
JUPITER ENERGY LIMITED
ACN 084 918 481
NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10:00am (AEDT)

DATE: 9 December 2022

PLACE: The meeting is a **hybrid meeting**
Online at please pre-register prior to the day of the meeting at:
https://us02web.zoom.us/webinar/register/WN_5pk_nf0MR72hKfj7v9bJwA
Level 6, 99 William Street
Melbourne VIC 3000

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report prepared for the purposes of section 611 item 7 of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the transactions the subject of Resolution 5, Resolution 6 and Resolution 7 to the non-associated Shareholders. The Independent Expert has determined the transactions subject to Resolution 5, Resolution 6 and Resolution 7 are **FAIR AND REASONABLE** to the non-associated Shareholders.

The business of the Meeting affects your shareholding and your vote is important.

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm AEDT on 7 December 2022.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2022."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

A voting prohibition statement applies to this Resolution. Please see below.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – BALTABEK KUANDYKOV

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 13.2 of the Constitution, Listing Rule 14.4 and for all other purposes, Baltabek Kuandykov, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. RESOLUTION 3 – APPROVAL TO ISSUE SHARES – MIDOCEAN HOLDINGS LIMITED

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue Midocean Holdings Limited up to 59,639,271 Shares on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

5. RESOLUTION 4 – APPROVAL TO ISSUE SHARES – AYMAN ASFARI

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue Ayman Asfari up to 18,676,714 Shares on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

6. RESOLUTION 5 – APPROVAL OF ISSUE OF SHARES TO WATERFORD FINANCE AND INVESTMENT LIMITED

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of Section 611 (Item 7) of the Corporations Act and for all other purposes, approval is given for:

- (a) the Company to issue 733,564,557 Shares to Waterford Finance and Investment Limited; and*
- (b) Waterford Finance and Investment Limited to obtain a maximum voting power of 62.56% as a result of the issue of Shares in the Company under paragraph (a) of this Resolution,*

on the terms and conditions set out in the Explanatory Statement.”

Independent Expert’s Report: Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval required for Resolution 5 under section 611 (item 7) of the Corporations Act. The Independent Expert’s Report comments on the fairness and reasonableness of the transactions the subject of this resolution to the non-associated Shareholders in the Company and concluded that the transaction the subject of this resolution is **FAIR AND REASONABLE** to the non-associated Shareholders.

7. RESOLUTION 6 – APPROVAL OF ISSUE OF SHARES TO WEIGHBRIDGE TRUST LIMITED AS TRUSTEE OF THE BLACKBIRD TRUST

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of Section 611 (Item 7) of the Corporations Act and for all other purposes, approval is given for:

- (a) the Company to issue 264,591,886 Shares to Weighbridge Trust Limited as Trustee of The Blackbird Trust; and*

(b) *Weighbridge Trust Limited as Trustee of The Blackbird to obtain a maximum voting power of 21.78% as a result of the issue of Shares in the Company under paragraph (a) of this Resolution,*

on the terms and conditions set out in the Explanatory Statement."

Independent Expert's Report: Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval required for Resolution 6 under section 611 (item 7) of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the transactions the subject of this resolution to the non-associated Shareholders in the Company and concluded that the transaction the subject of this resolution is **FAIR AND REASONABLE** to the non-associated Shareholders.

8. **RESOLUTION 7 – APPROVAL OF ACQUISITION BY THE COMPANY OF A RELEVANT INTEREST IN SHARES**

To consider and, if thought fit, to pass the following as an ordinary resolution:

"That for the purposes of item 7 of section 611 of the Corporations Act, and for all other purposes, approval is given to the Company for the acquisition by the Company of a Relevant Interest in the Debt Conversion Shares as a result of the Company entering into voluntary escrow agreements as described in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting."

Independent Expert's Report: Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval required for Resolution 7 under section 611 (item 7) of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the transactions the subject of this resolution to the non-associated Shareholders in the Company and concluded that the transaction the subject of this resolution is **FAIR AND REASONABLE** to the non-associated Shareholders.

9. **RESOLUTION 8 – APPROVAL TO ISSUE SHARES**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue that number of Shares, when multiplied by the issue price, will raise up to \$5,000,000 on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

10. RESOLUTION 9 – APPROVAL OF 7.1A MANDATE

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

11. RESOLUTION 10 – REPLACEMENT OF CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes.”

Dated: 8 November 2022

By order of the Board



Geoff Gander
Executive Chairman

Voting Prohibition Statements

<p>Resolution 1 – Adoption of Remuneration Report</p>	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <ul style="list-style-type: none"> (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or (b) a Closely Related Party of such a member. <p>However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none"> (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or (b) the voter is the Chair and the appointment of the Chair as proxy: <ul style="list-style-type: none"> (i) does not specify the way the proxy is to vote on this Resolution; and <p>expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.</p>
<p>Resolutions 5 to 7</p>	<p>No votes may be cast in favour of each of these Resolutions by:</p> <ul style="list-style-type: none"> (a) the person proposing to make the acquisition under that Resolution, and their associates; or (b) the persons (if any) from whom the acquisition is to be made under that Resolution, and their associates. <p>Accordingly, the Company will disregard any votes cast on this Resolution by Waterford Finance and Investment Limited, Weighbridge Trust Limited as Trustee of The Blackbird Trust, the Company and any of their respective associates for Resolutions 5, 6 and 7 respectively.</p>

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution set out below by or on behalf of the following persons:

<p>Resolution 3 – Approval to Issue Shares – Midocean Holdings Limited</p>	<p>A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely Midocean Holdings Limited) or an associate of that person (or those persons).</p>
<p>Resolution 4 – Approval to Issue Shares – Ayman Asfari</p>	<p>A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely Ayman Asfari) or an associate of that person (or those persons).</p>
<p>Resolution 8 – Approval to issue Shares</p>	<p>A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely the Capital Raising participants) or an associate of that person (or those persons).</p>

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person and online

To vote in person, attend the Meeting at the time, date and place set out above.

The company is pleased to also provide shareholders with the opportunity to attend and participate in the Meeting through an online meeting platform, where shareholders will be able to watch, listen, ask questions and vote online.

To access the virtual meeting:

1. Open your internet browser and go to:
https://us02web.zoom.us/webinar/register/WN_5pk_nf0MR72hKfj7v9bJwA
2. Enter your registered holding name, HIN/SRN and postcode and click "**register**".
3. **Shareholders are encouraged to register prior to the day of the meeting to ensure there is no delay in attending the meeting.**
4. Once your details are verified, you will receive a separate email with details of how to logon on the day of the meeting.
5. Click on the URL you will be sent to join the webcast where you can view and listen to the hybrid meeting, as well as ask questions in relation to the business of the meeting.
6. Once the Chair of the Meeting has declared the poll open for voting, select "For", "Against" or "Abstain" for each resolution.

Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company Secretary on +61 3 9592 2357.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.jupiterenergy.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – BALTABEK KUANDYKOV

3.1 General

Listing Rule 14.4 and clause 13.2 of the Constitution provide that, other than a managing director, a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or three years, whichever is the longer. However, where there is more than one managing director, only one is entitled to be exempt from this rotation requirement.

Baltabek Kuandykov, who has served as a Director since 4 October 2010 and was last re-elected on 27 November 2019, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Baltabek is currently President of Meridian Petroleum, a privately held Kazakh oil and gas company. He was formerly President of Nelson Resources Limited, the oil development and production company operating in Kazakhstan which was listed on the Toronto Stock Exchange until its acquisition by Lukoil in 2005.

Mr Kuandykov has considerable experience in the oil and gas industry in the region, having served as President of Kazakhoil (predecessor of the Kazakh State oil company KazMunaiGas) and is a well-respected consultant to Chevron Overseas Petroleum on CIS projects. He also worked in a senior capacity for Kazneftegazrazvedka and was president of Kazakhstancaspishelf.

Mr Kuandykov also has extensive government experience in Kazakhstan, having served as Deputy Minister of Geology, Head of the Oil and Gas Directorate at the Ministry of Geology, and was Deputy Minister of Energy and Fuel Resources.

3.3 Independence

If re-elected the Board considers Baltabek Kuandykov will be an independent Director.

3.4 Board recommendation

The Board has reviewed Baltabek Kuandykov's performance since his appointment to the Board and considers that his skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Baltabek Kuandykov and recommends that Shareholders vote in favour of Resolution 2.

4. BACKGROUND TO DEBT CONVERSION

4.1 Debt restructuring

The Company has previously entered into promissory note agreements with the following parties:

- (a) Waterford Finance and Investment Limited;
- (b) Midocean Holdings Limited;
- (c) Mr Ayman Asfari; and
- (d) Weighbridge Trust Limited as Trustee of The Blackbird Trust,

(together, the **Noteholders**).

As announced on 4 October 2022, the Company has entered into agreements with the Noteholders to settle the outstanding debt previously owed to the Noteholders under the Notes (**Outstanding Amount**) as follows:

- (a) the Noteholder will convert approximately 30% of the Company's Outstanding Amount to Shares (**Converted Amount**);
- (b) the Noteholder will waive approximately 50% of the Outstanding Amount (**Waived Amount**); and
- (c) the balance of the Outstanding Amount will remain payable (**Retained Amount**).

The proposed debt restructuring is conditional on the Company receiving all required regulatory approvals.

The terms of the proposed debt restructuring are set out in deeds of settlement and release signed by the Company and each of the Noteholders dated on or about 3 October 2022 (**Deeds of Settlement and Release**). The material terms of the Deeds of Settlement and Release are set out in Schedule 1.

The conversion of the Converted Amount to Shares (**Debt Conversion**) is the subject of Resolution 3 and Resolution 4. For further information in relation to the Debt Conversion, refer to Section 5.

4.2 Voluntary escrow arrangements

The Shares issued on conversion of the Converted Amount (**Debt Conversion Shares**) will be subject to voluntary escrow for the period commencing on the date of issue of the Debt Conversion Shares and ending on the earlier to occur of a Permitted Sale (as defined below) and the date that is:

- (a) 6 months from the date of issue for 25% of the Debt Conversion Shares;
- (b) 12 months from the date of issue for 50% of the Debt Conversion Shares; and
- (c) 18 months from the date of issue for 25% of the Debt Conversion Shares.

A Permitted Sale means a sale of all or part of the Debt Conversion Shares that is approved by the Board in its sole discretion following:

- (a) the Noteholder providing written notice to the Board that it wishes to sell some or all of the Debt Conversion Shares, and which specifies the terms of the proposed sale and details of the proposed buyer; or
- (b) the Company introducing a proposed buyer of some or all of the Debt Conversion Shares to the Noteholder, and the proposed buyer and Noteholder agreeing on terms of sale of the Debt Conversion Shares.

Each Noteholder agreed that, prior to the issue of the Debt Conversion Shares, it must execute a voluntary escrow agreement with the Company on terms consistent with the above.

The Company is seeking Shareholder approval under Resolution 7 to implement the above voluntary escrow arrangements with the Noteholders.

4.3 Contract 2275

The Company is an oil exploration and production company. Through its wholly owned subsidiary, Jupiter Energy Pte Ltd (an entity incorporated in Singapore), the Company owns 100% of exploration permit Contract 2275 (also known as 'Block 31') (**Block 31** or **Contract 2275**) located in the Mangistau Basin, West Kazakhstan.

Block 31 is approximately 123km² in size and the entire permit covers an area of proven oil production. The Company's operations are based in the port city of Aktau, which is located approximately 80km from Block 31. The Block 31 exploration permit has a both an exploration licence as well as a production licence for its three oilfields. The exploration licence has run its full term and the Company now operates its oilfields under the terms of its 25 year production licence.

The civil unrest that occurred in Kazakhstan in January 2022 temporarily caused delays to the Company's operations on Block 31. However, these delays have abated and operations have returned to normal. Changes within the Kazakh Government, and in particular the Ministry of Energy, may result in delays to a range of approval processes currently underway.

As previously announced, the Company has signed a Framework Agreement with Sleipnir Technologies LLP (**Sleipnir**), a Kazakh registered company that has a background in oil trading and the design and development of oilfield infrastructure.

Under Phase 1 of the Framework Agreement, Sleipnir is working with the Company in a Project Management capacity, assisting the Company to achieve 100% gas utilisation on all three of the Company's oilfields (the **Gas Utilisation Plan**). A project team made up of the Company and Sleipnir's personnel has completed the detailed technical specifications associated with the Gas Utilisation Plan and this is now with the relevant Kazakh authorities going through its approval process.

It is anticipated that the approval process will be completed by early December 2022.

