

31 January 2012

Jupiter Energy Limited (“Jupiter” or the “Company”)

QUARTERLY UPDATE ON ACTIVITIES FOR THE PERIOD TO 31 DECEMBER 2011

KEY POINTS:

- **J-51 well produced at stabilised rates of over 600 bopd during 90-day production testing period.**
- **3D seismic processing and interpretation over new extension area of Block 31 completed. Drilling location for the J-55 well will be identified during the first quarter of 2012.**
- **Company completes listing on London’s AIM market.**
- **Drilling of J-53 well completed post reporting period end. Initial independent analysis of open hole logging indicates 87m gross and 56m net pay in Mid Triassic carbonate reservoir unit.**
- **Company expecting Trial Production of J-50 & J-52 wells to begin in first quarter 2012.**

Jupiter Energy Limited (ASX: JPR) presents the following update on activities for the three month period ending 31 December 2011. Also included in this report are details of any subsequent events that have occurred up to the date of this release.

J-51 Well

The J-51 well is the Company’s 2011 Commitment well. The well is currently producing on a 9mm choke at a stabilised rate of over 600 barrels of oil per day (“bopd”). A range of data has been collected over the production testing period and will be used to prepare an updated reserve estimate for the Akkar East field. This estimate will form part of a submission to the State Reserves Committee which will be lodged after the gathering of results from the J-53 exploration well currently being cased and completed. The current schedule is to complete this updated reserves report early in the second quarter of 2012.

Oil from J-51 continues to be sold into the domestic market at a price of approximately \$US42 per barrel at the well head with all transport and logistics costs being borne by the buyer. All the necessary surface equipment is in place to ensure the continuous

production and storage of oil prior to sale to the trading company.

The Company will complete its ninety day production test on 04 February 2012 on the J-51 mid-Triassic reservoir, the maximum period allowed by the Government, and expects to temporarily shut the well in whilst the application for a Trial Production Licence is sought.

J-53 Well

Post the reporting period end, the Company completed the drilling of J-53. The Company provided an update to the market on the initial results from the well on 25 January 2012.

J-53 is the Company's fourth exploration well and the first of its two 2012 commitment wells on Block 31. The well is located 2.8 km southeast of the J-52 well and increases the known areal extent of the Akkar East field.

Three exploration wells have already been drilled on this field and all three have been commercial discoveries. The J-50 well was drilled at the northern tip of the field, J-51 is 2km to the southeast and J-52 is a further 1.7km to the southeast. (See Figure 1 at the end of this announcement for the location of all four wells on Block 31)

The J-53 well took a total of 58 days to drill and reached a total depth of 3,113 m on 21 January 2012. Open hole logs were run and production casing and cement is currently being completed. Operational progress and geological results are consistent with the Company's expectations.

Hydrocarbon shows while drilling, including a core in the reservoir zone, and subsequent open hole wireline logs all indicated hydrocarbons in the Triassic reservoir. The open hole logs indicate good levels of oil saturation and porosity, similar to the proved producing zones in J-50, J-51 and J-52.

Analysis by independent consulting firm Reservoir Evaluation Services LLC ("RES") confirmed approximately 87m of gross and 56m of net pay at the Middle Triassic carbonate reservoir unit, the primary reservoir objective in the well. The reservoir appears to be oil on rock and well above the already identified Akkar East oil water contact ("OWC").

2P reserves after the drilling of J-50 and J-52 wells were independently estimated at 24.2 mmbbls and a new independent reserves report will now be prepared to include the results of all four wells drilled on Block 31: J-50, J-52, J-51 and J-53. The next reserves report should be published during the second quarter of 2012.

Results from the slightly shallower Z-Sand indicated three oil saturated sands which also looked encouraging. Further analysis of this zone will be carried out with testing considered at a later date.

The Mid Triassic carbonate reservoir unit was successfully flow tested in the Company's J-50 and J-51 and J-52 wells and this will be the initial focus in terms of completion and testing of J-53.



The forward plan for J-53 is to stimulate and flow test the well for up to a maximum of ninety days during which time flow rates and reservoir pressures will be measured for various choke sizes and fluid samples collected for analysis. The well will then be shut in and an application will be submitted to the relevant regulatory authorities for the well to be granted a Trial Production Licence.

Further updates on the J-53 well will be provided to shareholders in due course.

Oil Production Update

J-51

As at the date of this release, oil produced for sale from the J-51 well totals approximately 24,000 barrels. Production testing commenced in early November with oil sales beginning from 21 November 2011. Varying choke sizes have been used over the period with a stabilised flow rate of over 600 bopd currently being achieved from a 9mm choke. Other stabilised flow rates achieved during the production testing period included 164 bopd on a 3mm choke and 440 bopd on 6mm choke.

J-50 and J-52

The Company announced on 3 October 2011 that the Kazakh Central Development Committee ("CDC") had approved applications for Trial Production Licences for both the J-50 and J-52 exploration wells. The Trial Production Licences have a three year duration once production has commenced and allow the Company to concurrently produce oil from the J-50 and J-52 wells while completing the planning and implementation of the necessary surface infrastructure required to develop the discoveries for long term production.

