

27 October 2016

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

QUARTERLY UPDATE ON ACTIVITIES FOR THE PERIOD TO 30 SEPTEMBER
2016

KEY POINTS:

- **Block 31 Exploration Licence extended to 29 December 2019.**
- **3 year Work Program (2017-2019) is now being progressed with all the relevant Kazakh Regulatory Authorities towards final approval.**
- **The Company is now working with various oil marketing groups to position itself for a return to oil production once all the relevant Trial Production Licences for the 2017-2019 period have been approved.**
- **Company continues to work on various options to provide long term funding for the ongoing development of Block 31.**
- **Discussions continue with relevant parties regarding the resolution of the Akkar North division of Reserves.**
- **Baltabek Kuandykov accepts position as President: Jupiter (Kazakhstan)**
- **2015/2016 Annual Accounts lodged.**
- **Annual General Meeting to be held on 4 November 2016 in Perth, Western Australia**

Jupiter Energy Limited (ASX: "JPR", AIM: "JPRL" and KASE: "AU_JPRL") presents the following update on activities for the 3 month period ending 30 September 2016 (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:

There were no oil sales made during the Quarter. All producing wells were shut in during February 2015, and remain shut in, due to low domestic oil prices.

Exploration Licence Extension:

In late March 2016, the Company submitted a formal application to the Ministry of Energy for a 4 year extension (through to 20 December 2020) to the Exploration Period on Block 31. This submission was based on the Company acquiring additional acreage to the North East and South East of the current permit area.

The Company announced on 19 September 2016 that it had formally signed Addendum 7 to Contract 2275 which confirms that the Ministry of Energy has agreed to a three (3) year extension to the Exploration Period, through to 29 December 2019. The 3 year extension is based on the Company maintaining its current acreage and the Ministry of Energy has indicated that if the Company does proceed with the North East and South East land extensions then a further one (1) year extension (to 29 December 2020) would be considered.

The three year licence extension is a positive step forward and will allow the Company to undertake further work on the Akkar East and West Zhetybai oilfields, further de-risking the current State Accepted preliminary oil reserves on both oilfields.

The Company must now get its proposed three year Work Program (2017-2019) approved by the Kazakh Regulatory Authorities with the next stage of the approval process expected to be progressed over the next few months.

As part of the Work Program submission, Trial Production Licences extensions for the Akkar East and West Zhetybai oilfields for the period to 29 December 2019 will also be applied for. Currently the Trial Production Licences approved for the Akkar East and West Zhetybai oilfields both end on 29 December 2016.

The Company currently believes that the timeframe for these approvals is the end of 2016 and should culminate in a further addendum to Contract 2275 (Addendum 8) being signed.

The Company will keep shareholders updated on progress with the approval of the 2017-2019 Work Program and the extension of the Trial Production Licences for the Akkar East and West Zhetybai oilfields.

Forward Plan – Operations:

The Company has opened dialogue with various local oil marketing groups. Assuming the Trial Production Licences are approved for the Akkar East and West

Zhetysai oilfields by the end of 2016, the requisite funding to recommence operations is in place and domestic oil prices reach a level that ensures cashflow from operations is improved, the Company will consider recommencing production during the 1st half of 2017.

Extension of J-50 Trial Production Licence:

The Company advised shareholders on 28 November 2014 that the application to extend the Trial Production Licence for well J-50 was being held by the Kazakh Committee of Geology pending resolution of the allocation of reserves associated with the well.

The J-50 well has been shut in since 29 December 2014 (the date at which the last Trial Production licence expired).

The underlying issue delaying the Trial Production Licence renewal is the demand by the Committee of Geology that Jupiter Energy reach agreement with its neighbour MangistauMunaiGas (MMG) over the division of reserves associated with both companies' share of the Akkar North accumulation. Jupiter Energy has been in dialogue with MMG on this issue for some time but has been unable to reach formal agreement with MMG with respect to the division of Akkar North reserves.

Board Appointment:

On 30 August 2016 the Company announced the appointment of Alexey Kruzhkov as a Non-Executive Director of the Company. Alexey is the appointed Board representative of Waterford Finance and Investment Limited, the Company's largest shareholder and replaces Alastair Beardsall who retired on 31 May 2016. Alexey also joins the board of each Jupiter subsidiary.

Alexey holds an Engineering Degree and an MBA and has over 10 years' experience working in the investment industry, focusing primarily on organisations involved in Oil & Gas, Mining and Real Estate. He has served as a Director on the Boards of companies listed in Canada and Norway. He is a member of the executive team of Waterford Investment and Finance Limited.

President: Jupiter (Kazakhstan):

The Company has appointed Baltabek Kuandykov as President: Jupiter (Kazakhstan). Baltabek has been on the Board of Jupiter Energy Limited since 2010 and this new position has been created to ensure that the Jupiter organisation is represented at the appropriate level within Kazakhstan, particularly in relation to interaction with government officials and at events such as the upcoming EXPO 2017, at which Jupiter is a sponsor.

2015/2016 Annual Accounts:

On 30 September 2016 the Company lodged its Annual Accounts for the 2015/16 Financial Year. A copy of the Annual Accounts is available on the Jupiter website.

Annual General Meeting:

The 2016 Annual General Meeting (AGM) will be held on Friday 4 November 2016 in Perth, Western Australia. The Notice of Meeting outlining the business to be covered at the AGM was mailed to shareholders on 3 October 2016. A copy of the Notice of Meeting is available on the Jupiter website.

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 30 June 2016	Interest acquired / disposed of during the Quarter	Interest held as at 30 September 2016
Kazakhstan	Block 31	100%	Nil	100%

Capital Structure and Finances:

As at 30 September 2016, the Company has 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 or Performance Shares, listed or unlisted, in issue.

As at 30 September 2016, total Company debt outstanding was \$US32,270,689 through a total of five (5) Promissory Notes, with the following holders:

- Waterford Petroleum Limited: \$US10,379,792
- Waterford Petroleum Limited: \$US9,227,453
- Mobile Energy Limited: \$US9,845,049
- Midocean Holdings Limited: \$US2,123,463
- Other Private Investors: \$US694,931

As at 30 September 2016, the Company has drawn down \$US1,509,133 (including accrued interest) under the new Funding Agreement and therefore has a further \$US3,409,867 (including accrued interest) available to it under this Agreement.

Unaudited net cash reserves as at 30 September 2016 stood at approximately \$A461,238.

The Directors of the Company continue to defer their Directors' Fees until such time that the Company has an improved cashflow.

Summary:

Progress during the Quarter was positive with the three year extension to the Exploration Period on Block 31 through to 29 December 2019 being signed. Sufficient working capital is now in place until the end of September 2017 to enable the Company to work towards resolving its longer term funding requirements and the focus will be to get the necessary approvals from the relevant Kazakh Regulatory Authorities for the 2017-2019 Work Program and secure sufficient funding so that work can be commenced in early 2017.

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.