

26 October 2009

Weekly update on NWZ 2 well workover

Key Points:

- **Workover rig reached the target depth of 3037m (change from 3046m)**
- **Tagged top of cement plug and carried out well clean out**
- **Ran wireline logs to target depth**
- **Ran in hole tubing to 3037m**
- **New cement plug was set from 2970m to 3037m to cover non producing perforations that were made when the original well was drilled**
- **Currently waiting on cement to set**
- **AGR and David Thorpe now back on site for the key process of perforation and full production test**

The Board of Jupiter Energy Limited (ASX: JPR) is pleased to provide shareholders with its scheduled weekly update on the North West Zhetybai 2 (NWZ 2) well workover.

The workover is continuing to progress to plan and no unanticipated events have occurred to date. The rig reached the final cement plug located at 3037 metres (originally reported as 3046 metres) during the week and the well was cleaned out to this depth (3037m). Wireline logging was performed (gamma ray log and thermal log) and the contractor then set a cement plug from 2970m to 3037m to cover non producing perforations made when the well was originally drilled in 1969. As at Sunday afternoon (Aktau time) the workover team was waiting for the cement to set.

The workover has now reached what will be the critical phase of the entire operation. AGR's representative is on site and JPR's David Thorpe will be on site early this week having left for Kazakhstan over the weekend. Both these gentlemen will direct

operations to ensure the best possible outcome is achieved in terms of flow rates from the well. They will also ensure the collection of all the key data required for JPR to apply for, and receive in the most expedient timeframe, approval from the government authorities to take the well from production testing into trial production.

Next steps during this week will be:

- Run in and tag the top of the cement plug (2970m)
- Pull out of hole with tubing
- Rig up and run casing scraper on the drill pipe in preparation for wireline logs
- Run wireline cement bond log and casing thickness log
- Run packer on the drill pipe to 2910m
- Conduct casing pressure test and confirm integrity – this will be performed by the government agency AK Beren
- Pull out of the hole with the packer
- Prepare to run completion tubing and setup up surface equipment prior to production test

Shareholders may recall that the zone of key interest runs from 2910 metres to 2950 metres and it is in this zone, the Jurassic XIII, that the original logs from the 1969 drilling campaign indicated a discovery.

Commenting on this weeks progress, JPR Chairman Geoff Gander said, “This week has been one of consolidation as we lead up to what will be the most critical phase of this operation. David and Sergey Belov (AGR) will now be on site for the duration to direct the drilling contractor and our local staff as well as to ensure the surface equipment is all in place to manage the specific characteristics of oil found in the Mangistau.”

As outlined in previous announcements, it is planned that the well will be put onto production testing for a maximum of three months and it is during this period that the Company must complete its production plans for the well and apply for approval to take the well into trial production. Trial production can then last up to three years (without extensions) during which the Company can and will sell the oil produced from the well into the export market. After trial production, the well moves into full production as per the licence that JPR has on Block 31.

As also stated in earlier reports, the overall progress made on the NWZ 2 workover has been very encouraging and JPR will provide a further update on progress with the workover next week, unless an earlier update is deemed necessary. A picture of the workover rig in operation can be seen in Figure 1 below.

JPR will also release its Quarterly Operations Report this week and this report will provide details on a number of other activities that are currently underway which include:

- Visit by JPR's Keith Martens to Kazakhstan in early November to carry out technical due diligence on two new oilfield opportunities that JPR is considering investing in.
- Update on the SV Akkar tender process
- Update on the 2010 drilling program approval process
- Implementation of new Procurement and HSE processes within JPR

Any questions relating to this announcement can be directed to the Company on 08 9322 8222.

ENDS



Figure 1: Workover rig in place at NWZ 2 location in the Mangistau Basin, Kazakhstan