4.4 Capital Structure

The capital structure of the Company following completion of the Noteholder debt to equity conversions is set out in the table below:

	Shares
Shares currently on issue	153,377,693
Shares to be issued to the Noteholders ¹	1,076,472,428
Total Shares	1,229,850,121

Notes:

- Further details in respect of these Shares are set out in Section 5.1.
- This table does not contemplate the issue of Shares under the Capital Raising. Refer to Section 8 for further details.

5. RESOLUTIONS 3 AND 4 – MIDOCEAN AND MR ASFARI DEBT TO EQUITY CONVERSIONS

5.1 General

As set out in Section 4.1, the Noteholders have agreed to convert approximately 30% of the Outstanding Amount owed to them by the Company into Debt Conversion Shares at the deemed conversion price of A\$0.03.

The terms of the Debt Conversion are set out in the Deeds of Settlement and Release, which are summarised in Schedule 1. The Company notes that the Company's Shares were trading at A\$0.025 on 3 October 2022 (**Closing Price**), being the Shares' closing price on the day prior to the announcement of the execution of the Deeds of Settlement and Release. As such, the deemed conversion price of the Debt Conversion Shares is a premium to the Closing Price.

It is proposed that Midocean Holdings Limited (**Midocean**) and Mr Ayman Asfari (both of whom are Noteholders) will be issued the following Debt Conversion Shares:

Resolution	Noteholder	Conversion Amount	Debt Conversion Shares to be issued
Resolution 3	Midocean Holdings Limited	A\$1,789,178	59,639,271
Resolution 4	Mr Ayman Asfari	A\$560,301	18,676,714
Total		A\$2,349,479	78,315,985

Upon the issue of the Debt Conversion Shares, the Company will be released from any further payment obligations owing in respect of the Converted Amount and shall be released from any claims in relation to the Converted Amount owed to Midocean and Mr Ayman Asfari.

Resolution 3 and Resolution 4 seek Shareholder approval for the purposes of Listing Rule 7.1 to allow the Company to issue the Debt Conversion Shares.

5.2 Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Debt Conversion Shares does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

5.3 Technical information required by Listing Rule 14.1A

If Resolution 3 and Resolution 4 are passed, the Company will be able to proceed with the issue of the Debt Conversion Shares. In addition, the issue of the Debt Conversion Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 3 and Resolution 4 are not passed, the Company will not be able to proceed with the issue of the Debt Conversion Shares. This would mean that the company will not be able to carry out the Debt Conversion and therefore will be in breach of the Deeds of Settlement and Release. As such, the Company will need to renegotiate the restructuring of the debt owed to Midocean and Mr Ayman Asfari.

Resolution 3 and Resolution 4 seek Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Debt Conversion Shares.

5.4 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the Debt Conversion:

- (a) the Debt Conversion Shares will be issued to Midocean Holdings Limited and Ayman Asfari;
- (b) the agreed maximum number of Debt Conversion Shares to be issued is 78,315,985, which will be issued as follows:
 - (i) 59,639,271 Debt Conversion Shares to Midocean Holdings Limited; and
 - (ii) 18,676,714 Debt Conversion Shares to Ayman Asfari;
- (c) the Debt Conversion Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Debt Conversion Shares will occur on the same date;
- (d) the issue price of the Debt Conversion Shares will be A\$0.03. The Company will not receive any other consideration for the issue of the Debt Conversion Shares;
- (e) the purpose of the issue of the Debt Conversion Shares is for the Company to be released from any further payment obligations owing in respect of the Converted Amount and shall be released from any claims in relation to the Converted Amount owed to Midocean and Mr Ayman Asfari;
- (f) the Debt Conversion Shares are being issued to Midocean and Mr Ayman Asfari under the Deeds of Settlement and Release. A summary of the material terms of the Deeds of Settlement and Release is set out in Schedule 1; and
- (g) the Debt Conversion Shares are not being issued under, or to fund, a reverse takeover.

6. RESOLUTION 5 - APPROVAL OF ISSUE OF SHARES TO WATERFORD FINANCE AND INVESTMENT LIMITED

6.1 General

As set out in Section 4.1, Waterford Finance and Investment Limited (**Waterford**) entered into a Deed of Settlement and Release to partially settle the Outstanding Amount. Waterford agreed to convert \$22,006,937 of the Outstanding Amount, being the Conversion Amount owed to it by the Company into Shares at the deemed conversion price of A\$0.03. A summary of the material terms of the Deeds of Settlement and Release is set out in Schedule 1.

Resolution 5 seeks Shareholder approval for the purpose of Item 7 of Section 611 to issue 733,564,557 Shares to Waterford.

6.2 Legislative Regime

(a) Section 606 of the Corporations Act – Statutory Prohibition

Pursuant to Section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

- (i) from 20% or below to more than 20%; or
- (ii) from a starting point that is above 20% and below 90%,

(Prohibition).

(b) Voting Power

The voting power of a person in a body corporate is determined in accordance with Section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

(c) Associates

For the purposes of determining voting power under the Corporations Act, a person (second person) is an “associate” of the other person (first person) if:

- (i) (pursuant to Section 12(2) of the Corporations Act) the first person is a body corporate and the second person is:
 - (A) a body corporate the first person controls;
 - (B) a body corporate that controls the first person; or
 - (C) a body corporate that is controlled by an entity that controls the person;
- (ii) the second person has entered or proposes to enter into a relevant agreement with the first person for the purpose of controlling or influencing the composition of the company's board or the conduct of the company's affairs; or
- (iii) the second person is a person with whom the first person is acting or proposes to act, in concert in relation to the company's affairs.

Associates are, therefore, determined as a matter of fact. For example where a person controls or influences the board or the conduct of a company's business affairs, or acts in concert with a person in relation to the entity's business affairs.

(d) **Relevant Interests**

Section 608(1) of the Corporations Act provides that a person has a relevant interest in securities if they:

- (i) are the holder of the securities;
- (ii) have the power to exercise, or control the exercise of, a right to vote attached to the securities; or
- (iii) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

In addition, section 608(3) of the Corporations Act provides that a person has a relevant interest in securities that any of the following has:

- (i) a body corporate in which the person's voting power is above 20%; or
- (ii) a body corporate that the person controls.

6.3 Reason Section 611 approval is required

Item 7 of Section 611 of the Corporations Act provides an exception to the Prohibition, whereby a person may acquire a relevant interest in a company's voting shares with shareholder approval.

Waterford currently has a relevant interest in 35,836,107 Shares in the Company, reflecting a voting power in the Company of 23.36% as at the date of this Notice of Meeting.

Particulars with respect to the relevant interest of Waterford in the Company are set out below (refer also to the Form 604 "Notice of change of interests of substantial holder" lodged by Waterford on the Company's ASX Platform on 12 September 2022):

Noteholder	Shares	Voting Power
Waterford	35,836,107	23.36%

In the event that Waterford is issued the Debt Conversion Shares, the voting power of Waterford and its associates will increase from a starting point that is above 20% and below 90%.

Shareholder approval under Item 7 of Section 611 of the Corporations Act is therefore required to enable Waterford to be issued the Debt Conversion Shares.

Section 6.4(b)(ii) below details the potential maximum increase in voting power of Waterford and its associates as a result of the issue of Debt Conversion Shares.

Pursuant to ASX Listing Rule 7.2 (Exception 16), ASX Listing Rule 7.1 does not apply to an issue of securities approved for the purpose of Item 7 of Section 611 of the Corporations Act. Accordingly, if Shareholders approve the issue of securities pursuant to Resolution 5, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1.

The Company notes that it does not consider the issue of the Debt Conversion Shares to Waterford to require Listing Rule 10.11 approval, however ASX has discretion under ASX Listing Rule 10.11.5 that such approval is required. In any event, pursuant to Listing Rule 10.12 (Exception 6), ASX Listing Rule 10.11 does not apply to an issue of securities approved for the purpose of Item 7 of Section 611 of the Corporations Act.

6.4 Specific Information required by Section 611 Item 7 of the Corporations Act and ASIC Regulatory Guide 74

The following information is required to be provided to Shareholders under the Corporations Act and ASIC Regulatory Guide 74 in respect of obtaining approval for Item 7 of Section 611 of the Corporations Act. Shareholders are also referred to the Independent Expert's Report prepared by BDO Corporate Finance (WA) Pty Ltd (**BDO**) annexed to this Explanatory Statement.

(a) Identity of Acquirer and its Associates

It is proposed that Waterford will be issued the Debt Conversion Shares in accordance with the terms of the Deed of Settlement and Release as set out in Section 4.1 of this Explanatory Statement.

(b) Relevant Interest and Voting Power

(i) Relevant Interest

The relevant interests of Waterford in the voting shares in the capital of the Company (both current, and following the issue of the Debt Conversion Shares to Waterford, as contemplated by this Notice) are set out in the table below:

Noteholder	Relevant Interest as at the date of this Notice	Relevant Interest after the issue of the Debt Conversion Shares
Waterford	35,836,107	769,400,664

(ii) **Voting Power**

The voting power of Waterford (both current, and following the issue of the Debt Conversion Shares to Waterford, as contemplated by this Notice) is set out in the table below:

Noteholder	Relevant Voting Power as at the date of this Notice	Relevant Voting Power after the issue of the Debt Conversion Shares
Waterford	23.36%	62.56%

Further details on the voting power of Waterford are set out in the Independent Expert's Report prepared by BDO.

(iii) **Summary of increases**

From the above chart it can be seen that the maximum relevant interest that Waterford will hold after completion of the issue of Debt Conversion Shares is 769,400,664 Shares, and the maximum voting power that Waterford will hold is 62.56%. This represents a maximum increase in voting power of 39.2% (being the difference between 23.36% and 62.56%).

(iv) **Assumptions**

Note that the following assumptions have been made in calculating the above:

- (A) the Company has 153,377,693 Shares on issue as at the date of this Notice of Meeting;
- (B) the Company does not issue any additional Shares prior to the date of the General Meeting; and
- (C) Waterford does not acquire any additional Shares prior to the date of the General Meeting.

(c) **Reasons for the proposed issue of Securities**

As set out in Section 4.1 of this Explanatory Statement, the reason for the issue of securities to Waterford is to satisfy the debt owed to Waterford by the Company.

(d) **Date of proposed issue of securities**

The Debt Conversion Shares the subject of Resolution 5 will be issued on a date after the Meeting to be determined by the Company and Waterford, which is no later than three months from the date of the Meeting.

(e) **Material terms of proposed issue of securities**

The Company is proposing to issue 733,564,557 Debt Conversion Shares to Waterford at the deemed conversion price of A\$0.03 per Share.

(f) **Intentions**

Other than as disclosed elsewhere in this Explanatory Statement, the Company understands that Waterford:

- (i) has no present intention of making any significant changes to the business of the Company;
- (ii) has no present intention to inject further capital into the Company;
- (iii) has no present intention of making changes regarding the future employment of the present employees of the Company;
- (iv) does not intend to redeploy any fixed assets of the Company;
- (v) does not intend to transfer any property of the Company; and
- (vi) has no intention to change the Company's existing policies in relation to financial matters or dividends.

These intentions are based on information concerning the Company, its business and the business environment which is known to Waterford at the date of this document.

These present intentions may change as new information becomes available, as circumstances change or in the light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.

(g) **Interests and Recommendations of Directors**

- (i) None of the current Board members, have a material personal interest in the outcome of Resolution 5.
- (ii) All of the Directors are of the opinion that the Deeds of Settlement and Release are in the best interests of Shareholders and, accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolution 5. The Director's recommendations are based on the reasons outlined in Section 6.5 below.
- (iii) The Directors are not aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 5.

(h) **Capital Structure**

A table showing the Company's current capital structure and the possible capital structure on completion of the Debt Conversion is set out in Section 4.4.

6.5 Advantages of the Issue – Resolution 5

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on proposed Resolution 5:

- (a) the issue of the Debt Conversion Shares to Waterford, would allow the Company to satisfy its outstanding debts to Waterford without using more of its available cash reserve;
- (b) the issue of Debt Conversion Shares to Waterford will complete part of the Company's obligations under the Deeds of Settlement and Release; and
- (c) BDO has concluded that the issue of the Debt Conversion Shares is fair and reasonable to the non-associated shareholders.

6.6 Disadvantages of the Issue – Resolution 5

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on proposed Resolution 5:

- (a) the issue of the Debt Conversion Shares to Waterford will increase the voting power of Waterford from 23.36% to 62.56%, reducing the voting power of non-associated Shareholders in aggregate from 76.64% to 37.44%; and
- (b) there is no guarantee that the Company's Shares will not fall in value as a result of the Debt Conversion.

6.7 Independent Expert's Report – Resolution 5

The Independent Expert's Report prepared by BDO (a copy of which is attached as Annexure A to this Explanatory Statement) assesses whether the transactions contemplated by Resolution 5 are fair and reasonable to the non-associated Shareholders of the Company.

