have an expiry date of 31 December 2008.

Subsequent Events:

On Tuesday, July 3 2007 the Company announced that it had signed a Binding Term Sheet to acquire its initial permit in Kazakhstan.

The permit is located in the Zhetybai-Uzen step where government records indicate reserves are 6 Billion barrels of oil equivalent (BOE) of which 80% is oil. The two biggest oil fields are Uzen and Zhetybai which produce from both the Jurassic and the Triassic.

The permit, consisting of two blocks, covers an area of over 100 sq km and is located on trend with three existing producing oil fields which have potential reserves of 21-56 million barrels of oil (mmbbls). The Contract with the Ministry of Energy and Mineral Resources (MEMR) is for exploration to begin on the permit in 2007.

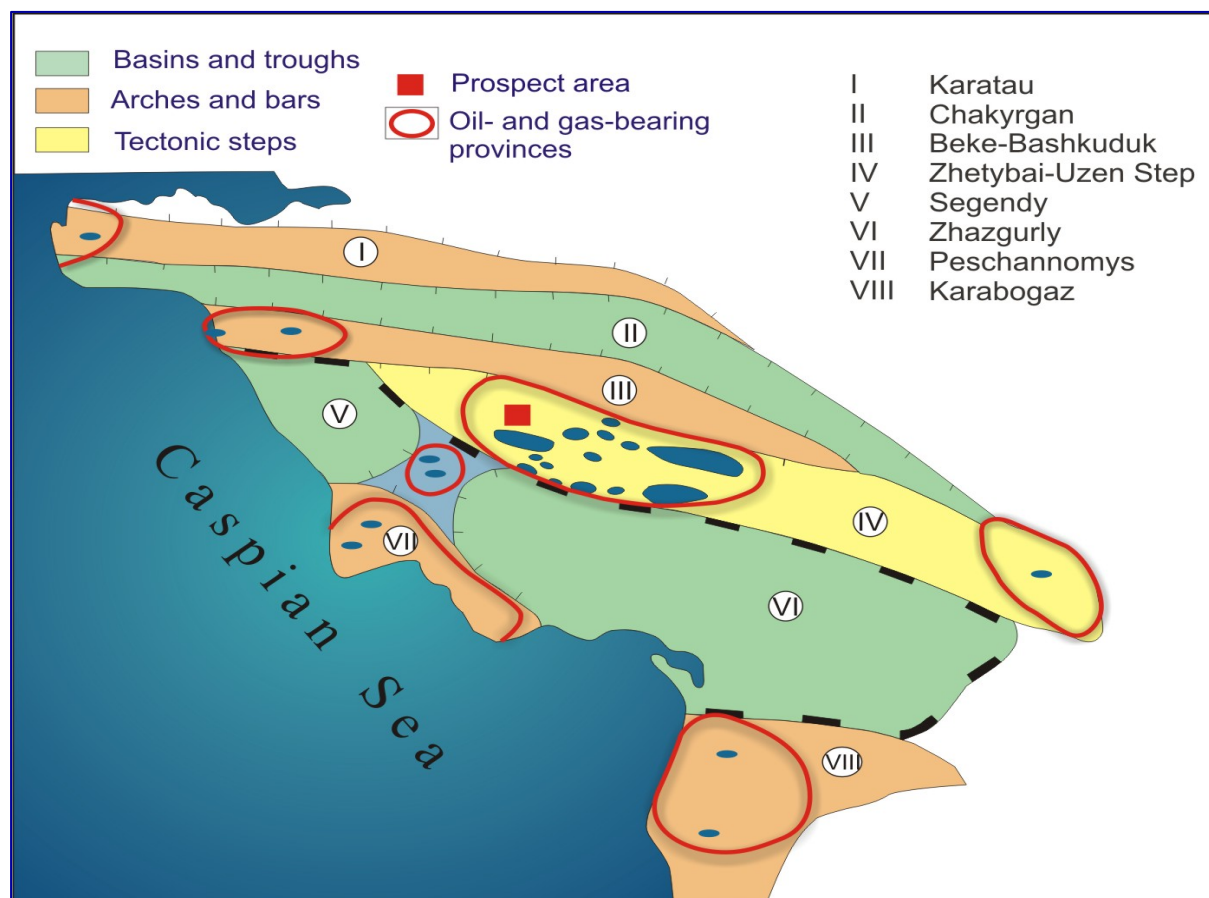


Figure 1: Position of permit (red square) in relation to other oil fields in the Mangistau Basin

The Permit has a six (6) year exploration period with the right to extend it twice for two (2) years for a total period of ten (10) years.

