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Jupiter Energy Limited ("Jupiter" or the "Company")

APPROVAL OF WEST ZHETYBAI PRELIMINARY RESERVES

KEY POINTS:

- **State Approval of Preliminary Reserves Report for West Zhetybai, using approved Kazakh methodology:**
  - **C1+C2 reserves of ~27.0 mmbbls (down from 61.2* mmbbls)**
  - **C1 reserves of ~4.0 mmbbls (up from 2.3* mmbbls)**
  - **C2 reserves of ~23.0 mmbbls (down from 58.9* mmbbls)**

*** comparison figures are the reserves independently estimated by RES in September 2013 (the "2013 RES Reserves Report")**

- **Decrease in C2 reserves as compared to the 2013 RES Reserves Report reflects a need for further testing of the existing J-55, J-58 and J-59 wells during the Trial Production phase as well as further appraisal drilling in the areas between the existing West Zhetybai wells.**

- **Other parameters impacting reserve calculations included:**
  - **Reduced Recovery Factor due to insufficient production history**
  - **Revised Oil Volume (Shrinkage) Factor**

- **Approval of the Preliminary West Zhetybai Reserves is a key step in the process of obtaining Trial Production Licences ("TPL") for the J-55, 58 and 59 wells. These licences will allow the wells to be produced.**

Jupiter Energy Limited (ASX: "JPR", AIM: "JPRL" and KASE: "AU_JPRL") is pleased to advise that the relevant Kazakh State Bodies have approved the Preliminary Reserves Report for the West Zhetybai field.

Background to the preparation of the Kazakh State Reserves Report

State Reserves Reports are an integral part of obtaining the necessary approvals to take wells into either Trial or Full Production.

The reports are prepared under the approved Kazakh standards which have been developed from the Russian reserves system; the standards are based on the analysis of geological attributes.

The independent Kazakh reserves institute, Reservoir Evaluation Services LLC ("RES"), completed a reserves determination of the West Zhetybai oilfield on behalf of the Company. The 2013 RES Reserves Report for the West Zhetybai field was then submitted to the relevant authorities for their review and ultimate approval.

The approval of the West Zhetybai Preliminary Reserves Report is the first step towards the granting of Trial Production Licences (TPL) for the J-55, J-58 and J-59 wells. The Company now requires various environmental and emission approvals to complete the TPL application process for these wells.

During Trial Production the Company will be able to produce oil from the wells and sell that oil into the domestic market. The Company will also be able to carry out further testing of the wells where required, specifically on wells J-55 and J-59.

WEST ZHETYBAI – Preliminary Reserves Report:

The West Zhetybai accumulation covers the area delineated by the J-55, J-58 and J-59 wells and reserves were evaluated for the $T3^1$, $T3^2$, T^2A and T^2B reservoir horizons. The State approved quantity of Oil in Place (OIP) for this area has been estimated at ~173.5 mmbbls (from all horizons) with preliminary recoverable reserves (C1 + C2) estimated at ~27.0 mmbbls.

The approved C1 reserves have been estimated at ~4.0 mmbbls (2013 RES Reserves Report ~2.3 mmbbls) and C2 reserves at ~23.0 mmbbls (2013 RES Reserves Report ~58.9 mmbbls); the recoverable reserves are calculated from the OIP using individual recovery factors for each horizon. The weighted average recovery rate approved by the authorities was ~15.5% (2013 RES Reserves Report: 27.2%). The best recovery is expected from the T^2B horizon and when estimating C1 reserves in this horizon, a recovery factor of 21.8% was used. This rate was based on production data from nearby fields that have been producing for several years.

The proportion of approved C1 to C1+C2 reserves indicates the need for (i) further testing of the J-55 and J-59 wells and (ii) drilling of additional appraisal wells on the field. The Company currently plans, subject to receipt of additional funding, to drill at least two more wells on the area before submitting its Final Reserves Report for West Zhetybai. Completion of this work should see existing C2 reserves moved into the C1 category as well as the identification of further C1 and C2 reserves.

Comment on the Reserve Figures:

Almost all the decrease in the reserves approved for West Zhetybai results from the reduction in the C2 reserves from ~58.8 mmbbls to ~23.0 mmbbls.

The reduction in the C2 reserves was as a result of a number of factors:

- A weighted average recovery factor of ~15.5% used for calculating C2 reserves as compared to a 27.2% recovery factor used when the initial report was prepared in 2013. The 27.2% recovery rate was based on RES modelling and the production data obtained from Jupiter's operations since 2010.

- The authorities taking a view that there was insufficient test data from J-55 and J-59 wells to demonstrate recoverable reserves from the area around these wells.

- The need for further appraisal drilling between the existing J-55, J-58 and J-59 wells; the distance between each well is ~4km and a distance of ~2km between wells (as is the case on the Akkar East field) is generally expected by the authorities.

In addition, more recent Pressure Volume Temperature (PVT) analysis indicated a less favourable oil volume (shrinkage) factor that also resulted in a reduction in the reserves that were approved.

The key point to note is that the approval of the Preliminary Reserves Report for West Zhetybai enables the TPL application process to begin and during the three year TPL phase further appraisal work on West Zhetybai will be carried out before a Final Reserves Report is prepared.

Forward Plan:

The focus for West Zhetybai is to commence the TPL application process and bring wells J-58 and J-59 onto production as soon as possible subject to the availability of additional financing. In the medium term there will be more testing work carried out on the J-55 well and the plan is to drill at least two appraisal wells.

Summary:

The approval of the West Zhetybai Preliminary Reserves Report continues to confirm the prospectivity of the Block 31 permit and the Board remains focussed on completing funding arrangements for the further development of the permit area.

If shareholders have any questions regarding this update report they are welcome to contact the Company on +61 89322 8222.

Geoff Gander

Chairman/CEO

ENDS

Competent Persons Statements:

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.

Independent Analysis - RES:

The information in this announcement which relates to the C1 and C2 Block 31 reserve estimations 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 used the Kazakh Reserve classification system in determining their 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 C1 and C2 reserve estimations. RES has given and not withdrawn its written consent to the inclusion of the C1 and C2 reserve estimations in the form and context in which they appear in this announcement. RES has no financial 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.

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.