The Independent Expert's Report concludes that the transaction contemplated by Resolution 5 is fair and reasonable to the non-associated Shareholders of the Company.

Shareholders are urged to carefully read the Independent Expert's Report to understand the scope of the report, the methodology of the valuation and the sources of information and assumptions made.

6.8 Pro forma balance sheet

A pro-forma balance sheet of the Company post the completion of the Debt Conversion is set out in Schedule 2 of this Notice.

7. RESOLUTION 6 - APPROVAL OF ISSUE OF SHARES TO WEIGHBRIDGE TRUST LIMITED AS TRUSTEE OF THE BLACKBIRD TRUST

7.1 General

As set out in Section 4.1, Weighbridge Trust Limited as Trustee of The Blackbird Trust (**Blackbird**) entered into a Deed of Settlement and Release to partially settle the Outstanding Amount. Blackbird agreed to convert \$7,937,757 of the Outstanding Amount, being the Conversion Amount owed to it by the Company into Shares at the deemed conversion price of A\$0.03. A summary of the material terms of the Deeds of Settlement and Release is set out in Schedule 1.

Resolution 6 seeks Shareholder approval for the purpose of Item 7 of Section 611 to issue 264,591,886 Shares to Blackbird.

7.2 Legislative Regime

A summary of the legislative regime relevant to Resolution 6 is set out in Section 6.1 above.

7.3 Reason Section 611 approval is required

Item 7 of Section 611 of the Corporations Act provides an exception to the Prohibition, whereby a person may acquire a relevant interest in a company's voting shares with shareholder approval.

Blackbird currently has a relevant interest in 3,298,604 Shares in the Company, reflecting a voting power in the Company of 2.15% as at the date of this Notice of Meeting.

In the event that Blackbird is issued the Debt Conversion Shares, the voting power of Blackbird and its associates could exceed 20%.

Shareholder approval under Item 7 of Section 611 of the Corporations Act is therefore required to enable Blackbird to be issued the Debt Conversion Shares.

Section 7.4(b)(ii) below details the potential maximum increase in voting power of Blackbird and its associates as a result of the issue of Debt Conversion Shares.

Pursuant to ASX Listing Rule 7.2 (Exception 16), ASX Listing Rule 7.1 does not apply to an issue of securities approved for the purpose of Item 7 of Section 611 of the Corporations Act. Accordingly, if Shareholders approve the issue of securities pursuant to Resolution 6, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1.

7.4 Specific Information required by Section 611 Item 7 of the Corporations Act and ASIC Regulatory Guide 74

The following information is required to be provided to Shareholders under the Corporations Act and ASIC Regulatory Guide 74 in respect of obtaining approval for Item 7 of Section 611 of the Corporations Act. Shareholders are also referred to the Independent Expert's Report prepared by BDO annexed to this Explanatory Statement.

(a) Identity of Acquirer and its Associates

It is proposed that Blackbird will be issued the Debt Conversion Shares in accordance with the terms of the Deed of Settlement and Release as set out in Section 4.1 of this Explanatory Statement.

(b) Relevant Interest and Voting Power

(i) Relevant Interest

The relevant interests of Blackbird in the voting shares in the capital of the Company (both current, and following the issue of the Debt Conversion Shares to Blackbird, as contemplated by this Notice) are set out in the table below:

Noteholder	Relevant Interest as at the date of this Notice	Relevant Interest after the issue of the Debt Conversion Shares
Blackbird	3,298,604	267,890,490

(ii) Voting Power

The voting power of Blackbird (both current, and following the issue of the Debt Conversion Shares to Waterford, as contemplated by this Notice) is set out in the table below:

Noteholder	Relevant Voting Power as at the date of this Notice	Relevant Voting Power after the issue of the Debt Conversion Shares
Blackbird	2.15%	21.78%

Further details on the voting power of Blackbird are set out in the Independent Expert's Report prepared by BDO.

(iii) **Summary of increases**

From the above chart it can be seen that the maximum relevant interest that Blackbird will hold after completion of the issue of Debt Conversion Shares is 267,890,490 Shares, and the maximum voting power that Blackbird will hold is 21.78%. This represents a maximum increase in voting power of 19.63% (being the difference between 2.15% and 21.78%).

(iv) **Assumptions**

Note that the following assumptions have been made in calculating the above:

- (A) the Company has 153,377,693 Shares on issue as at the date of this Notice of Meeting;
- (B) the Company does not issue any additional Shares; and
- (C) Blackbird does not acquire any additional Shares.

(c) **Reasons for the proposed issue of Securities**

As set out in Section 4.1 of this Explanatory Statement, the reason for the issue of securities to Blackbird is to satisfy the debt owed to Blackbird by the Company.

(c) **Date of proposed issue of securities**

The Debt Conversion Shares the subject of Resolution 6 will be issued on a date after the Meeting to be determined by the Company and Blackbird, which is no later than three months from the date of the Meeting.

(d) **Material terms of proposed issue of securities**

As set out in Section 5.1 of this Explanatory Statement the Company is proposing to issue 264,591,886 Debt Conversion Shares at the deemed conversion price of A\$0.03 per Share to Blackbird.

(e) **Intentions**

Other than as disclosed elsewhere in this Explanatory Statement, the Company understands that Blackbird:

- (i) has no present intention of making any significant changes to the business of the Company;
- (ii) has no present intention to inject further capital into the Company;
- (iii) has no present intention of making changes regarding the future employment of the present employees of the Company;

- (iv) does not intend to redeploy any fixed assets of the Company;
- (v) does not intend to transfer any property of the Company; and
- (vi) has no intention to change the Company's existing policies in relation to financial matters or dividends.

These intentions are based on information concerning the Company, its business and the business environment which is known to Blackbird at the date of this document.

These present intentions may change as new information becomes available, as circumstances change or in the light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.

(f) **Interests and Recommendations of Directors**

- (i) None of the current Board members, have a material personal interest in the outcome of Resolution 6.
- (ii) All of the Directors are of the opinion that the Deeds of Settlement and Release are in the best interests of Shareholders and, accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolution 6. The Director's recommendations are based on the reasons outlined in Section 7.5 below.
- (iii) The Directors are not aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 6.

(g) **Capital Structure**

A table showing the Company's current capital structure and the possible capital structure on completion of the Debt Conversion is set out in Section 4.4.

7.5 Advantages of the Issue – Resolution 6

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on proposed Resolution 6:

- (a) the issue of the Debt Conversion Shares to Blackbird, would allow the Company to satisfy its outstanding debts to Blackbird without using more of its available cash reserve;
- (b) the issue of Debt Conversion Shares to Blackbird will complete part of the Company's obligations under the Deed of Settlement and Release; and

- (c) BDO has concluded that the issue of the Debt Conversion Shares is fair and reasonable to the non-associated shareholders.

7.6 Disadvantages of the Issue – Resolution 6

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on proposed Resolution 6:

- (a) the issue of the Debt Conversion Shares to Blackbird will increase the voting power of Waterford from 0% to 21.78%, reducing the voting power of non-associated Shareholders in aggregate from 100% to 78.49%; and
- (b) there is no guarantee that the Company's Shares will not fall in value as a result of the Debt Conversion.

7.7 Independent Expert's Report – Resolution 6

The Independent Expert's Report prepared by BDO (a copy of which is attached as Annexure A to this Explanatory Statement) assesses whether the transactions contemplated by Resolution 6 are fair and reasonable to the non-associated Shareholders of the Company.

The Independent Expert's Report concludes that the transaction contemplated by Resolution 6 is fair and reasonable to the non-associated Shareholders of the Company.

Shareholders are urged to carefully read the Independent Expert's Report to understand the scope of the report, the methodology of the valuation and the sources of information and assumptions made.

7.8 Pro forma balance sheet

A pro forma balance sheet of the Company post the completion of the Debt Conversion is set out in Schedule 2 of this Notice.

8. RESOLUTION 7 – APPROVAL OF ACQUISITION BY THE COMPANY OF A RELEVANT INTEREST IN SHARES

8.1 Background

The Company intends to issue the Debt Conversion Shares (in accordance with Resolutions 3 to 6. Following their issue, the Debt Conversion Shares will account for 87.5% of the total Shares that are on issue.

As set out in Section 4.2, the Company is proposing to enter into voluntary escrow agreements with each of the Noteholders, under which the parties will agree that the Debt Conversion Shares will be subject to voluntary escrow.

The voluntary escrow period will commence on the date of issue of the Debt Conversion Shares and ending on the earlier to occur of a Permitted Sale (as that term is defined in Section 4.2) and the date that is:

- (a) 6 months from the date of issue for 25% of the Debt Conversion Shares;
 - (b) 12 months from the date of issue for 50% of the Debt Conversion Shares; and
 - (c) 18 months from the date of issue for 25% of the Debt Conversion Shares,
- (the **Escrow Period**).

Under the Corporations Act, by entering into the voluntary escrow agreements (a copy of which is provided at Schedule 3), the Company is deemed to take a 'relevant interest' in itself as the Company will acquire a maximum of 87.5% of the Company's total issued capital. As the Debt Conversion Shares represent more than 20% of the Company's issued share capital, in order for the voluntary escrow agreements to become effective and for the Escrow Period to commence, the Company must obtain Shareholder approval.

8.2 Material terms of the voluntary escrow agreement

Non-disposal of Debt Conversion Shares

The voluntary escrow agreements provide that the Noteholders will not do any of the following during the Escrow Period:

- (a) dispose of, or agree or offer to dispose of, the Debt Conversion Shares;
- (b) create, or agree or offer to create, any security interest in the Debt Conversion Shares; or
- (c) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the Debt Conversion Shares.

The voluntary escrow restriction agreements do not affect Noteholder's power to:

- (a) exercise, or control the exercise of, a right to vote attached to a Voluntary Escrowed Share;
- (b) receive or entitlement to any dividend, return of capital or other distribution attaching to the Debt Conversion Shares; or
- (c) receiving or participating in any right or bonus issue in connection with the Debt Conversion Shares.

Holding Lock

The Debt Conversion Shares will be subject to a holding lock which the Company may apply in order to prevent a transfer of the Debt Conversion Shares by:

- (a) giving notice to the share registry to apply the holding lock; and
- (b) refusing to register a paper-based transfer document in respect of the Debt Conversion Shares.

Exceptions to voluntary escrow

The Debt Conversion Shares may be dealt with in the following ways during the Escrow Period:

- (a) in the event that a takeover offer is made under Chapter 6 of the Corporations Act where holders of at least 50% of the bid class securities in the capital of the Company (excluding the Debt Conversion Shares) have accepted the takeover offer, escrowed parties may transfer or sell the Debt Conversion Shares;
- (b) in the event that the Debt Conversion Shares are to be disposed of, transferred or cancelled as part of a merger being implemented by scheme of arrangement under Part 5.1 of the Corporations Act, share buyback or other similar reorganisation or acquisition of share capital which has received all necessary approvals;
- (c) to the extent that the dealing with any or all of the Debt Conversion Shares is required by any applicable law or the Listing Rules or the Corporations Act; and
- (d) subject to receiving the prior written approval of the Company, in the event that the disposal constitutes a disposal of, but not the creation of a security interest in some or all of the Debt Conversion Shares to:
 - (i) a company wholly-owned by a Noteholder;
 - (ii) a trust in relation to which a Noteholder is the beneficiary;
 - (iii) an affiliate of a Noteholder; or
 - (iv) any custodian which is to hold bare legal title to the Debt Conversion Shares,

(each a **Transferee**), where the Transferee also enters into an escrow arrangement with the Company in respect of those Debt Conversion Shares on substantially the same terms as this deed for the remainder of the Escrow Period.

8.3 Shareholder approval

Resolution 7 seeks Shareholder approval for the purposes of item 7 section 611 of the Corporations Act for the Company to acquire a relevant interest in its own Shares as a result of entering into voluntary escrow agreements with the Noteholders. As the voluntary escrow agreements will provide the Company with the ability to exercise a degree of control over the disposal of the Shares held by the Noteholders, the Company will acquire a relevant interest in those Shares, representing up to a maximum of 87.5% of the Company's total issued capital.

The commencement of the operation of the voluntary escrow agreements (the material terms of which are set out below) is conditional on Resolution 7 being passed at this Meeting. For the avoidance of doubt, if this Resolution 7 is not approved by Shareholders, any voluntary escrow agreement that the Company has entered into will be of no effect.

8.4 Corporations Act prohibition

Prohibition against acquisition of a relevant interest

As set out above, section 606(1) of the Corporations Act prohibits a person from acquiring shares in a company if, after that acquisition, that person or any other person would have a relevant interest or voting power in excess of 20% of the voting shares in that company unless an exception applies.