The permit has been lightly explored with a regional 2D grid of 1970's and 1980's vintage seismic carried out by the old Soviet regime. Mapping of the top Triassic map suggests Middle Triassic tilted fault blocks traps similar to the Akkar N and NW Zhetybai oil fields. These traps include a potential field extension to Akkar N and at least two other substantial structures. Recent 3D along this same trend has revealed Middle Triassic traps which have already resulted in new field discoveries. The plan is to acquire 3D Seismic in the second half of 2007 with the view to drill the best prospects on the permit as soon as possible in early 2008.

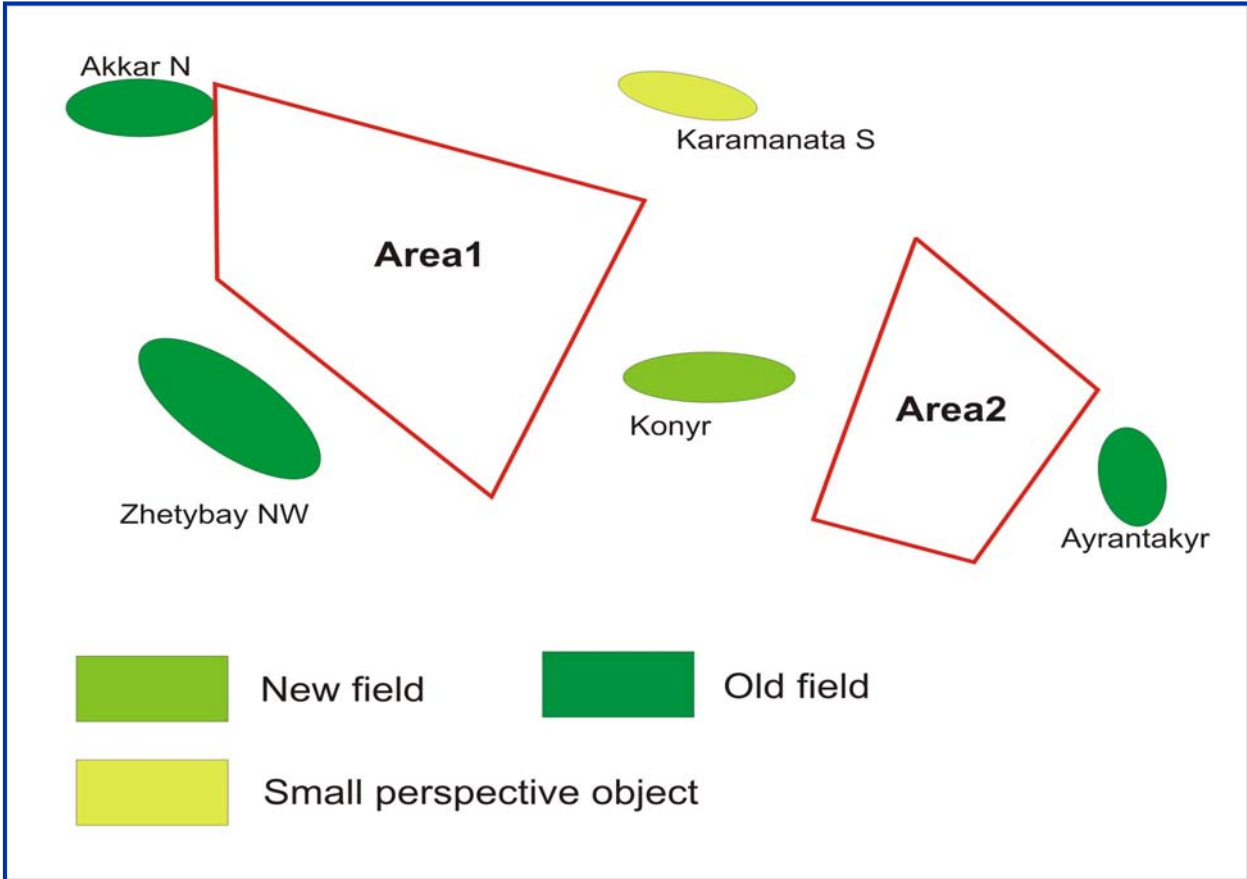


Figure 2: Position of the 2 block permit in relation to other oil fields in the same area

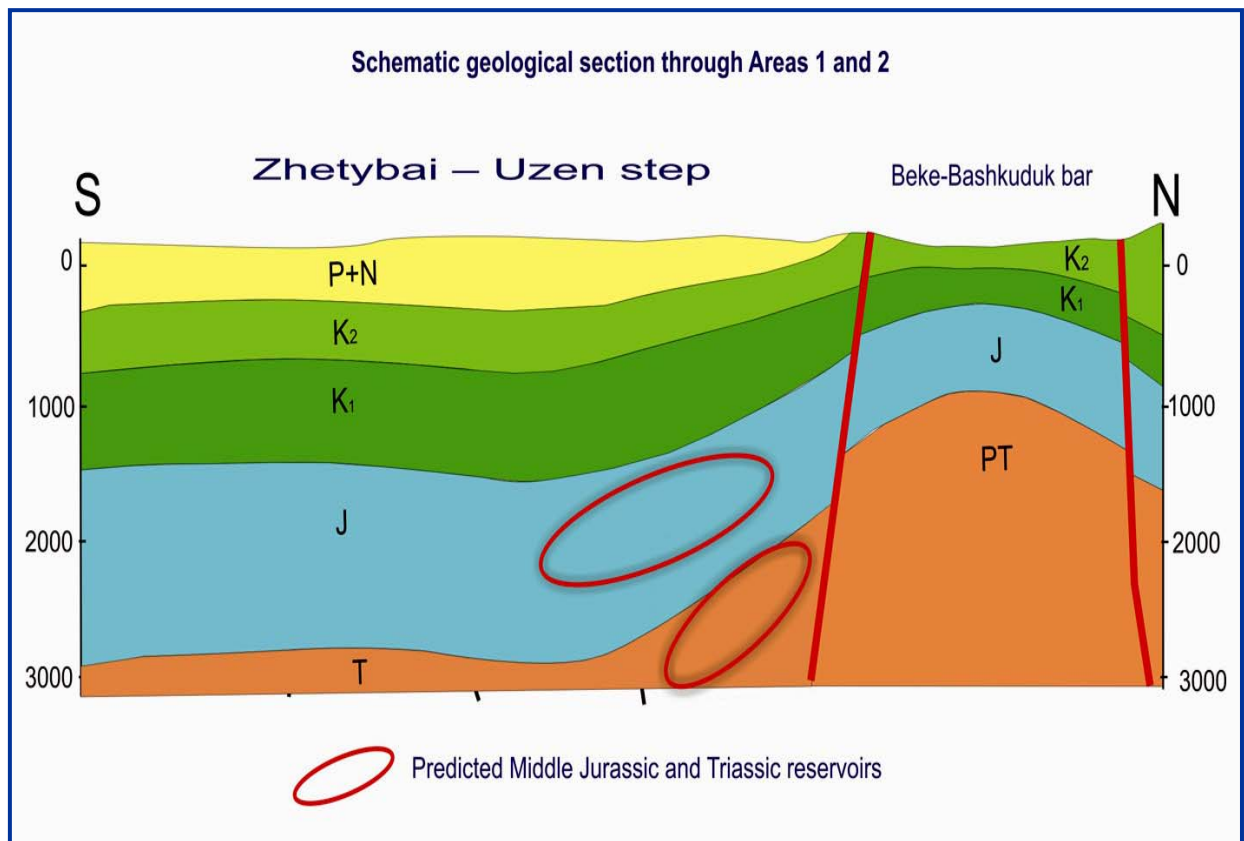


Figure 3: Predicted areas of drilling interest on permit

Summary of the Transaction:

