

4 January 2011

J-52 Identifies Potential Oil in Primary and Secondary Zones

The Board of Jupiter Energy Limited (ASX: JPR) ("JPR" or "the Company") is pleased to provide shareholders with an update regarding progress being made on the J-52 well, the mapped play extension of the oil discovery in the J-50 well.

Background

The J-52 well is located in Jupiter Energy's Block 31 (100% JPR), onshore Kazakhstan just east of the city of Aktau and the Caspian Sea (see Figure 1). The well is 3.6 km southeast of the J-50 well and 2 km north of NWZ#2 well (see Figure 2).

J-50 was completed as a production well and flowed oil at commercial rates from the Mid Triassic during an extended production test during 2010. The Company is currently completing the application process for a Trial Production Licence for J-50 which will permit the well to be returned to production.

J-52

The J-52 is the Company's 2010 commitment well in Block 31. The well reached a total depth of 3152m on Monday 27 December 2010, after 54 days of drilling activity since spudding. Wireline logs have been run and the well has been cased and is in the process of being suspended and the drilling rig demobilised. Operational progress and geological results have been consistent with the Company's drilling plans and well prognosis.

Hydrocarbon shows while drilling and subsequent wireline logging both indicate hydrocarbons in two intervals in the well. Each reservoir formation was successfully cored and each 9m core contained free, movable, oil.

Mid Triassic

This carbonate reservoir flowed oil on long term production test in J-50.

The gross reservoir interval in the J-52 well is from 2848m to 3096m (108m). There were shows during drilling this interval and log interpretation calculates good porosity and high oil

saturation similar to other oil wells in the area. The log interpretation suggests approximately 60m of net oil pay with no water. The net to gross is 55% which is typical for the area.

The nett hydrocarbon column approximates the pre-drill estimates and supports previous volumetric estimates.

Z Sand

This sandstone reservoir was intersected from 2790m to 2819m (29m) and had good hydrocarbon shows while drilling. Wireline log analysis calculates approximately 5m of net pay which is most likely oil saturated. This reservoir is very similar to a yet untested zone in the J-50 well and also correlates to the Ju-XIII reservoir in NWZ#2 which flowed oil in 1969 and more recently during an unfinished recompletion. The age of this interval will be determined by paleontological dating and then labelled Jurassic or Triassic and, for the moment, has been named the Z Sand.

The volume and potential of the Z Sand is to be recalculated but the Company believes it could be similar to the previously mapped Ju-XIII sand.

Forward Program

The Company is implementing plans to commence production testing the J-52 well using a smaller and more cost effective service rig, beginning in late January 2011. The Company will release further information on the production test program after it has been finalised.

If shareholders have any questions on this announcement, they should direct them to the Company on (08) 9322 8222.

ENDS

The information in this document which relates to the Jurassic and Z Sand potential resource 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 and gas reserve estimation and to the specific permit in Kazakhstan to qualify as competent to verify the information pertaining to the Jurassic and Z Sand potential resource. Mr. Keith Martens has given and not withdrawn his written consent to the inclusion of the Jurassic and Z Sand potential resource in the form and context in which it appears. Keith Martens has no material interest in the Company.