Exceptions to the section 606(1) prohibition

There are various exceptions to the prohibition in section 606(1) of the Corporations Act, including an acquisition of a relevant interest in the voting shares of a company if the company has agreed to the acquisition by resolution passed at a general meeting, at which no votes are cast in relation to the resolution by the person to whom the shares are to be issued or by an associate of that person.

By virtue of the voluntary escrow agreements, the Company is deemed to be acquiring a relevant interest in its own Shares, however, the Company will not obtain any power to influence the exercise of any votes attaching to the Shares. The Company (and its Associates) will technically increase its voting power in itself and acquire a relevant interest as the Company will have enforcement rights in relation to the disposal of the Debt Conversion Shares pursuant to the holding lock.

8.5 Information required by item 7 of section 611 of the Corporations Act and ASIC Regulatory Guide 74

The table below sets out the information required to be provided to Shareholders under item 7 in the table in section 611 of the Corporations Act and ASIC Regulatory Guide 74.

Identity of the parties acquiring the relevant interest	The Company.
Maximum extent of the increase in the Company's voting power	The Company currently has no interest in any of its Shares. The maximum extent of the Company's increase in voting power in itself is 87.5% of the total Shares on issue.
Voting power that the Company would have as a result of the holding lock	The Company will be deemed to have the voting power of 87.5% in the Company, however as described above, the Company will not obtain any power to influence the exercise of any votes attaching to the Debt Conversion Shares. Rather its voting power results from a Relevant Interest arising due to entry into agreements with Noteholders that restricts the disposal of Debt Conversion Shares.
Maximum extent of the increase in the voting power of the Company's associates in the Company	Any Associate of the Company will be deemed to have the same increase in voting power as the Company, being 87.5%, due to the holding lock.
Voting power of the Company's associates as a result of the holding lock	Any associate of the Company will be deemed to have the same voting power as the Company, being 87.5%, due to the holding lock.

8.6 Independent Expert's Report - Resolution 7

The Independent Expert's Report prepared by BDO (a copy of which is attached as Annexure A to this Explanatory Statement) assesses whether the transactions contemplated by Resolution 5, Resolution 6 and Resolution 7 are fair and reasonable to the non-associated Shareholders of the Company.

The Independent Expert's Report concludes that the transactions contemplated by this Resolution are **FAIR AND REASONABLE** to the non-associated Shareholders of the Company.

Shareholders should read the Independent Expert's Report in full before making a decision on how to vote on Resolution 5, Resolution 6 and Resolution 7

9. RESOLUTION 8 – APPROVAL TO ISSUE SHARES – CAPITAL RAISING

9.1 Background to the Capital Raising

The Company is proposing to issue up to that number of Shares which, when multiplied by the issue price, will raise up to \$5,000,000 (**Capital Raising**). The Capital Raising Shares will be issued at a 20% discount to the volume weighted average price of the Shares on ASX over the 5 days prior to the date of the Meeting.

The Company does not currently have a lead manager mandate in place with respect to the Proposed Placement and is not currently in negotiations with any lead managers in this regard. The Company will consider engaging a lead manager at the time the funds are to be raised. The Company anticipates that any fees payable to a lead broker will be on standard market rates of approximately 5% to 6% of the total funds raised.

9.2 General

As set out in Section 9.1 above, the Company is proposing to issue up to that number of Shares which, when multiplied by the issue price, will raise up to \$5,000,000 (**Capital Raising Shares**).

As summarised in Section 5.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Capital Raising Shares does not fit within any of the exceptions set out in Listing Rule 7.2. While the issue does not exceed the 15% limit in Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder approval pursuant to Listing Rule 7.1 so that it does not use up any of its 15% placement capacity under Listing Rule 7.1.

9.3 Technical information required by Listing Rule 14.1A

If Resolution 8 is passed, the Company will be able to proceed with the issue of the Capital Raising Shares. In addition, the issue of the Capital Raising Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 8 is not passed, the issue of the Capital Raising Shares can still proceed but it will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for 12 months following the issue.

Resolution 8 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Capital Raising Shares.

9.4 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 8:

- (a) if a lead manager is appointed by the Company, the Shares will be issued to professional and sophisticated investors who are clients of the lead manager. The recipients will likely be identified through a bookbuild process, which will involve the lead manager seeking expressions of interest to participate in the capital raising from non-related parties of the Company. If a lead manager is not appointed by the Company, the Shares will be issued to professional and sophisticated investors who will be identified by the Directors. The recipients will be identified through the Directors seeking expressions of interest to participate in the Proposed Placement from non-related parties of the Company;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Capital Raising Shares to be issued is up to that number of Shares which, when multiplied by the issue price, equals \$5,000,000. The Capital Raising Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Capital Raising Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Capital Raising Shares will occur on the same date;
- (e) the issue price of the Capital Raising Shares will be a 20% discount to the volume weighted average price of the Shares on ASX over the 5 days prior to the date of the Meeting per Capital Raising Share. The Company will not receive any other consideration for the issue of the Capital Raising Shares;
- (f) the purpose of the issue of the Capital Raising Shares is to raise \$5,000,000. The Company intends to apply the funds raised from the issue as set out in Section 9.6 below;
- (g) the Capital Raising Shares are not being issued under an agreement; and
- (h) the Capital Raising Shares are not being issued under, or to fund, a reverse takeover.

9.5 Dilution

Set out below is a worked example of the number of Capital Raising Shares that may be issued under Resolution 8 based on an assumed issue prices of \$0.0375, \$0.0125 and \$0.025 (the latter being the Closing Price), and the volume weighted prices which are 50% higher and 50% lower than that price. To calculate the number of Shares that may be issued, discounted figures of \$0.0104, \$0.0312 and \$0.0208 have been used, being an issue price, which is a 20% discount to the Closing Price.

Assumed issue price	Maximum number of Shares which may be issued ¹	Current Shares on issue as at the date of this Notice ²	Increase in the number of Shares on issue assuming the Company issued the maximum amount pursuant to Resolution 7	Dilution effect on existing Shareholders
\$0.01	500,000,000	1,229,850,121	1,729,850,121	28.90%
\$0.02	250,000,000	1,229,850,121	1,479,850,121	16.89%
\$0.03	166,666,667	1,229,850,121	1,396,516,790	11.93%

Notes:

1. Rounded to the nearest whole number.
2. There are currently 1,229,850,121 Shares on issue as at the date of this Notice and this table assumes no Options are exercised, additional Shares issued, other than the maximum number of Shares which may be issued pursuant to Resolution 7 (based on the assumed issue prices set out in the table).
3. The Company notes that the above workings are an example only and the actual issue price may differ. This will result in the maximum number of Shares to be issued and the dilution percentage to also differ.

9.6 Use of Funds

The table below set out the Company's intended use of funds raised by the issue of the Capital Raising Shares over a period of approximately 12 months assuming that the Company raises \$5,000,000.

Intended use of funds	\$	%
Drilling of Production Wells	\$3,500,000	70%
Working capital ¹	\$1,150,000	23%
Expenses of the Capital Raising ²	\$350,000	7%
Total	\$5,000,000	100%

Notes:

1. Comprising of administration costs and compliance costs.
2. Comprising of legal fees, ASX fees and other miscellaneous expenses.

10. RESOLUTION 9 – APPROVAL OF 7.1A MANDATE

10.1 General

As summarised in Section 5.2 above, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$3,834,442 (based on the number of Shares on issue and the closing price of Shares on the ASX on 3 October 2022).

Resolution 9 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 9 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 9 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

10.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 9 :

(a) **Period for which the 7.1A Mandate is valid**

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the

nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) **Minimum price**

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued for cash consideration at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 10.2(b)(i), the date on which the Equity Securities are issued.

(c) **Use of funds raised under the 7.1A Mandate**

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate to raise funds for the development of the Company's existing assets, the acquisition of new assets or investments (including assets associated with such acquisition), to repay debt or to fund working capital.

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 9 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue or proposed to be issued as at 3 October 2022.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Dilution			
		Shares issued – 10% voting dilution	Issue Price		
			\$0.013	\$0.025	\$0.04
			50% decrease	Issue Price	50% increase
		Funds Raised			
Current	1,470,234,737 Shares	147,023,473	\$1,911,305	\$3,675,586	\$5,586,891
50% increase	2,205,352,106 Shares	220,535,210	\$2,866,957	\$5,513,380	\$8,380,337
100% increase	2,940,469,474 Shares	294,046,947	\$3,822,610	\$7,351,173	\$11,173,783

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

- There are currently 1,470,234,737 Shares on issue comprising:
 - 153,377,693 existing Shares as at the date of this Notice; and
 - 1,316,857,044 Shares which will be issued if Resolutions 3 to 6 and Resolution 8 are passed at this Meeting (assuming that 240,384,615 Shares are issued pursuant to Resolution 8).
- The issue price set out above is the closing market price of the Shares on the ASX on 3 October 2022 (being \$0.025).
- The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
- The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 19 November 2021 (**Previous Approval**).

During the 12 month period preceding the date of the Meeting, being on and from 8 November 2021, the Company has not issued any Equity Securities pursuant to the Previous Approval.

10.3 Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

11. RESOLUTION 10 – REPLACEMENT OF CONSTITUTION

11.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of shareholders.

Resolution 10 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and Listing Rules.

This will incorporate amendments to the Corporations Act and Listing Rules since the current Constitution was adopted in 2011.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website www.jupiterenergy.com.au and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 3 9592 2357). Shareholders are invited to contact the Company if they have any queries or concerns.

11.2 Summary of material proposed changes

Restricted Securities (clause 2.12)

The Proposed Constitution complies with the changes to Listing Rule 15.12 which took effect from 1 December 2019. As a result of these changes, ASX will require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will permit the Company to issue restriction notices to holders of restricted securities in the form of the new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

Minimum Securityholding (clause 3)

Clause 3 of the Constitution outlines how the Company can manage securityholdings which represent an “unmarketable parcel” of securities, being a securityholding that is less than \$500 based on the closing price of the Company’s securities on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with “unmarketable parcels” outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their securityholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

Joint Holders (clause 9.8)

CHESS is currently being replaced by ASX with a projected go-live date of April 2023. As part of the CHESS replacement, the registration system will be modernised to record holder registration details in a structured format that will allow up to four joint holders of a security. Clause 9.8 of the Proposed Constitution provides that the number of registered joint holders of securities shall be as permitted under the Listing Rules and the ASX Settlement Operating Rules.

Capital Reductions (clause 10.2)

The Proposed Constitution now permits sales of unmarketable parcels to a sale nominee as part of a capital reduction.

Direct Voting (clause 13, specifically clauses 13.35 – 13.40)

The Proposed Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any Resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

Use of technology (clause 14)

The Proposed Constitution includes a new provision to permit the use of technology at general meetings (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.

Dividends (clause 23)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

Partial (proportional) takeover provisions (new clause 37)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a Resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 10 .

GLOSSARY

\$ means Australian dollars.

7.1A Mandate has the meaning given in Section 10.1.

AEDT means Australian Eastern Daylight Time as observed in Melbourne, Victoria.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

BDO means BDO Corporate Finance (WA) Pty Ltd.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Closing Price has the meaning given in Section 5.1.

Company means Jupiter Energy Limited (ACN 084 918 481).

Constitution means the Company's constitution.

Converted Amount has the meaning given in Section 4.1(a).

Corporations Act means the *Corporations Act 2001* (Cth).

Debt Conversion has the meaning given in Section 4.1.

Debt Conversion Shares means the Shares to be issued pursuant to the Debt Conversion.

Deeds of Settlement and Release means the deeds of settlement and release between the Company and the Noteholders, the material terms of which are set out in Schedule 1.

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

Meeting means the meeting convened by the Notice.

Notes means the promissory and convertible notes that the Company previously issued the Noteholders, which have subsequently been assigned to Newco.

Notice means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Outstanding Amount means the amount the Company owes the Noteholders under the Notes, as set out in Section 4.1.

Permitted Sale has the meaning given in Section 4.2.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2022.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Retained Amount has the meaning given in Section 4.1(c).

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in Listing Rule 7.1A.2.

Waived Amount has the meaning given in Section 4.1(b).