The underlying terms of the transaction are as follows:

JPR will pay the vendors of the permit an initial deposit of \$US 500,000. The Vendors will seek MEMR approval to assign the Sub Surface Rights to JPR and receive a waiver from the Government of Kazakhstan to refuse to exercise its pre-emptive right to also acquire an interest in these Sub Surface Rights. The waiver process is followed in Kazakhstan whenever there is a sale of rights of Oil & Gas permits from one party to another and it is expected to take up to 120 days to complete.

On completion JPR will conclude the purchase of the Sub Surface Rights by way of:

- The issue of 16 million fully paid ordinary shares in JPR at a deemed issue price of \$A0.30 per share. This equates to a payment of \$A4.8 million (c. \$US 4,000,000).
- The payment of \$US 5,500,000 which, when combined with the initial deposit, makes the total cash consideration paid \$US 6,000,000, equating to a total purchase price paid, in cash and shares, of \$US 10,000,000.

The transaction is subject to certain conditions precedent and these are:

- JPR receiving the necessary government approvals and waivers from MEMR to enable the transfer of the Sub Surface Rights;
- completion of due diligence by JPR on the Sub Surface Rights, to the satisfaction of the Board of Jupiter Energy Limited;

- the removal of any encumbrances on or in respect of any of the Sub Surface Rights;
- the approval of the issue of the 16 million fully paid ordinary shares by the shareholders of JPR (if this approval is required); and
- the approval by JPR shareholders to raise additional capital to complete the transaction (if this approval is required).

A formal sales agreement will be entered into by the parties.

The JPR Board believes that this initial exploration project is an excellent opportunity on which to begin the development of JPR into a substantial oil producer in Kazakhstan. The Company has further plans to grow the portfolio of oil assets and this plan will be implemented over the coming 12 months. This plan also includes an intention to dual list JPR on the ASX and London's Alternative Investment Market (AIM) market.

Board Changes and Other Key Appointments:

On 9 July 2007, Mr Eddie Smith and Mr David Quinlivan resigned as Directors and Mr Andrew Childs joined the Board. Eddie and David had served on the JPR Board since early 2005 and JPR thanks them both for their contribution to the revitalization of the Company over the past 2.5 years.

Geoff Gander took over the role of Chairman and the new Board is now made up of:

- **Geoff Gander: Executive Chairman**
- **Andrew Childs: Non Executive Director**
- **Erkin Svanbayev: Executive Director (and head of the JPR Almaty office)**

The Board of JPR also continued to growth its core management team and has appointed Keith Martens as a Technical Consultant. Keith is a Canadian educated 30 year veteran of the Oil & Gas industry. He has worked with a number of Canadian and Australian organisations including Hudson's Bay Oil & Gas, Marathon Petroleum, Santos, Tap Oil and most recently Bow Energy. Keith will focus on coordinating the completion of the 3D Seismic on the permit and its interpretation as well as assisting in the technical review of any new acquisitions being considered by the Company.

Finally, on 23 July 2007, RM Capital initiated research on the Company and a copy of this Research Paper can be found on the Jupiter Energy Limited web site.

If shareholders have any questions regarding this fourth quarter activities report, they can contact the JPR office on (08) 9322 8222 or myself on 0417 914 137 or via email – geoff@highway1.com.au

Geoff Gander
Executive Chairman

OTHER EXPLORATION ACITIVITIES - PEP 163

PEP 163 covers is located in the eastern Otway Basin and is located 10 kilometers from the city of Geelong and 50 kilometers from Melbourne. The proximity to established markets and infrastructure suggest that even modest discoveries of gas and/or oil could be commercially developed

Under the terms of an agreement signed on April 26 2005 with Lakes Oil NL, Jupiter agreed to fund the first \$1.2 million of the drilling and completion costs of the Bellarine No. 1 well to earn 50% interest in PEP 163.

The 50% interest in PEP 163 has been earnt.

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