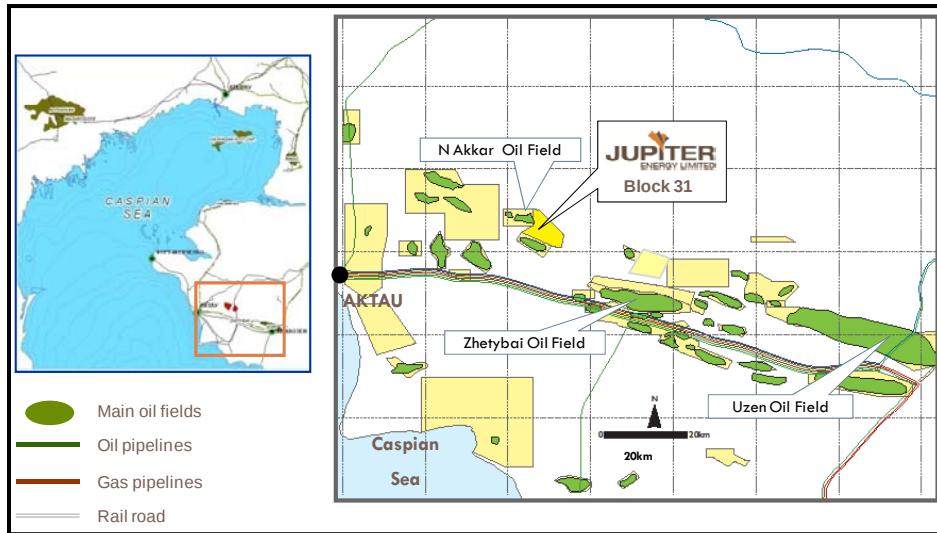


Figure 1: Location map of Jupiter Energy Limited's Block 31 in Kazakhstan showing close proximity to onshore infrastructure as well as the adjacent fields including the prolific nearby Zhetybai and Uzen oilfields in the Mangistau Basin.

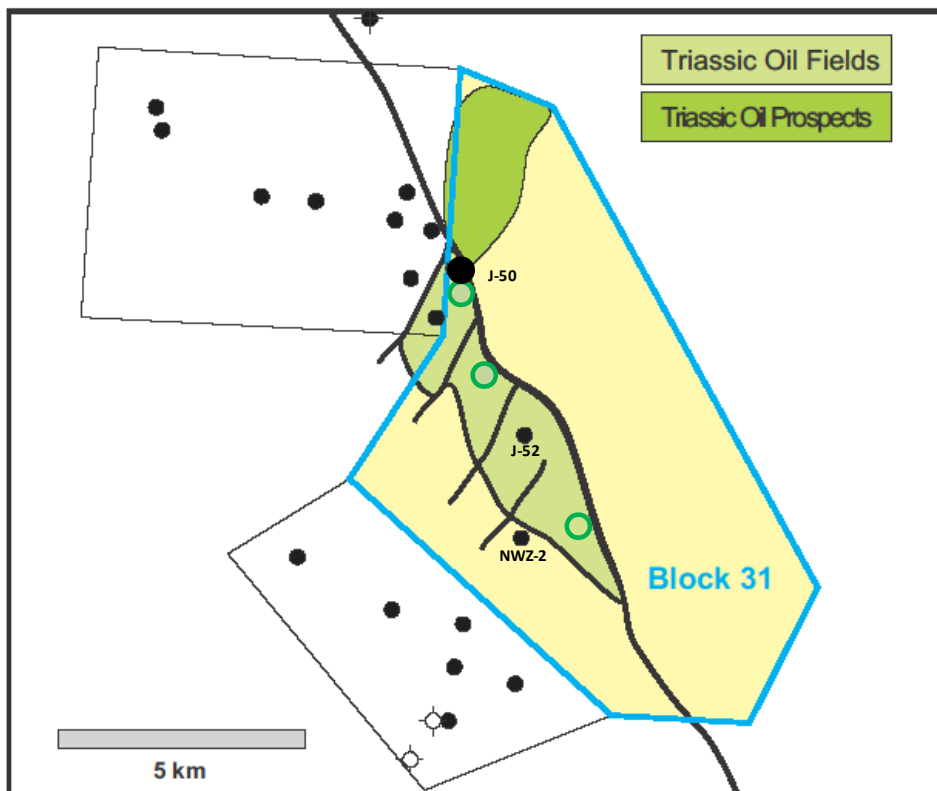


Figure 2: Location map showing distribution of wells drilled in Block 31 and adjacent permits. The outline of the known Mid Triassic oil field is shown in light green and the large undrilled prospect to the north in darker green. Drilling and workover activity in three (3) wells in Block 31 (J-50, J-52 and NWZ-2) confirm hydrocarbons in the permit. Future well locations being considered are shown by the green circles.