

06 October 2010

Operations Update

The Board of Jupiter Energy Limited (ASX: JPR) is pleased to provide an Operations Update on its activities currently underway in Kazakhstan.

J-50

The J-50 well completed the maximum 3 month production test period permitted under the regulations on 31 August 2010 and the well was shut in at this time. The Company is now in the process of applying for a Trial Production Licence (TPL) for J-50; this is expected to take several months and involves the preparation and submission of studies to the Government authorities to process the TPL application.

2010 Commitment Well

While the application for the J-50 TPL is being advanced, the drilling of J-51 has been postponed; as a production well, J-51 cannot be utilised before the J-50 TPL is granted. The 2010 commitment well will now be J-52, an exploration well that will test the prospectivity of an area to the south east of the J-50 discovery well.

The J-52 well has two primary reservoir objectives and, if successful, provides the potential to prove up an additional 22 million barrels of oil (mmbo) resources in the shallower Jurassic horizons as well as confirm the eastern extent of the mapped East Akkar Middle Triassic structure. Successful evaluation of these reservoirs will advance the development planning for Block 31.

Drilling Contractor

The Company has awarded the drilling contract for the J-52 well to the Kazakh drilling company FracJet. The contractor will be using a ZJ-40 rig which is larger than the rig used to drill J-50. The current expectation is to drill, evaluate and suspend J-52 in approximately 70 days and this will include coring both the Jurassic and Triassic reservoir formations. The drilling rig will then be demobilised and the well will be stimulated and production tested using a smaller and more cost-effective work-over rig.

The well is expected to spud in early November 2010 and the Company will confirm the exact date when it has been finalised.

Operations Team Update

The Company has decided, in line with its increasing level of operations, that it is critical to have a senior manager based full time in Aktau to oversee both the drilling and future production operations. Several experienced candidates for this position have been identified and the Company expects to announce an appointment in the next few weeks.

NWZ 2 Update

Work on the stimulation of the NWZ 2 well and installation of the Electronic Submersible Pump (ESP) and associated topside infrastructure is well progressed and it is expected that the well will be on test production in November. Initial production rates will be reported as they are determined.

Summary

Good progress has been made with respect to the commencement of the drilling of the 2010 commitment well and the Company looks forward to providing updates to shareholders over the coming months with regards progress with the J-52 well, the commencement of test production from NWZ 2, and the J-50 Trial Production Licence.

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