SCHEDULE 1 – SUMMARY OF THE DEEDS OF SETTLEMENT AND RELEASE

Conversion	The parties to the Deed agreed that the Debt Conversion will be converted into Shares at a conversion price of A\$0.03 per Share on the date that is 10 business days after receipt of all regulatory approvals for the issue of the Debt Conversion Shares (Settlement Date).
Voluntary Escrow Agreement	<p>Each Noteholder acknowledges that the Debt Conversion Shares will be subject to voluntary escrow commencing on the date of issue of the Debt Conversion Shares (Issue Date) and ending on the earlier to occur of a Permitted Sale (as that term is defined in Section 4.2) and the date that is:</p> <ul style="list-style-type: none"> (a) 6 months from the Issue Date for 25% of the Debt Conversion Shares; (b) 12 months from the Issue Date for 50% of the Debt Conversion Shares; and (c) 18 months from the Issue Date for 25% of the Debt Conversion Shares. <p>Each Noteholder agreed that, prior to the issue of the Debt Conversion Shares, it must execute a voluntary escrow agreement with the Company on terms consistent with the above.</p>
Exchange Rate	The Debt Conversion will be converted into Australian dollars at a fixed exchange rate of A\$1:US\$0.70.
Waived Amount	With effect from the Settlement Date, the Noteholder agrees to waive the Waived Amount and forever release, forgive and discharge the Company, in full, from its obligation to repay the Waived Amount.
Retained Amount	<ul style="list-style-type: none"> (a) Following the Settlement Date, the balance of the Outstanding Amount will remain payable, to be paid by the Company in part or in full at any time (Retained Amount). (b) No accrued interest or other monies will be payable for the period between 1 December 2022 until 31 December 2024. (c) If any of the Retained Amount remains unpaid at 1 January 2025, a penalty interest rate equal to 15% per annum, compounded daily, will accrue on the unpaid Retained Amount until it is repaid in full.

Regulatory Approvals

If all regulatory approvals have not been received by 31 December 2022, the promissory note agreement between the Company and the Noteholder will remain in full force and effect and the Company and the Noteholder will continue to be bound by their respective obligations under the promissory note agreement.

SCHEDULE 2 – PRO-FORMA BALANCE SHEET

	30 June 2022 Audited	Derecognise Debt	Recognise New Debt	Proforma Balance Sheet
Cash and cash equivalents	1,330,334	-	-	1,330,334
Trade and other receivables	68,501	-	-	68,501
Inventories	29,920	-	-	29,920
Other	70,826	-	-	70,826
Total current assets	1,499,581	-	-	1,499,581
Other financial assets	253,124	-	-	253,124
Property plant and equipment	337,336	-	-	337,336
Oil and gas properties	17,127,378	-	-	17,127,378
Exploration and evaluation	1,389,210	-	-	1,389,210
Total non-current assets	19,107,048	-	-	19,107,048
Total assets	20,606,629	-	-	20,606,629
Trade and other payables	1,775,830	-	-	1,775,830
Other	3,847	-	-	3,847
Total current liabilities	1,779,677	-	-	1,779,677
Provisions	363,663	-	-	363,663
Promissory notes	100,027,287	(100,027,287)	19,993,423	19,993,423
	100,390,950	(100,027,287)	19,993,423	20,357,086
Total liabilities	102,170,627	(100,027,287)	19,993,423	22,136,763
Net Assets	(81,563,998)	100,027,287	(19,993,423)	(1,530,134)
Issued capital	85,633,935	-	32,294,174	117,928,109
Reserves	(24,985,025)	-	-	(24,985,025)
Accumulated losses	(142,212,908)	100,027,287	(52,287,597)	(94,473,218)
Total Equity	(81,563,998)	100,027,287	(19,993,423)	(1,530,134)

Notes:

1. \$US amounts have been converted into \$A based on a \$A1:US0.6889 basis.

SCHEDULE 3 – TEMPLATE VOLUNTARY ESCROW AGREEMENT

**The person named in Item 1 of the Schedule
(Company)**

and

**The person named in Item 2 of the Schedule
(Holder)**

VOLUNTARY RESTRICTION DEED

THIS DEED is made the

day of

2022

BETWEEN

THE PERSON NAMED IN ITEM 1 OF THE SCHEDULE (COMPANY);

AND

THE PERSON NAMED IN ITEM 2 OF THE SCHEDULE (HOLDER).

RECITALS

- A.** The Company has agreed to issue the Voluntary Escrow Shares subject to receipt of all relevant regulatory approvals occurring pursuant to the Deed of Settlement and Release.
- B.** The Holder agrees to escrow the Voluntary Escrow Shares for the Escrow Period pursuant to the terms of this deed.

IT IS AGREED as follows:

1. DEFINED TERMS AND INTERPRETATION

1.1 Definitions

The following definitions apply in this deed.

Affiliate means any Related Body Corporate.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

ASX Listing Rules means the listing rules of ASX.

ASX Settlement Operating Rules means the settlement operating rules of ASX Settlement Pty Ltd (ACN 008 504 532).

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth, Western Australia.

Company means Jupiter Energy Limited (ACN 084 918 481).

Completion means receipt of all relevant regulatory approvals pursuant to the Deed of Settlement and Release.

Corporations Act means *Corporations Act 2001* (Cth).

Dealing, in respect of any Voluntary Escrow Shares, means to directly or indirectly:

- (a) sell, assign, transfer or otherwise Dispose of any legal, beneficial or economic interest in such Voluntary Escrow Share;
 - (b) encumber or grant a security interest over such Voluntary Escrow Share or any legal, beneficial or economic interest in that Voluntary Escrow Share;
 - (c) grant or exercise an option in respect of such Voluntary Escrow Share;
-

(d) do, or omit to do, any act if the act or omission would have the effect of transferring, whether directly or indirectly, effective ownership or control of, or any legal, beneficial or economic interest in, such Voluntary Escrow Share; or

(e) agree to do any of those things,

and **Deal** has a corresponding meaning.

Deed of Settlement and Release means the deed entered into between the Company and the Holder on or around 3 October 2022 in respect of the issue of the Voluntary Escrow Shares.

Dispose has the meaning given in the ASX Listing Rules.

Escrow Period means the period for which the Voluntary Escrow Shares are escrowed as set out in Item 3 of the Schedule.

GST Law has the meaning given to it in the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

Holding Lock has the meaning given to that term in section 2 of the ASX Settlement Operating Rules.

Issue Date means the date the Voluntary Escrow Shares are issued pursuant to the Deed of Settlement and Release.

Issuer Sponsored Subregister has the meaning given to that term in section 2 of the ASX Settlement Operating Rules.

Permitted Sale means a sale of all or part of the Voluntary Escrow Shares that is approved by the Board of directors of the Company in its sole discretion following:

(a) the Holder providing written notice to the Board that it wishes to sell some or all of the Voluntary Escrow Shares, and which specifies the terms of the proposed sale and details of the proposed buyer; or

(b) the Company introducing a proposed buyer of some or all of the Voluntary Escrow Shares to the Holder and the proposed buyer and Holder agreeing on the terms of sale of the Voluntary Escrow Shares.

Professional Trustee means a holder of an Australian Financial Services License which authorises the trustee to provide custodian or trustee services.

Related Body Corporate has the meaning given to that term in the Corporations Act.

Share means a fully paid ordinary share in the capital of the Company.

Takeover Bid has the meaning given in the Corporations Act and includes a proportional takeover bid.

Voluntary Escrow Shares means:

(a) in relation to a Holder, the Shares specified in Item 4 of the Schedule; and

(b) any securities attaching to or arising out of those Shares.

1.2 Interpretation

In this deed:

- (a) headings are for convenience only and do not affect its interpretation;
- (b) no provision of this deed will be construed adversely to a party because that party was responsible for the preparation of this deed or that provision;
- (c) specifying anything after the words "include" or "for example" or similar expressions does not limit what else is included;

and, unless the context otherwise requires:

- (d) an agreement on the part of two or more persons binds them severally and jointly;
- (e) the expression **person** includes an individual, the estate of an individual, a corporation, an authority, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (f) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation;
- (g) a reference to a body, other than a party to this deed whether statutory or not:
 - (i) which ceases to exist; or
 - (ii) whose powers or functions are transferred to another body,is a reference to the body which replaces it or substantially succeeds its powers or functions;
- (h) a reference to any document (including this deed) is to that document as varied, novated, ratified or replaced from time to time;
- (i) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
- (j) words importing the singular include the plural (and vice versa) and words indicating a gender include every other gender;
- (k) references to parties, clauses, schedules, exhibits or annexures are references to parties, clauses, schedules, exhibits and annexures to or of this deed and a reference to this deed includes any schedule, exhibit or annexure to this deed;
- (l) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (m) a reference to time is to Western Standard Time as observed in Perth, Western Australia;

- (n) if a period of time is specified and dates from a given day or the day of an event, it is to be calculated exclusive of that day;
- (o) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (p) if an act prescribed under this deed to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day;
- (q) where an action is required to be undertaken on a day that is not a Business Day it shall be undertaken on the next Business Day; and
- (r) a reference to **\$** or **dollar** is to the lawful currency of the Commonwealth of Australia.

1.3 Compliance with ASX Listing Rules

During the Escrow Period, and for so long as the Company is listed on the ASX:

- (a) notwithstanding anything contained in this deed, if the ASX Listing Rules prohibit an act being done, that act must not be done;
- (b) nothing contained in this deed prevents an act being done that the ASX Listing Rules require to be done;
- (c) if the ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the ASX Listing Rules require this deed to contain a provision and it does not contain such a provision, this deed is deemed to contain that provision;
- (e) if the ASX Listing Rules require this deed not to contain a provision and it contains such a provision, this deed is deemed not to contain that provision; and
- (f) if any provision of this deed is or becomes inconsistent with the ASX Listing Rules, this deed is deemed not to contain that provision to the extent of the inconsistency.

2. CONDITION PRECEDENT

The respective rights and obligations of the parties under this deed are conditional upon Completion occurring.

3. ESCROW RESTRICTIONS

Subject to clause 5, during the Escrow Period, the Holder must not Deal in the Voluntary Escrow Shares.

4. HOLDING LOCK

4.1 Agreement to Holding Lock

Subject to clause 4.2, the Holder agrees to the application of a Holding Lock to the Voluntary Escrow Shares, and agrees to take all necessary steps to ensure that

its Voluntary Escrow Shares are registered and held for the Holder on the Issuer Sponsored Sub-register whilst any restrictions under clause 3 apply to those Voluntary Escrow Shares.

4.2 Application of Holding Lock

The Company will apply a Holding Lock to the Voluntary Escrow Shares upon Completion and may only remove the Holding Lock with respect to the Voluntary Escrow Shares if permitted under clause 4.3.

4.3 Removal of Holding Lock

- (a) Upon request by the Holder, the Company must promptly remove the Holding Lock with respect to the Voluntary Escrow Shares to the extent necessary to facilitate a Dealing that is permitted under clause 5.
- (b) The Company must remove the Holding Lock with respect to the Voluntary Escrow Shares on the Business Day after the end of the relevant Escrow Period.
- (c) The Company must notify ASX that the Voluntary Escrow Shares will be released from the Holding Lock in accordance with the timing requirements set out in ASX Listing Rule 3.10A.

5. EXCEPTIONS

5.1 Permitted Dealing

- (a) During the Escrow Period, the Holder may Deal in any of its Voluntary Escrow Shares if the Dealing arises solely as a result of:
 - (i) the acceptance a bona fide third party offer under a Takeover Bid in relation to those Voluntary Escrow Shares, provided that the holders of at least half of the Shares that are not subject to any voluntary escrow deed, and to which the offers under the bid relate, have accepted the bid; or
 - (ii) the transfer or cancellation of the Voluntary Escrow Shares in the Company as part of a scheme of arrangement under Part 5.1 of the Corporations Act, provided that the scheme of arrangement has received all necessary approvals, including all such necessary court and shareholder approvals, provided,

in each case, that if for any reason any or all Voluntary Escrow Shares are not transferred or cancelled in accordance with such a Takeover Bid or scheme of arrangement (including because the Takeover Bid does not become unconditional), then the Holder agrees that the restrictions applying to the Voluntary Escrow Shares under this deed will continue to apply and without limiting the foregoing, the Holding Lock will be reapplied to all Voluntary Escrow Shares not so transferred or cancelled.

- (b) Notwithstanding any condition to the contrary in this deed, during the Escrow Period, the Holder may transfer (in one or more transactions) any or all Voluntary Escrow Shares to an Affiliate or Professional Trustee of the Holder provided:
 - (i) such Affiliate or Professional Trustee agrees to be bound by the terms and conditions of this deed by entering into such further

agreements as the Company may reasonably require (provided that the Company may not require any change to the remaining duration of the restrictions in clause 3 or to the nature of those restrictions); and

- (ii) the transfer does not result in a change to the beneficial ownership of the Voluntary Escrow Shares.
- (c) During the Escrow Period, the Holder may Deal in any of its Voluntary Escrow Shares to the extent the Dealing is required by applicable law (including an order of a court of competent jurisdiction), provided that any recipient of the Voluntary Escrow Shares will no longer be bound by any Holding Lock or restrictions on Dealing.
- (d) Notwithstanding any condition to the contrary in this deed, during the Escrow Period, the Holder may Deal in any of its Voluntary Escrow Shares upon the death or incapacity of the Holder, provided that the transferee will no longer be bound by any Holding Lock or restrictions on Dealing in respect of the Voluntary Escrow Shares.

