

31 October 2017

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

QUARTERLY UPDATE ON ACTIVITIES FOR THE PERIOD TO 30 SEPTEMBER 2017

KEY POINTS:

- **Oil production recommences on the Akkar East Field.**
- **Initial oil sales made to local trader with prepayment of \$US323,000 received.**
- **Alexander Kuzev appointed to the Board.**
- **Jupiter Energy delists from AIM.**
- **The Company continues to work on various options to provide long term funding for the ongoing development of Block 31.**

Jupiter Energy Limited (ASX: "JPR" and KASE: "AU_JPRL") presents the following update on activities for the 3 month period ending 30 September 2017 (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:

The J-51 well was bought back onto production on 28 September 2017 and this begins the process of re-establishing production from the J-51 and J-52 wells as well as finalising the completion of Well 19 and also bringing that well onto production.

Initial production from J-51 was in the form of testing rates from different choke sizes and the well was shut back in on 02 October 2017 to allow for pressure build up before testing recommenced on 12 October 2017.

To date, the J-51 well has produced ~460 tonnes (~3200 barrels).

The J-52 well was opened on 28 October 2017 and as was the case with the J-51 well, testing will be carried out at various choke sizes and the well will then be shut in for pressure build up before recommencing production. It is expected that the J-52 well will be on stable production by mid November.

Work on Well 19 will be carried out during the 4th Quarter and it is expected that by year end wells J-51, J-52 and 19 will all be on stable production regimes.

All these wells all located on the Akkar East oilfield.

The current expectation is that oil production from the J-58 and J-59 wells, which are both located on the West Zhetybai oilfield, will recommence during the 1st Quarter of 2018.

The Company will keep shareholders updated on progress with production from all wells.

Oil Sales:

As previously advised, the Company has signed Oil Sales Framework Agreements with a number of local oil traders. One trader has started taking delivery of oil produced from the J-51 and J-52 wells during initial testing and the Company has received a prepayment of \$US323,000 from this trader to cover the initial production deliveries.

Volumes of oil and associated water cut as well as the World Oil price (Brent) will all be parameters that determine what price is paid by the trader for the oil and the Company will monitor this on an ongoing basis and keep shareholders advised via detailed production reports in future Quarterly Reports.

As at the date of this report, the Company has supplied all ~460 tonnes of oil to the trader at an average price of ~\$US140/tonne (~\$US19.60/bbl). All oil supplied is sold into the Kazakh domestic market as is required under Kazakh laws when wells are producing under Trial Production licences.

Go Forward Plan:

The Company has implemented the necessary additional infrastructure and hired new personnel to enable oil production to recommence from the Akkar East wells J-51, J-52 and Well 19.

The Company continues to discuss longer term funding options with interested parties.

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 2017	Interest acquired / disposed of during the Quarter	Interest held as at 30 September 2017
Kazakhstan	Block 31	100%	Nil	100%

Cancellation of admission of Depository Interests over Ordinary Shares to trading on AIM:

As previously announced, the Company cancelled its depository interests over ordinary shares from trading on London's Alternative Investment Market (AIM), effective from 7.00 a.m. on 29 August 2017.

The Company continues to maintain its listing on the Australian Stock Exchange (ASX) and shareholders wishing to trade the Company's Ordinary Shares can do so on the ASX.

Board Appointment:

On 12 September 2017 the Company announced the appointment of Alexander Kuzev to the 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 the Jupiter Energy Board as well as in country experience, having been involved with various Kazakhstan based oil and gas operations since the late 1990's.

2017 Annual General Meeting:

On 9 October 2017 the Company lodged the Notice of Meeting for the 2017 Annual General Meeting that will be held on Friday 10 November 2017. The Notice of Meeting has been dispatched and the Board encourages shareholders to attend the meeting.

Capital Structure and Finances:

As at 30 September 2017, the Company has 153,377,693 listed shares trading under the ASX ticker "JPR" and the KASE ticker "AU_JPRL".

The Company has no options or Performance Shares, listed or unlisted, in issue.

As at 30 September 2017, total Company debt outstanding was \$US41,229,595 through a total of five (5) Promissory Notes, with the following holders:

- Waterford Petroleum Limited: \$US16,109,494
- Waterford Petroleum Limited: \$US10,545,488
- Mobile Energy Limited: \$US11,251,301
- Midocean Holdings Limited: \$US2,529,118
- Other Private Investors: \$US794,194

As at 30 September 2017, the Company had drawn down \$US605,718 (including accrued interest) under the 2017 \$US5m Funding Agreement with Waterford. This means a further \$US4,394,282 is still available under this funding agreement.

The Company also still has access to a further \$US1,191,267 (including accrued interest) under the 2016 Funding Agreement.

The Company has now reverted to working under an agreed "Operations Budget". The amount of additional funding made available to the Company has been based on a revised budget that takes into account the cost structure required to support a return to production offset by the revenues derived from budgeted oil sales.

Based on this additional funding, the revised "Operations Budget" shows sufficient working capital is now in place until the end of February 2018. Additional funding still available under the 2016 Funding Agreement (~\$US1.2m) will enable the Company to fund operations until April 2018, by which time the Company will need to have secured additional funding.

Unaudited net cash reserves as at 30 September 2017 stood at approximately \$A990,050.

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 and the Company returned to production, with initial oil coming from the J-51 well and J-52 wells located on the Akkar East oilfield. A prepayment amount of \$US323,000 was received from a local oil trader.

Well 19 is expected to recommence production during the 4th Quarter 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

Competent Persons Statement:

Alexey Glebov, PhD, with over 33 years' oil & gas industry experience, is the qualified person who has reviewed and approved the technical information contained in this report. Alexey PhD's in technical science (1992) and geology science (2006), an Honors Degree in Geology and Geophysics (1984) from Novosibirsk State University and a Gold Medal (1985) from USSR Academy of Sciences. He is a member since 2001 of the European Association of Geoscientists & Engineers (EAGE #M2001-097) and was made an Honorary Oilman in 2011 by the Ministry of Energy of the Russian Federation. Alexey Glebov is qualified in accordance with ASX Listing Rule 5.41.

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.