

20 August 2009

JUPITER ENERGY ADDS EXPERIENCED DRILLING STAFF IN LEAD UP TO THE NWZ 2 WELL RE ENTRY PROGRAM AND LODGES PROSPECTUS TO FUND THE AKKAR N EXTENSION WELL

HIGHLIGHTS

- **JPR adds experienced drilling staff to oversee and manage the NWZ 2 re entry program.**
- **Planning and selection process for the drilling of the Akkar N extension well to commence in September with a planned drilling start date of late 2009.**
- **Akkar N extension well to be funded via a Rights Issue, with the Prospectus lodged today.**

Jupiter Energy Limited (ASX: JPR) is pleased to announce that it has now completed the hiring of additional staff in Australia and Kazakhstan to manage the NWZ 2 re entry program which is due to commence in the next two weeks.

JPR is delighted that David Thorpe has agreed to join the Company as Operations Manager to oversee the NWZ 2 re entry program as well as manage the planning for the new Akkar North (Akkar N) extension well that JPR has scheduled to drill in late 2009.

David is a senior Drilling Engineer and has most recently been with BHP Billiton Petroleum, where he was senior drilling engineer from February 2007 to now. Prior to this he was with Woodside (2.5 years) and he has also worked with Shell Todd Oil Services (STOS). He comes with an extensive drilling operations background and will be an invaluable addition to the JPR team. His first task will be to finalise the NWZ 2 well work over contract with local Kazakh contractor KEZBI LLP (Kezbi). Kezbi has already successfully re entered a number of old wells on the nearby North West Zhetybai (NWZ) oilfield and is ready to mobilise its rig to Block 31. David will travel to Almaty with Chairman Geoff Gander in the next week to meet with the local Almaty team and finalise the NWZ re entry contract with Kezbi. Once the Kezbi contract has been signed and all remaining Government approvals have been received, the Kezbi work over rig will mobilise to site and commence work on the NWZ 2 re entry.

JPR is also pleased to advise that Murat Narambayev and Kosai Zhubaniyazov have also joined JPR's Kazakhstan office. Murat is a veteran of the oil industry in the Mangistau basin and has held a variety of senior geological and exploration roles over the past thirty years. Most recently he was responsible for managing the re entry program of the NWZ 3 well which is located on the

adjoining NWZ field. The NWZ 3 well was drilled by the Soviets at the same time as the NWZ 2 well and was successfully re entered by Kezbi, under Murat's management, this year. NWZ 3 is now on production test and flowing at ~ 250 - 300 barrels of oil per day (bopd).

Kosai is a senior oil & gas engineer and worked with Murat on the NWZ 3 re entry. Both Murat and Kosai have already played an important role in finalising the Contract of Works with Kezbi for the NWZ 2 re entry and have also been working on obtaining all the various government approvals that are required for the re entry to commence.

It is expected that David will now work closely with Murat and Kosai on reviewing the work over and production testing program for the NWZ 2 re entry. Murat and Kosai will be located on site in the Mangistau basin during the NWZ 2 re entry program, with David overseeing the entire operation, working predominantly from Kazakhstan.

During the upcoming trip, David will also meet the group of turnkey operators that have been identified as potential candidates to drill the Akkar N extension appraisal well. He will focus on developing the specifications for the new well which will then be distributed to a pre selected list of potential turnkey operators. After reviewing their submissions, David will make his recommendation to the JPR Board on the preferred organisation to carry out the drilling of the new well.

As announced in July 2009, the Akkar N extension well will be drilled in a position adjacent to the Akkar N oilfield. The Akkar N oilfield is already producing ~ 2,000 bopd and has booked 1P reserves of 23 mmbbls. The 3D seismic program carried out on Block 31 by JPR in late 2008/early 2009 has clearly shown that there is an extension of the Akkar N field that runs into the Block 31 permit and a review of all the available data indicates a potential ~ 6 mmbbls recoverable from this target which is a 100% increase from JPR's initial estimate of ~ 3 mmbbls. The JPR Board is of the opinion that this would be the location of least risk on which to commence the new well drilling program, thereby providing an opportunity for the Company to have two producing wells on Block 31 during 2010.

It is proposed that the funding requirements for the Akkar N extension well will be met via a non renounceable Rights Issue. The Entitlement Issue Prospectus for the Rights Issue has been lodged with ASIC today. The key terms of the Rights Issue are:

- 1 for 1 non-renounceable entitlement issue
- Priced at 2 cents per share
- Total amount expected to be raised: \$7.24m (before costs)
- Record Date for entitlement: 3 September 2009
- Closing Date: 23 September 2009
- Any shortfall shares will be placed by Indian Ocean Capital Pty Limited, on a best endeavours basis, post the closing date, with priority going to existing JPR shareholders
- Shareholders may apply for an additional allocation of shortfall shares via the Prospectus

Commenting on these latest developments, Chairman Geoff Gander said, "Now that the Company is moving into what will be an intense drilling phase, it is critical we have experienced personnel that are well versed both in terms of drilling wells in the Mangistau basin as well as understanding worlds best practice in terms of the planning, implementation, management and reporting of these drilling programs. David, Murat and Kosai will combine to ensure that JPR meets all these requirements."

"In terms of funding, we have considered all the various options available to us and in particular a farm in on Block 31. Because the permit is still perceived to be in an exploration phase, the farm in terms being offered to us were, in the opinion of the JPR Board, not advantageous to JPR shareholders and as a result we have decided that a non-renounceable Rights Issue offers the most equitable way forward, allowing all existing shareholders to participate in the potential

upside of the Akkar N extension well at a very attractive price. The Rights Issue will provide us with the funding needed to complete the Akkar N extension well and combined with the anticipated successful re entry of NWZ 2, JPR should have two producing wells on stream by early 2010.”

If shareholders have any questions regarding this update they can contact Geoff Gander via phone on 0417 914 137 or via email – geoff@jupiterenergy.com.au There will also be an interview with Boardroom Radio released this week, featuring Geoff Gander and David Thorpe.

Geoff Gander
Executive Chairman

***Footnote:** The information in this document that relates to oil exploration results and reserves is based on information compiled by Mr. Keith Martens who is a Director of Martens Petroleum Consulting Pty Ltd. Mr. Keith Martens has sufficient experience which is relevant to oil exploration and to the specific activity in Kazakhstan to qualify as competent to verify the above statements . Mr. Keith Martens consents to the inclusion of the 1P, 2P and 3P reserves and production outlook in the form and context in which they appear.*

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