

24 April 2014

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

QUARTERLY UPDATE ON ACTIVITIES FOR THE PERIOD TO 31 MARCH
2014

KEY POINTS:

- 67,800 barrels of oil was produced during the Quarter, generating domestic oil sales of ~\$US2.148m at an average price of ~\$US32 per barrel at the well head. This compares with production of 64,000 barrels for the corresponding period in the 2012/13 financial year.
- Oil sales achieved for the 9 month period ending 31 March 2014 totalled ~179,700 barrels, generating domestic oil sales of ~\$US5.87m at an average price of ~\$US33 per barrel at the well head. This compares with production of 141,000 barrels and revenues of ~\$5.31m for the corresponding period in the 2012/13 financial year.

Jupiter Energy Limited (ASX: “JPR”, AIM: “JPRL” and KASE: “AU_JPRL”) presents the following update on activities for the 3 month period ending 31 March 2014 (the “Quarter”). Also included in this report are details of subsequent events that have occurred up to the date of this release.

The Quarter in brief:

Oil sales for the Quarter came predominantly from the J-50, J-51 and J-52 wells, with a small quantity from the J-53 well before the well was shut in due to the need to install a new Electric Submersible Pump (ESP). In aggregate, 67,800 barrels of oil were sold in the domestic market during the Quarter, achieving approximately \$US2.148m in sales at an average price of ~\$US32 per barrel. All oil was sold on a pre-paid basis.

Production for the Quarter averaged 754 barrels of oil per day (bopd).

Operations in Detail:

AKKAR EAST

J-50 (Trial Production):

The average daily flow rate from the J-50 well for the Quarter was ~210 bopd with all oil produced being sold into the domestic market.

Water cut from the well remains at <1%. A total of 18,613 barrels of oil was produced from the J-50 well during the Quarter, generating approximately \$US0.59m in sales.

J-51 Well (Trial Production):

The average daily flow rate from the J-51 well for the Quarter was ~ 230 bopd with all oil produced being sold into the domestic market.

Water cut from the well remains at <1%. A total of 20,559 barrels of oil was produced from the J-51 well during the Quarter, generating approximately \$US0.652m in sales.

J-52 Well (Trial Production):

The average daily flow rate from the J-52 well during the Quarter was ~ 300 bopd with all oil produced being sold into the domestic market.

Water cut from the well remains at <2%. A total of 27,006 barrels of oil was produced from the J-52 well during the Quarter, generating approximately \$US0.852m in sales.

J-53 Well (Trial Production):

Remediation work carried out in late 2013 proved to be successful and interim temporary ESP was used to test the well during January 2014 and one week in February. With the success of the remediation work, it was decided to replace this temporary ESP with a newer model for improved reliability.

The average daily flow rate from J-53 whilst the well was producing during the Quarter was ~ 41 bopd with all oil produced being sold into the domestic market.

Water cut from the well reduced to ~30% during this period from a high of 90% prior to the remedial work. A total of 1,638 barrels of oil was produced from the J-53 well during the Quarter, generating approximately \$US55,000 in sales.

WEST ZHETYBAI (SOUTHERN EXTENSION AREA)

J-55 Well:

Work on the J-55 well is currently suspended until funding for further remedial work is available. A Trial Production Licence application for this well will be submitted to the relevant authorities post the completion of the remedial work.

J-58 Well:

Well J-58 is currently suspended. An application for a Trial Production Licence for the well will be submitted once the State Authorities have approved its associated reserves.

J-59 Well:

The Company is ready to carry out additional testing on J-59; however the timing of this work has been delayed due to funding constraints and it is hoped the work will commence during the 2Q 2014.

An application for a Trial Production Licence for the well will be submitted once the State Authorities have approved its associated reserves.

Forward Plan – Operations:

When funding is in place, the Company will carry out testing of the Jurassic zone identified when drilling the J-59 well. Post this work, and assuming the funding is in place, the Company is expected to commence the drilling of the J-54 exploration well.

The J-54 prospect is a large structural closure mapped using 3D seismic to the north of the producing East Akkar field. The prospect is believed to be a separate field and the prognosis is that it is structurally up dip of Akkar East.

The Company considers that the main risk associated with the J-54 well is an adequate top seal to trap oil. Assuming success, it is believed that the reservoir quality and flow rates should be similar to that found in the Akkar East field.

Currency Devaluation:

On 11 February 2014, the National Bank of Kazakhstan announced the devaluation of the local currency (Kazakh Tenge) by approximately 20%, when measured against the \$US.

Oil that was pre sold in Tenge prior to the devaluation has been impacted by an effective decrease in price of 20% meaning that sales for the April to June 2014 period will be based on ~\$US27/bbl vs the established ~\$US33/bbl. Ongoing oil sales are expected to return to the average ~\$US33/bbl level as sales contracts have

now been varied and are to be paid in \$US. The reduction in sales price will be somewhat offset by a reduction in costs.

Oil Production and Sales:

The outlook for oil sales in the final quarter of the 2013/14 financial year is for continued sales from wells J-50, 51, 52 and, potentially, some contribution from well J-53.

The Company continues to investigate how to best achieve sales directly into the pipeline or sales that can be made to a refinery nearer the field. Both of these strategies would reduce transportation costs and therefore improve the price that local traders are prepared to pay the Company for the oil from the wellhead.

Licence Information

As is required under ASX disclosure rules, the Company confirms that it currently holds the following licence.

Country	Block / Licence	Interest held as at 31 December 2013	Interest acquired / disposed of during the quarter	Interest held at 31 March 2014
Kazakhstan	Block 36	100%	Nil	100%

Capital Management:

The Company continues to closely manage its ongoing funding requirements for 2014 until a funding initiative can be completed. Progress is being made in terms of various methods of funding and the Company will provide a further update as soon as it is appropriate to do so. In the meantime, revenue from oil sales will be used to fund the Company's Kazakh operations.

Capital Structure and Finances:

As at 31 March 2014, the Company had 153,377,693 listed shares trading under the ASX ticker "JPR", the AIM ticker "JPRL" and the KASE ticker "AU_JPRL".

The Company has no options, listed or unlisted, on issue.

The Company also has on issue \$US15.5m in Series B Convertible Notes made up of 12,400,000 Notes with a conversion price of \$US1.25 per Note; interest on the Notes is accrued at 12% per annum and will become payable when the Notes are repaid or converted into shares.

The Company has on issue a total of 8,075,000 unvested Performance Rights. These Performance Rights all expire on 31 December 2014 and the vesting terms for all the Performance Rights on issue are the same.

Unaudited net cash reserves as at 31 March 2014 stood at approximately \$A1.67m.

The Company released its Half Yearly Report for the 6 months to 31 December 2013 on 13 March 2014.

Summary:

The Company remains focused on completing a financing package to enable Jupiter to commence its 2014 drilling program and continue its progress towards implementing the Full Field Development of the Akkar East field.

In the meantime, revenue from oil sales continues to be used to meet the day to day costs of operations in Kazakhstan.

If shareholders have any questions regarding this Quarterly report they are welcome to contact the Company on +61 89 322 8222.

Geoff Gander
Chairman/CEO

ENDS

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Competent Persons Statement:

Keith Martens, BSc Geology and Geophysics, with over 35 years' oil & gas industry experience, is the qualified person who has reviewed and approved the technical information contained in this report.

About the Company:

Jupiter Energy Limited is an oil exploration and production company, quoted on the AIM, ASX and KASE 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.

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.