5.2 Notice

If the Holder becomes aware:

- (a) that a Dealing in any Voluntary Escrow Shares has occurred, or is likely to occur, during the Escrow Period; or
- (b) of any matter which is likely to give rise to a Dealing in any Voluntary Escrow Shares during the Escrow Period,

it must notify the Company as soon as practicable after becoming aware of the Dealing or the matters giving rise to the Dealing, providing full details.

6. PERMITTED DEALINGS WITH THE VOLUNTARY ESCROW SHARES

Except as expressly provided for in clause 3, nothing in this deed restricts the Holder from dealing with the Voluntary Escrow Shares or exercising rights attaching to, or afforded to the holder of, the Voluntary Escrow Shares, including (without limitation) by:

- (a) exercising any voting rights attaching to Voluntary Escrow Shares;
- (b) receiving or being entitled to any dividend, return of capital or other distribution attaching to Voluntary Escrow Shares; or
- (c) receiving or participating in any rights or bonus issue in connection with the Voluntary Escrow Shares.

7. CONSEQUENCES OF BREACH

If the Holder breaches this deed, each of the following applies:

- (a) the Company may take any steps that it considers necessary to enforce this deed and/or rectify the breach; and
- (b) the Company may refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Voluntary

Escrow Shares. This is in addition and without prejudice to other rights and remedies of the Company.

8. AMENDMENT

This deed can only be amended or replaced by another deed executed by the parties.

9. TERMINATION

This deed terminates automatically when the Holding Lock is released in full in respect of all Voluntary Escrow Shares.

10. CAPACITY

If the Holder has entered into this deed as a trustee:

- (a) notwithstanding any other provision of this deed including any provision expressed to prevail over this clause 10 and subject to clause 10(c), the Holder enters into this deed only in its capacity as trustee of the relevant trust and in no other capacity. A liability arising under or in connection with this deed can be enforced against the Holder only to the extent which it can be satisfied out of the property of the relevant trust for which the Holder is actually indemnified for the liability. The Holder will exercise its rights of indemnification in order to satisfy its obligations under this deed;
- (b) subject to clause 10(c), a party to this deed may not sue the Holder in any capacity other than as trustee in respect of the relevant trust, including seeking the appointment to the Holder of a receiver (except in relation to property of the relevant trust), a liquidator, administrator or any similar person; and
- (c) the provisions of this clause 10 will not apply to any obligation or liability of the Holder to the extent that it is not satisfied because under the relevant trust deed or by operation of law, there is a reduction in the extent to which the Holder is entitled to exercise its right of indemnification out of the assets of the relevant trust, or the right does not exist at all, as a result of the Holder's fraud, negligence, improper performance of duties or breach of trust.

11. NOTICES

11.1 Notices in writing

Each notice authorised or required to be given to a party shall be in legible writing and in English addressed to the party's address set out in clause 11.2 (or such other address nominated in accordance with clause 11.3).

11.2 Initial address of parties

The initial address of the parties shall be as set out in the Schedule.

11.3 Change of Address

Each party may from time to time change its address by giving notice pursuant to clause 11.1 to the other parties.

11.4 Receipt of notice

Any notice given pursuant to this deed will be conclusively deemed to have been received:

- (a) in the case of personal delivery, on the actual day of delivery;
- (b) if sent by mail, two Business Days from and including the day of posting; or
- (c) if sent by email:
 - (i) when the sender receives an automated message confirming delivery; or
 - (ii) 30 minutes after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first, but if the delivery or receipt is on a day which is not a Business Day or is after 5.00pm (addressee's time), it is deemed to be received at 9.00am on the following Business Day.

12. GENERAL

12.1 Governing law

This deed is governed by the laws of Western Australia.

12.2 Choice of jurisdiction

Each party irrevocable and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia including, for the avoidance of doubt, the Federal Court of Australia sitting in Western Australia.

12.3 Further assurances

Except as expressly provided in this deed, each party must, at its own expense, do all things reasonably necessary to give full effect to this deed and the matters contemplated by it.

12.4 Entire agreement

This deed constitutes the entire understanding of the parties with respect to the subject matter and replaces all other agreements (whether written or oral) between the parties with respect to its subject matter.

12.5 Counterparts

This deed may be executed in any number of counterparts and signatures on behalf of a party may be on different counterparts. Electronic signatures are taken to be valid and binding to the same extent as original signatures.

12.6 Time of essence

Time is of the essence to this deed.

12.7 Waiver

- (a) No waiver of a right or remedy under this deed is effective unless it is in writing and signed by the party granting it. It is only effective in the specific instance and for the specific purpose for which it is granted.
- (b) A single or partial exercise of a right or remedy under this deed does not prevent a further exercise of that or of any other right or remedy.
- (c) Failure to exercise or delay in exercising a right or remedy under this deed does not operate as a waiver or prevent further exercise of that or any other right or remedy.

12.8 Severability

Any term of this deed which is wholly or partially void or unenforceable is severed to the extent that it is void or unenforceable. The validity or enforceability of the remainder of this deed is not affected.

SCHEDULE

Item 1 Company

Jupiter Energy Limited (ACN 084 918 481) of Suite 2, Level 13, 350 Collins Street Melbourne VIC 3000 with email address jamesbarrie@fernvillegroup.com.au to the attention of James Barrie.

Item 2 Holder(s)

[insert name and ACN (if applicable) of Holder(s)] of [insert address of Holder(s)] with email address [insert] to the attention of [insert].

Item 3 Escrow Period

The Escrow Period commences on the Issue Date and ends on the earlier to occur of a Permitted Sale and the date that is:

- (a) 6 months from the Issue Date for 25% of the Voluntary Escrow Shares;
- (b) 12 months from the Issue Date for 50% of the Voluntary Escrow Shares; and
- (c) 18 months from the Issue Date for 25% of the Voluntary Escrow Shares.

Item 4 Particulars of Voluntary Escrow Shares

Voluntary Escrow Shares [insert number] Shares

EXECUTED by the parties as a deed.

EXECUTED AS A DEED by)
JUPITER ENERGY LIMITED)
ACN 084 918 481)
in accordance with section 127 of the)
Corporations Act 2001 (Cth):)

Signature of director

Signature of director/company secretary*

Name of director

Name of director/company secretary*

*please delete as applicable

EXECUTED AS A DEED by)
[INSERT])
ACN [INSERT])
in accordance with section 127 of the)
Corporations Act 2001 (Cth):)

Signature of director

Signature of director/company secretary*

Name of director

Name of director/company secretary*

*please delete as applicable

SIGNED, SEALED AND DELIVERED by)
[INSERT])
in the presence of:

Signature of witness

Signature of [insert]

Name of witness

ANNEXURE A – INDEPENDENT EXPERT'S REPORT



JUPITER ENERGY LIMITED
Independent Expert's Report

24 October 2022



Financial Services Guide

24 October 2022

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Jupiter Energy Limited ('Jupiter' or 'the Company') to provide an independent expert's report on the proposal to restructure its outstanding promissory notes ('the Notes') due to four parties (collectively, 'the Noteholders'), resulting in one of the Noteholders increasing its interest in Jupiter from more than 20% to greater than 60%, and another Noteholder increasing its interest in Jupiter from below 20% to greater than 20% ('the Proposed Transaction'). Our report also provides an opinion on the fairness and reasonableness of certain voluntary escrow arrangements arising from the Proposed Transaction, which result in the Company increasing its interest in itself to above 20%. You are being provided with a copy of our report because you are a shareholder of Jupiter and this Financial Services Guide ('FSG') is included in the event you are also classified under the Corporations Act 2001 ('the Act') as a retail client.

Our report and this FSG accompanies the Notice of Meeting required to be provided to you by Jupiter to assist you in deciding on whether or not to approve the proposal.

Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

Financial Services Guide

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$60,000 (excluding GST).

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in Jupiter.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Jupiter for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. Complaints can be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700, West Perth WA 6872 or, by telephone or email using the contact details within the following report.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint in writing within 1 business day or, if the timeline cannot be met, then as soon as practicable and investigate the issues raised. As soon as practical, and not more than 30 days after receiving the complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

If a complaint is made and the complainant is dissatisfied with the outcome of the above process, or our determination, the complainant has the right to refer the matter to the Australian Financial Complaints Authority Limited ('AFCA').

AFCA is an independent company that has been established to impartially resolve disputes between consumers and participating financial services providers.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below.

Australian Financial Complaints Authority Limited
GPO Box 3
Melbourne VIC 3001
AFCA Free call: 1800 931 678
Website: www.afca.org.au
Email: info@afca.org.au

You may contact us using the details set out on page 1 of the accompanying report.

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24 October 2022

The Directors
Jupiter Energy Limited
Suite 2, Level 13
350 Collins Street
Melbourne VIC 3000

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 4 October 2022, Jupiter Energy Limited ('**Jupiter**' or '**the Company**') announced it had entered into an amended Deed of Settlement with the Company's debt providers, being Waterford Finance and Investment Limited ('**Waterford**'), Midocean Holdings Limited ('**Midocean**'), The Blackbird Trust ('**Blackbird**') and Ayman Asfari (each of these four noteholders are referred to as a '**Noteholder**' and collectively, '**the Noteholders**'), to restructure the debt owed to the Noteholders, which is in the form of promissory notes ('**the Notes**'). Under the debt restructure transaction ('**the Proposed Transaction**'), the Noteholders have agreed to:

- convert a portion (approximately 30%) of the total debt outstanding to new shares in the Company ('**Debt Conversion Shares**') at the settlement date, which will be 30 November 2022 ('**Settlement Date**');
- write-off a portion of the principal and all accrued interest on the debt (equivalent to approximately 50% of the total debt outstanding) at the Settlement Date; and
- each Noteholder will retain approximately 20% of the total debt outstanding and the Company will repay this amount in tranches, with all the outstanding debt expected to be repaid on or before 31 December 2024.

The remaining debt outstanding will be interest free from 1 December 2022, however, any amount of debt not repaid by 31 December 2024 will attract an interest rate equivalent to 15% per annum (compounded daily) from 1 January 2025.

The Proposed Transaction, if approved, will result in:

- the Company's largest shareholder and current Noteholder, Waterford, increasing its equity interest in the Company from more than 20% to greater than 60%;
- Blackbird increasing its equity interest in the Company from below 20% to greater than 20%; and
- the Noteholders agreeing to undertakings which restrict the disposal of their Debt Conversion Shares received as part of the debt for equity conversion for a period of between 6 to 18 months from their issue ('**Voluntary Escrow**').

The Voluntary Escrow has the impact of restricting the disposal of the Debt Conversion Shares received by the Noteholders. The duration of the Voluntary Escrow is staged, with 25% escrowed for six months, 50% escrowed for 12 months and the remaining 25% escrowed for 18 months. As a result of the Voluntary Escrow, the Company will be deemed to have a relevant interest in the shares held by the parties to which the Voluntary Escrow applies. As a result of the Proposed Transaction (including the Voluntary Escrow), the Company will also increase its interest in itself from nil to up to 87.53%.

Accordingly, an independent expert's report is required pursuant to item 7 section 611 of the Corporations Act 2001 Cth ('Corporations Act' or 'the Act').

All currencies are expressed in Australian Dollars ('\$' , 'A\$' or 'AUD') or United States Dollars ('US\$' or 'USD') unless otherwise indicated.

2. Summary and Opinion

2.1 Requirement for the report

The directors of Jupiter have requested that BDO Corporate Finance (WA) Pty Ltd ('BDO') prepare an independent expert's report ('our Report') to express an opinion as to whether or not the Proposed Transaction (including the Voluntary Escrow) is fair and reasonable to the non-associated shareholders of Jupiter ('Shareholders').

Our Report is prepared pursuant to section 611 of the Corporations Act and is to be included in the Notice of Meeting for Jupiter in order to assist the Shareholders in their decision whether to approve the Proposed Transaction.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guide 74 'Acquisitions Approved by Members' ('RG 74'), Regulatory Guide 111 'Content of Expert's Reports' ('RG 111') and Regulatory Guide 112 'Independence of Experts' ('RG 112').

In arriving at our opinion, we have assessed the terms of the Proposed Transaction as outlined in the body of this report. We have considered:

- How the value of a Jupiter share prior to the Proposed Transaction (on a control basis) compares to the value of a Jupiter share following the Proposed Transaction (on a minority basis);
- The likelihood of an alternative offer being made to Jupiter;
- Whether a premium for control is being offered in relation to the issue of Jupiter shares and whether this is appropriate;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Proposed Transaction (including the impact of the Voluntary Escrow); and
- The position of Shareholders should the Proposed Transaction not proceed.

