

30 April 2008

THIRD QUARTER ACTIVITIES REPORT – MARCH 2008

Jupiter Energy Limited (ASX: JPR) presents the following report on activities for the three months ending 31 March 2008. Also included in this report are details of any significant subsequent events that have taken place in April 2008.

Activities:

Jupiter Energy Limited (ASX: JPR) reported in its December 2007 half yearly report that settlement on its initial planned acquisition, exploration Block 31, had yet to be finalised. The Board had decided to postpone the settlement on Block 31 and had asked the owner of the block, Zher Munai & K LLP (Zher Munai) to sign an Addendum to the current Sale Purchase Agreement (SPA) which altered the basis on which the purchase of Block 31 by JPR from Zher Munai would proceed.

On March 26 2008, the Company announced that Zher Munai had signed the addendum and therefore the following changes have been made to the original terms of the transaction:

- JPR will have up until 30 June 2008 to complete settlement on Block 31;
- Settlement will be conditional on JPR raising a minimum of \$A6 million in fresh equity. This equity raising will be coordinated through JPR's financial advisors, Indian Ocean Capital Pty Ltd (IOC), and will be used to fund the ongoing work program on Block 31;
- From 1 March 2008 onwards, JPR will be responsible for paying any interest penalties due to the Kazak Government as a result of the late settlement on Block 31. This amount will only be due if and when JPR finalises the purchase of Block 31. The maximum penalty (assuming settlement was to occur on 30 June 2008) would be approximately \$US276,000; and
- If JPR does not complete the settlement on Block 31 on or before 30 June 2008, the Sale Purchase Agreement will terminate and the \$US500,000 deposit already paid by JPR to Zher Munai will be retained by Zher Munai. No other penalties will be payable by JPR in this scenario.

As also outlined in the December 2007 half yearly report, the JPR Board still 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. Assuming completion on Block 31, the Company has further plans to grow the portfolio of oil assets and this plan will be implemented over the coming 12 months and in fact is already well progressed with several other permits already under review. Assuming completion on Block 31, the Company is also looking to close out at least one of these other opportunities before the end of September 2008. These new opportunities should see JPR take either full ownership or a significant equity position in existing oil fields with proven reserves, meaning that 2008 should see the Company begin to derive revenues from oil production.

Subsequent Events:

Kazakhstan:

On April 11 2008, the Company announced that it had signed an agreement with Zher Munai and Biskra Holdings Limited (Biskra) whereby Biskra and Zher Munai will work with the relevant Kazak Government authorities to secure additional exploration acreage in the Mangistau basin on behalf of JPR.

The extension being sought is an area of approximately 25 square kilometers which is situated between JPR's initial exploration permit, Block 31, and the existing North West Zhetybai oil field. The new area, known internally as Block 32, has been identified as a result of reviews by the Company of historic Soviet seismic data which the Company believes indicate that Block 32 has similar characteristics to the Akkar North Oil Field. The Akkar North oil field has reserves, according to government records, of at least 25 million barrels of oil with more drilling planned.

The key terms of the consulting agreement with Biskra and Zher Munai are:

- The maximum term of the agreement will be 270 calendar days or such other period as is agreed between the parties;
- The term will begin as soon as settlement on Block 31 has been completed;
- All fees associated with securing 100% of Block 32 will be borne by Biskra and Zher Munai; and
- If the extension (known internally as Block 32) is granted to JPR within the term of the agreement, JPR will pay Biskra (or its nominee) a fee of \$US3.5 million and this amount will cover all the costs incurred by Biskra and Zher Munai in gaining the extension plus a success fee to Biskra.

The Board believes that this extension to the existing permit will give JPR the ability to access a drillable horstal feature in the underlying Triassic of a similar size or bigger to the Akkar North field and with follow up 3D seismic the Company should be able to better identify and drill this target as part of the planned Block 31 work program.

PEP 163:

Members of JPR management met with Lakes Oil NL, the 50% owner of PEP 163 at APPEA during April 2008. PEP 163 is located in the eastern Otway Basin and is 10 kilometers from the city of Geelong and 50 kilometers from Melbourne. Under the terms of an agreement signed on April 26 2005 with Lakes Oil NL, JPR agreed to fund the first \$1.2 million of the drilling and completion costs of the Bellarine No. 1 well to earn a 50% interest in PEP 163. The 50% interest in PEP 163 was earned during 2005 and only a small amount of seismic work has been carried out on the permit since that time.

During 2007 JPR sought expressions of interests from other oil & gas exploration companies in terms of possibly buying this 50% interest from JPR but no parties responded with a commercial offer. At the APPEA meeting, Lakes Oil NL proposed a go forward work program for PEP 163 and it was the Board's view that investment in PEP 163 was not prudent at this time in light of the company's focus on Kazakhstan. As a result, Lakes Oil NL was advised in writing on 10 April 2008 that JPR was not prepared to continue its interest in PEP 163 and therefore the Company has now forfeited its position in this permit.

Administrative Matters:

Shareholders should note that JPR has moved its offices and is now based at:

Level 34
Exchange Plaza
2, The Esplanade
Perth WA 6000

PO Box Z5108
St Georges Terrace
Perth WA 6831

The telephone and fax numbers have also changed and are now:

Tel: 08 9325 2192
Fax: 08 9325 2194

The old telephone and fax numbers have been forwarded to these new numbers and the old post office box has been retained for 6 months.

If shareholders have any questions regarding this third quarter report, they can myself on 0417 914 137 or via email – geoff@highway1.com.au

Geoff Gander
Executive Chairman

ENDS