

31 January 2017

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

QUARTERLY UPDATE ON ACTIVITIES FOR THE PERIOD TO 31 DECEMBER
2016

KEY POINTS:

- **Approval of the 3 year Work Program (2017-2019) is now being progressed with all the relevant Kazakh Regulatory Authorities and final approval is expected during 1st quarter 2017.**
- **Two senior appointments made: In country manager to oversee operations in Kazakhstan and senior advisor to the Jupiter Energy Board.**
- **The Company is now working with various oil marketing groups to secure oil sales agreements and position itself for a return to oil production once all the relevant Trial Production Licences for the 2017-2019 period have been approved.**
- **The 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.**

Jupiter Energy Limited (ASX: "JPR", AIM: "JPRL" and KASE: "AU_JPRL") presents the following update on activities for the 3 month period ending 31 December 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:

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.

Approval of the 2017 – 2019 Work Program:

The Company spent much of the Quarter preparing and submitting for approval its proposed three year Work Program (2017-2019) that will support the 3 year Exploration Licence Extension that has been granted by the Ministry of Energy.

The Work Program must be approved by the Kazakh Regulatory Authorities and 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 have also been applied for. The Company expects that all the required approvals will be in place during the 1st Quarter of 2017, thereby enabling the Company to be in a position to recommence oil production during the 1st half of 2017.

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 with a view to securing an oil sales contract. Assuming that the Trial Production Licences are approved for the Akkar East and West Zhetybai oilfields during the 1st quarter of 2017, that requisite funding to recommence operations is in place and most importantly domestic oil prices reach a level that ensures cashflow from oil production will be positive, 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 request 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.

The Company believes progress has been made during the Quarter on this issue and will update shareholders as soon as the relevant authorities have made any definitive decisions on this matter.

Senior Appointments:

On 2 December 2016 the Company announced the appointment of Sergey Kostin as the new Head of Operations in Kazakhstan.

Sergey is based in Aktau and is responsible for leading the operations team based both in the Aktau office and in the field as the Company looks to prepare to recommence production during the 1H 2017. His direct reports include all operations, marketing, geology and geophysics personnel and he works closely with the heads of Finance & Administration and Legal.

Sergey (52) has 30 years experience in the oil sector with over 14 years spent in a variety of operational roles with the international oil services organisation Schlumberger. He has also worked with a number of Russian oil companies, most recently with SGC Drilling as their Director of Drilling.

He has vast experience in the drilling of wells and the Company believes that he will bring Jupiter Energy an important combination of international drilling expertise and cultural awareness at what will be a critical period in the development of Block 31.

In another important appointment, the Company has also named Alexander Kuzev as an Advisor to the Jupiter Energy Limited Board.

Alexander Kuzev (51) is an oil industry professional with over 26 years of experience.

Most of Alexander's career has been spent working in the Former Soviet Union (FSU) with much of that time responsible for the overall management of field operations with a focus on production sustainability, technology and field maintenance. He has worked with a range of oil and gas companies including Schlumberger and Gazprom Drilling.

Alexander brings an important technical skill set to Jupiter Energy as well as in country experience, having been involved with various Kazakhstan based oil and gas operations since the late 1990's.

Alexander is currently Managing Director of an oil production company with operations in Astrakhan, Southern Russia and he holds a Bachelor of Engineering.

Annual General Meeting:

The 2016 Annual General Meeting was held on Friday 4 November 2016 in Perth, Western Australia. All resolutions were passed.

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

Capital Structure and Finances:

As at 31 December 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 31 December 2016, total Company debt outstanding was \$US33,971,682 through a total of five (5) Promissory Notes, with the following holders:

- Waterford Petroleum Limited: \$US11,292,645
- Waterford Petroleum Limited: \$US9,559,670
- Mobile Energy Limited: \$US10,199,502
- Midocean Holdings Limited: \$US2,199,914
- Other Private Investors: \$US719,951

As at 31 December 2016, the Company has drawn down \$US2,291,154 (including accrued interest) under the new Funding Agreement with Waterford Petroleum Limited, as announced on 29 July 2016, and therefore has a further \$US2,708,846 (including accrued interest) available to it under this Agreement.

Unaudited net cash reserves as at 31 December 2016 stood at approximately \$A474,000.

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 having been signed.

In order for the Company to return to oil production sufficient working capital needs to be in place and the domestic oil sales price that can be achieved needs to be at a level to ensure a cashflow positive operation.

Under the current Care & Maintenance approach, sufficient working capital is in place until the end of September 2017 to enable the Company to work towards resolving its longer term funding requirements.

The immediate focus is on getting the necessary approvals from the relevant Kazakh Regulatory Authorities for the 2017-2019 Work Program and to secure funding so that work under this program can be commenced during the 2nd quarter of 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.