2.3 Opinion

We have considered the terms of the Proposed Transaction as outlined in the body of this report and have concluded that, in the absence of an alternative offer, the Proposed Transaction is fair and reasonable to the Shareholders.

We have also considered the terms of the Voluntary Escrow as outlined in the body of this report and consider it to be fair as the restrictions on transferability only apply to the Debt Conversion Shares and not to the Jupiter shares held by Shareholders, and therefore it has no impact to the value of their shares. Further, the Voluntary Escrow is considered reasonable as it has been assessed as fair and a benefit to Shareholders as it mitigates the risk of large shareholders selling shares (for the duration of the escrow), which may have a negative impact on the share price of Jupiter following the Proposed Transaction.

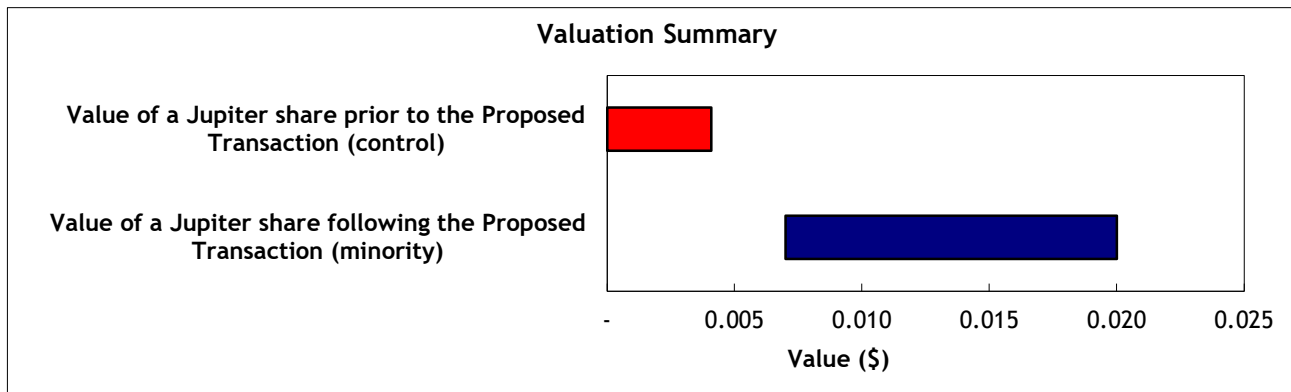
2.4 Fairness

In Section 12 we compared the value of a Jupiter share prior to the Proposed Transaction (on a controlling interest basis) to the value of a Jupiter share following the Proposed Transaction (on a minority interest basis), as detailed below.

	Ref	Low \$	High \$
Value of a Jupiter share prior to the Proposed Transaction on a control basis	10.3	nil	0.004
Value of a Jupiter share following the Proposed Transaction on a minority basis	11.1	0.007	0.020

Source: BDO analysis

The above valuation ranges are graphically presented below:



The above pricing indicates that, in the absence of any other relevant information, and an alternate offer, the Proposed Transaction is fair for Shareholders.

RG 111 states that an offer is fair if the value of the offer price or consideration is equal to or greater than the value of the securities which are the subject of the offer. Our assessment is that the Proposed Transaction is fair as our valuation of Jupiter following the Proposed Transaction is greater than our valuation of Jupiter prior to the Proposed Transaction at each of the low and high points of our valuation ranges.

Accordingly, we consider the Proposed Transaction to be fair for Shareholders.

We have also considered the terms of the Voluntary Escrow as outlined in the body of this report and consider it to be fair as the restrictions on transferability only apply to the Debt Conversion Shares and not to the Jupiter shares held by Shareholders, and therefore it has no impact to the value of their shares.

2.5 Reasonableness

We have considered the analysis in Section 13 of this report, in terms of both:

- advantages and disadvantages of the Proposed Transaction; and
- other considerations, including the position of Shareholders if the Proposed Transaction does not proceed and the consequences of not approving the Transaction.

In our opinion, the position of Shareholders if the Proposed Transaction is approved is more advantageous than the position if the Proposed Transaction is not approved. Accordingly, in the absence of any other relevant information and/or alternate proposal we believe that the Proposed Transaction is reasonable for Shareholders.

The Voluntary Escrow is also considered reasonable as it has been assessed as fair and a benefit to Shareholders as it mitigates the risk of large shareholders selling shares (for the duration of the escrow), which may have a negative impact on the share price of Jupiter following the Proposed Transaction.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.5	The Proposed Transaction is fair	13.6	Dilution of Shareholders' interests
13.5	The Proposed Transaction may assist the Company in accessing the capital markets for funding to progress its projects in the future	13.6	Presence of large shareholders may reduce the possibility of a takeover offer being received in the future
13.5	Significant reduction in Jupiter's debt levels and more favourable terms		
13.5	Helps to resolve the material uncertainty surrounding the going concern issues faced by the Company		
13.5	Settlement of a portion of the Notes is in the form of shares as opposed to cash		
13.5	The Proposed Transaction further aligns the interests of the Noteholders and Jupiter Shareholders		

Other key matters we have considered include:

Section	Description
13.1	Alternative Proposal
13.2	Practical Level of Control
13.3	Consequences of not Approving the Proposed Transaction
13.4	Other Considerations

3. Scope of the Report

3.1 Purpose of the Report

Waterford and Blackbird currently own 23.36% and 2.15% of the shares in Jupiter, respectively. Following the Proposed Transaction, Waterford's interest in the Company will increase to 62.56% and Blackbird's interest will increase to 21.78%. Section 606 of the Corporations Act ('Section 606') expressly prohibits the acquisition of further shares if the party acquiring the interest does so through a transaction and because of the transaction the party (or someone else's voting power in the company) either: increases from a starting point above 20% and below 90% (in the case of Waterford), or, increases from 20% or below to more than 20% (in the case of Blackbird).

Similarly, as a result of the Voluntary Escrow, the Company is deemed to take a relevant interest in itself above the 20% threshold as detailed in the Notice of Meeting. Accordingly the directors of Jupiter have requested that BDO express an opinion as to whether or not the Voluntary Escrow is fair and reasonable to Shareholders.

Section 611 of the Corporations Act ('Section 611') provides exceptions to the Section 606 prohibition and item 7 Section 611 ('item 7 s611') permits such an acquisition if the shareholders of Jupiter have agreed to the acquisition. This agreement must be by resolution passed at a general meeting at which no votes are cast in favour of the resolution by the party to the acquisition or any party who is associated with the acquiring party.

Item 7 Section 611 states that shareholders of the company must be given all information that is material to the decision on how to vote at the meeting.

RG 74 states that to satisfy the obligation to provide all material information on how to vote on the item 7 resolution Jupiter can commission an Independent Expert's Report.

The directors of Jupiter have commissioned this Independent Expert's Report to satisfy this obligation.

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the Proposed Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111 which provides guidance as to what matters an independent expert should consider in assisting security holders to make informed decisions about transactions.

RG 111 suggests that where the transaction is a control transaction, the expert should focus on the substance of the control transaction rather than the legal mechanism used to effect it. RG 111 suggests that where a transaction is a control transaction, it should be analysed on a basis consistent with a takeover bid.

In our opinion, the Proposed Transaction is a control transaction as defined by RG 111 and we have therefore assessed the Proposed Transaction as a control transaction to consider whether, in our opinion, it is fair and reasonable to Shareholders.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities which are the subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. When considering the value of the securities which are the subject of the offer in a control transaction it is inappropriate for the expert to apply a discount on the basis that the shares being acquired represent a minority or portfolio interest as such the expert should consider this value inclusive of a control premium. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in two parts:

- A comparison between value of a Jupiter share prior to the Proposed Transaction on a controlling interest basis and the value of a Jupiter share following the Proposed Transaction on a minority interest basis (fairness - see Section 12 'Is the Proposed Transaction Fair?'); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the resolution, after reference to the value derived above (reasonableness - see Section 13 'Is the Proposed Transaction Reasonable?').

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Proposed Transaction

On 4 March 2022, Jupiter announced that it had reached binding agreements with its Noteholders for a significant restructure of the Notes that will see the Noteholders accept the following terms in a Deed of Settlement:

- The Company to pay each Noteholder approximately 20% of their total debt outstanding in cash at the Settlement Date;
- Each Noteholder to convert approximately 30% of their total debt outstanding to new shares in the Company at the Settlement Date; and
- Each Noteholder to write off the remaining principal and all accrued interest - equivalent to approximately 50% of its total debt outstanding at the Settlement Date.

At the time, to fund the contemplated debt payout, the Company announced its intentions to raise a minimum of A\$35 million via a capital raising.

Subsequently on 12 September 2022, Jupiter announced that the proposed debt restructure plan as announced on 4 March 2022 would not proceed as the capital raising was not likely to occur given the challenging equity market environment.

Then on 4 October 2022, the Company announced it had signed an amended Deed of Settlement pursuant to the Proposed Transaction which would result in:

- each Noteholder converting a portion (approximately 30% of their total debt outstanding) into Debt Conversion Shares at the Settlement Date;
- each Noteholder writing-off a portion of the principal and all accrued interest on their debt (equivalent to approximately 50% of their total debt outstanding) at the Settlement Date; and
- each Noteholder retaining approximately 20% of their total debt outstanding. The Company will repay this amount in tranches, with all the outstanding debt expected to be repaid on or before 31 December 2024. This portion of debt will remain interest free from Settlement Date until 31 December 2024, after which any unpaid amounts will attract an interest rate equivalent to 15% per annum from 1 January 2025.

The Proposed Transaction is subject to the receipt of all relevant ASX and Kazakh regulatory approvals.

Further, the Debt Conversion Shares issued to Noteholders as part of the debt for equity conversion will be subject to Voluntary Escrow from the date of their issue up to the earlier of a Permitted Sale (as defined in the Notice of Meeting) or the following periods:

- 25% of the Debt Conversion Shares will be escrowed for 6 months;
- 50% of the Debt Conversion Shares will be escrowed for 12 months; and
- 25% of the Debt Conversion Shares will be escrowed for 18 months.

The result of these escrow arrangements and the Proposed Transaction is that the Company is deemed to take a relevant interest in itself above the 20% threshold as detailed in Resolution 7 of the Notice of Meeting.

The Notes comprise of four separate tranches as follows:

- The 2017 Funding Agreement

- The 2016 Funding Agreement
- Refinanced Series B Promissory Note
- Promissory Note - Discharge of Convertible Notes

As at 30 June 2022 the total debt outstanding of the Notes totalled US\$72.86 million (A\$105.77 million) inclusive of principal outstanding and interest accrued.

Currently, all of the Notes share similar terms in that they are unsecured, have no financial covenants, accrue interest at 15% (with interest repayable with principal), are repayable on 1 July 2024 and the Noteholder can elect to be repaid in the event of a change of control in Jupiter or its subsidiary, Jupiter Energy Pte Ltd.

Jupiter does not intend to drawdown any further amounts on the Notes and it is expected that the total debt outstanding to each Noteholder at Settlement Date will be as per the table below:

Noteholder	Forecast balance at Settlement Date		
	Principal owed	Accrued interest	Total debt outstanding
	US\$	US\$	US\$
Waterford	27,416,082	23,933,437	51,349,519
Blackbird	9,375,014	9,146,418	18,521,432
Midocean	2,122,082	2,052,667	4,174,749
Ayman Asfari	661,753	645,617	1,307,370
Total	39,574,931	35,778,139	75,353,070
Waterford + Blackbird	36,791,096	33,079,855	69,870,951

Source: Jupiter management

Of the total debt outstanding at Settlement Date, the amount of debt for conversion into shares is fixed (and will be converted into shares based on a fixed AUD:USD exchange rate of 0.70 and a Conversion Share issue price of A\$0.03/share). Therefore, the number of Debt Conversion Shares each Noteholder is to receive is also fixed as shown below:

Noteholder	Forecast balance at Settlement Date		
	Total debt for conversion	Total debt for conversion	Debt Conversion Shares at A\$0.03/share
	US\$	A\$	no.
Waterford	15,404,856	22,006,937	733,564,557
Blackbird	5,556,430	7,937,757	264,591,886
Midocean	1,252,425	1,789,179	59,639,271
Ayman Asfari	392,211	560,301	18,676,714
Total	22,605,922	32,294,174	1,076,472,428
Waterford + Blackbird	20,961,286	29,944,694	998,156,443

Source: Jupiter management

The debt to be written off will be all of the accrued interest and a portion of the principal owed as at the Settlement Date. The balance of the debt will be retained by Jupiter and will attract an interest rate of 15% per annum, compounded daily, from 1 January 2025. This is summarised in the table below:

Noteholder	Forecast balance at Settlement Date			
	Total debt outstanding US\$	Total debt for conversion US\$	Total debt to be written off US\$	Total debt to be retained by Jupiter US\$
Waterford	51,349,519	15,404,856	24,207,598	11,737,065
Blackbird	18,521,432	5,556,430	9,240,168	3,724,834
Midocean	4,174,749	1,252,425	2,073,888	848,436
Ayman Asfari	1,307,370	392,211	652,235	262,924
Total	75,353,070	22,605,922	36,173,888	16,573,260
Waterford + Blackbird	69,870,951	20,961,286	33,447,766	15,461,899

Source: Jupiter management

We note that the above amounts are in US\$ and, while the total debt for conversion is a known A\$ amount (as these are converted at a fixed AUD:USD rate of 0.70), the A\$ amounts for the debt to be written off and debt to be retained are subject to the AUD:USD exchange rate at the Settlement Date.