The CDC approval is a major milestone and a written protocol from the CDC confirming the decision was issued in early November. A number of operational steps still need to be completed before both wells can be brought onto production. It was expected these would be in place before year end, but personnel changes to the Ministry in December have delayed the final sign off on the emission permits required before production can commence.

Whilst the delay has been frustrating, the Company is confident that the sign offs will be finalised and will keep shareholders informed on the progress towards production from both these wells.

Block 31 Extension

3D seismic data acquisition over the new southern extension totalling some 140 km² was completed on 23 September 2011. Results of this work will now be used to determine the drilling location of J-55, the Company's second 2012 commitment well.

Several potential prospects have been identified from the 3D and the final location of J-

55 will be determined in due course. (See Figure 1 at the end of this announcement for the locations of these prospects)

The 3D seismic commitment was completed before the end of 2011, a year in advance of the required date under the minimum work obligations of the Block 31 contract.

Block 31 Work Commitments

The Company is current with its drilling obligations under the Block 31 contract; the J-51 well has completed the obligations for 2011 and the Company has now completed the first of its two commitments wells for 2012 (J-53). The second 2012 commitment well, J-55, will be completed during 2012. After J-55 is drilled there are no further work obligations due under the current Contract.

Dual Listing on AIM

The dual listing of JPR shares on AIM was completed when the Company was granted admission to trading on the AIM market of the London Stock Exchange on 9 November 2011. The AIM ticker is "JPRL". In order to meet the 12 month working capital requirement for the AIM listing, the Company agreed terms on a US\$3.45m Convertible Note with major shareholder Soyuzneftegas Capital Limited ("SNG").

Evolution Securities was retained by the Company as Nominated Advisor.

The Company continues to raise the profile of Jupiter Energy in the UK investment market and has recently made Company presentations to large audiences at the Proactive Investors and Oilbarrel investor forums in London.

During and post the reporting period research on the Company was initiated by Evolution Securities and finnCap as well as the Kazakh based Halyk Bank. Details of all research notes can be found on the Company website.

In Country Situation

Unrest in Zhanaozen, a city that is some 200km from Aktau, was reported during December 2011. Jupiter Energy's first concern is for the safety and welfare of our employees and contractors. Whilst the Company has not been affected by the situation, we shall continue to monitor events.

Capital Structure and Finances

As at 31 December 2011, the Company had 115,862,317 listed shares trading under the ASX ticker "JPR" and AIM ticker "JPRL". The Company had 866,669 unlisted options on issue all expiring on 31 December 2012 with exercise prices ranging between \$1.50 and \$2.775. The Company also had on issue a total of 2,133,335 unvested Performance Rights.



Unaudited cash reserves and receivables from oil sales as at 31 December 2011 totalled approximately US\$4.75m.

Summary

The Board continues to be optimistic about the Company's outlook and looks forward to reporting on the progress of its key activities over the coming months.

Commenting on the past few months activities, Jupiter's Chairman and CEO Geoff Gander said, "We continue to meet the operational objectives required to progress the Company into its next phase – that of becoming an oil producer. The early results from the J-53 well are encouraging and we look forward to achieving Trial Production from J-50 and J-52 in the near term. The interpretation of the 3D seismic over the southern extension area has identified several new prospects on Block 31 and we are working towards selecting the final drilling location of the second 2012 Commitment Well."

Geoff Gander
Chairman/CEO





Figure 1: Map indicating the location of J-50, J-51, J-52 and J-53 wells as well as several future prospects on the Southern Extension area post recent interpretation of 3D seismic

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Enquiries:

Jupiter Energy (+61 89 322 8222)
 Geoff Gander (geoff@jupiterenergy.com)

Competent Persons Statement:

The information in this announcement which relates to the Mid Triassic and Z-sand prospectivity is based on information compiled by Reservoir Evaluation Services LLP (“RES”), a Kazakh based oil & gas consulting company that specialises in oil & gas reserve estimations. RES has sufficient experience which is relevant to oil & gas reserve estimation and to the specific permit in Kazakhstan to qualify as competent to verify the information pertaining to the Mid Triassic prospectivity. RES has given and not withdrawn its written consent to the inclusion of the Triassic and Z-sand prospectivity figures in the form and context in which they appear in this announcement. RES has no material interest in the Company.

About the Company:

Jupiter Energy Limited is an oil exploration and production company, quoted on both the AIM and ASX markets. The Company is focused on developing its onshore assets in western Kazakhstan. In 2008 the Company acquired 100 per cent of the Block 31 permit, located in the oil-rich Mangistau Basin, close to the port city of Aktau. Its first three exploration wells have been discoveries and independently estimated 2P reserves, based on the first two discoveries, currently stand at approximately 24.2 mmbbls.

Jupiter has a proven in-country management team, led by an experienced, international Board, together possessing the skills, knowledge, network and attention to detail needed to operate successfully in Kazakhstan. The forward plan will see Jupiter develop a group production facility on Block 31 to process, store and export oil. This topside infrastructure is a key element in moving to long-term production and the achievement of self-funding for further development of Block 31.