Following the Proposed Transaction and as a result of the issue of Debt Conversion Shares to the Noteholders, each of the Noteholders' interests in Jupiter will increase to the levels shown below:

Capital structure	Waterford	Blackbird	Midocean	Ayman Asfari	Shareholders	Total
Jupiter shares on issue prior to the Proposed Transaction	35,836,107	3,298,604	913,666	3,105,990	110,223,326	153,377,693
<i>% holdings prior to the Proposed Transaction</i>	<i>23.36%</i>	<i>2.15%</i>	<i>0.60%</i>	<i>2.03%</i>	<i>71.86%</i>	<i>100.00%</i>
Add: Debt Conversion Shares	733,564,557	264,591,886	59,639,271	18,676,714	-	1,076,472,428
Jupiter shares on issue following the Proposed Transaction	769,400,664	267,890,490	60,552,937	21,782,704	110,223,326	1,229,850,121
<i>% holdings following the Proposed Transaction</i>	<i>62.56%</i>	<i>21.78%</i>	<i>4.92%</i>	<i>1.77%</i>	<i>8.96%</i>	<i>100.00%</i>

Source: BDO analysis

5. Profile of Jupiter

5.1 History

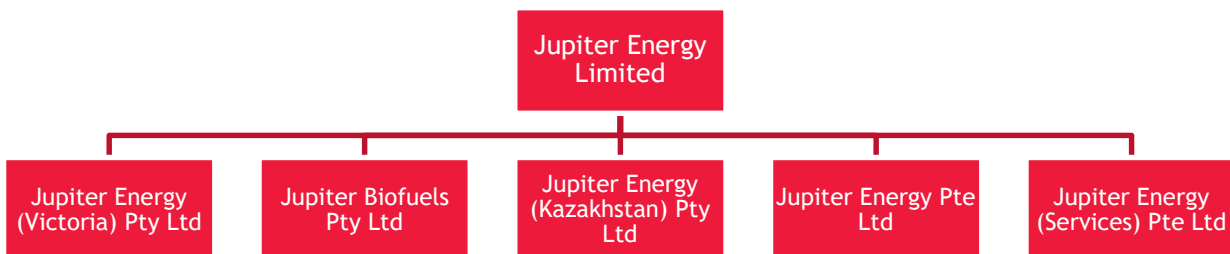
Jupiter is an ASX listed oil exploration and production company with operations based in the port city of Aktau, Kazakhstan. The Company owns 100% of an exploration permit covering approximately 123 km² (legally known as Block 36 or Contract 2275) in the Mangistau Basin, West Kazakhstan, located approximately 80km from its Aktau office. Block 36 is the legal reference for what Jupiter has referred to as Block 31 in its announcements and financial reports. For the purposes of our report we have used the term Block 31 whenever references are made to the Company’s exploration permit.

A total of ten wells have been drilled at Block 31 which has resulted in the discovery of three oilfields: Akkar North (East Block), Akkar East and West Zhetybai.

The Company’s current directors are:

- Geoffrey Gander, Executive Chairman and Chief Executive Officer;
- Baltabek Kuandykov, Independent Non-Executive Director;
- Alexey Kruzhkov, Non-Executive Director;
- Alexander Kuzev, Independent Non-Executive Director; and
- Mark Ewing, Independent Non-Executive Director.

Outlined below is the corporate structure of Jupiter showing the Company’s wholly owned subsidiaries.



Source: Jupiter’s Annual Report for year ended 30 June 2022

Singapore registered Jupiter Energy Pte Ltd is the subsidiary which holds the oil and gas assets associated with Block 31 as well as the Aktau office in Kazakhstan. Therefore, most of Jupiter’s assets are held within Jupiter Energy Pte Ltd while the Notes are held at the parent company (Jupiter Energy Limited) level. Jupiter’s remaining subsidiaries are largely dormant.

Kazakhstan Subsoil and Subsoil Use Code

Minerals mining, including the extraction of oil and gas in Kazakhstan is governed by the Kazakhstan code on subsoil and subsoil use (**‘the Subsurface Code’**), published in December 2017 and made effective from 29 June 2018.

Under the Subsurface Code, while operating within an exploration permit, a company may produce oil for domestic use under a Trial Production Licence ('TPL'). The TPL, which has to be granted for each individual well, allows oil produced to be sold into the domestic market only, while any gas produced must be flared. Furthermore, while operating under a TPL the company must also prepare the oilfield and conduct sufficient drilling such that a final reserve report can be completed. The final reserve report, which defines the reserves approved for commercial production, is required in order to transition an oilfield from the exploration phase to commercial production ('Final Reserve Report').

Upon completion of a Final Reserve Report, a company can then apply for a Commercial Production Licence ('CPL') which allows for the sale of oil to the export market as well as allowing any gas produced to be sold if commercially viable. In order to transition from a TPL to a CPL, a company will also require certain infrastructure in place, including access to a production facility to enable the 100% utilisation of gas produced ('100% Gas Utilisation'). However, under the Subsurface Code, there is also a provision which allows the operator to continue operating without the requisite 100% Gas Utilisation infrastructure in place, as long as the associated gas produced during production can be used on the field (for heating and other uses) for a transitional period (the 'Preparatory Period'), provided the necessary approvals have been obtained from the Kazakh Ministry of Energy ('the Ministry'). Under the Preparatory Period, oil production will be constrained by the level of gas emissions allowed by the Ministry and any oil produced must be sold to the domestic market.

Block 31

The Block 31 permit covers Jupiter's three oilfields (Akkar North (East Block), Akkar East and West Zhetybai), each of which is currently producing or has had production temporarily halted. Jupiter's permit for Block 31 has a 25-year production licence which allows the Company to sell oil once a CPL is granted and the necessary infrastructure is in place. The CPLs on Akkar East and Akkar North (East Block) run until 2 March 2045 and 5 March 2046, respectively. Approval for a CPL for West Zhetybai is currently in progress, but the Company expects that once approved, it would be for a period until September 2047.

With the exception of the West Zhetybai oilfield, which is currently shut in as it transitions from a TPL to a CPL, the remaining oilfields on Block 31 all hold a CPL and are currently in constrained production as regulated by Preparatory Period restrictions.

Over the financial year ended 30 June 2022, Jupiter had produced approximately 91,100 barrels of oil from its five operational wells (J-50, J-51, J-52, J-58 and Well 19) as set out in the table below.

Well	Oilfield	Licence status	Production status	FY22 production (barrels)
J-50	Akkar North (East Block)	CPL - Preparatory Period	Constrained production	22,800
J-51	Akkar East	CPL - Preparatory Period	Constrained production	20,000
J-52	Akkar East	CPL - Preparatory Period	Constrained production	18,300
Well 19	Akkar East	CPL - Preparatory Period	Constrained production	19,000
J-58	West Zhetybai	Transitioning from TPL to CPL*	Producing in July and August 2021. Shut in 31 August 2021.	11,000
Total				91,100

*Completion anticipated in the fourth quarter of 2022

Source: Jupiter's 2022 Annual Report

Further details on Jupiter's individual oilfields including their status around the date of our Report are outlined below.

Akkar North (East Block)

The Akkar North oilfield area is licenced under two separate contracts: the Akkar North (East Block) held by Jupiter and the remainder of the field held under Jupiter's neighbour, MangistauMunaiGas ('MMG'). Development of the Akkar North oilfield area has been delayed in the past due to disputes with MMG. For example, during the financial year ended 30 June 2018, the Company and MMG were not able to agree on the delineation of reserves on the Akkar North oilfield which resulted in the oilfield being shut for an extended period. Management confirmed that the matter has since been formally resolved.

With the reserves issue resolved with MMG, Akkar North (East Block) transitioned from a TPL to a CPL in 2021. Within the Akkar North (East Block), Jupiter has a single producing well, J-50, albeit under constrained production as the area is still under the Preparatory Period. The Company estimates that this well's optimal production level is around 110 bpd (15 tonnes per day ('tpd')) compared to the production over the June 2022 quarter of approximately 65 bpd (8 tpd).

Akkar East

Although a CPL was obtained for Akkar East in September 2020, it is still regulated by the Preparatory Period restrictions resulting in constrained production at its three production wells (J-51, J-52 and Well 19) as a result of the lack of the requisite infrastructure needed to achieve 100% Gas Utilisation. The Company estimates unconstrained production from these three wells would be approximately 450 bpd (65 tpd), compared to production over the June 2022 quarter of around 150 bpd (21 tpd).

Another well on the Akkar East oilfield, J-53, remains shut in as further remedial work is required for it to come back onto production. This work will be carried out when the appropriate funding and approvals are in place.

West Zhetybai

The West Zhetybai oilfield has been shut in since 31 August 2021, when the approval process to transition the field to a CPL began. Jupiter expects this process will be complete once 100% Gas Utilisation infrastructure has been installed and approved. Once approved the field will commence production, which management anticipate to be during the first quarter of 2023, at an estimated optimal production of around 225 bpd (30 tpd).

The Company has also identified an accumulation that is located within the West Zhetybai oilfield which is licenced under two separate contracts, one held by Jupiter and another held by Jupiter's neighbour, Ushkuyu LLP (formerly known as Ansagan Petroleum LLP). Both parties submitted a Joint Field Development Agreement for this area in April 2022 and it remains under review by the Ministry. Jupiter has advised that, although this matter continues to be reviewed, it will not impact the return of the J-58 well to production (expected during the first quarter of 2023), but will be resolved in the coming months to ensure there is clarity in terms of each parties' development responsibilities into the future.

Infrastructure required

The Company has, through its announcements including its corporate presentations, emphasised the need for certain infrastructure at Block 31 in order for it to progress its oilfields into unconstrained commercial production, which would enable Jupiter to move towards long term commercial production and self-funding for further development. These infrastructure requirements include:

- Preparation facilities including gas utilisation - Jupiter has previously explored the possibility of contracting with its neighbours to allow for the processing of crude oil and to assist in the development of a gas processing facility to ensure that 100% Gas Utilisation can be achieved;
- Transportation - Roads require improvements and pipelines are to be built to interconnect Jupiter with its neighbours to ensure that oil can be transported efficiently and effectively from its three oilfields to nearby facilities;
- Pipelines - Jupiter requires access to pipelines to enable sale of the oil into the export and domestic markets.

The Company has attempted to work with its neighbours in a commercial partnership to share facilities, but to no avail. Despite an oversupply of infrastructure at Mangistau, there are no cohesive schemes for sharing between parties.

Instead, the Company's current plan to achieve 100% Gas Utilisation is via a two-staged approach as detailed in Jupiter's 15 March 2022 announcement. Under Stage 1 of the plan, the Company will adopt a decentralised configuration with gas-to-electricity generators installed at each producing well head to return all five wells to optimal production quickly. Jupiter is currently finalising tenders for the field work. In this regard, the Company has, via a US\$1.3 million prepayment of oil sales and expected funds generated from operations, secured funding for five small scale generators and expects them to be installed during the first quarter of 2023. The limitation of the Stage 1 approach is that it will not scale efficiently as more wells are drilled. Stage 2 of the plan involves a more centralised configuration with the use of three larger gas-to-electricity generators across two sites enabling the Company to scale up electricity generation as more wells are drilled.

Funding of operations to date

Under local legislation, Jupiter is required to apply to the Ministry for a waiver and permission whenever it wishes to raise equity capital. Historically, the Company has faced issues obtaining this waiver. In 2014 for instance, Jupiter applied to the Ministry to raise equity to fund the 2015 work program but did not receive any response to the application, resulting in the Company being unable to raise capital. Had the Company raised capital without this waiver, it could have been subject to action by the Ministry, including grounds for terminating the Block 31 contract.

Prior to the financial year ended 30 June 2022, the Company has therefore largely funded its operations through the Notes. As at 30 June 2022 the Notes, including principal and interest amounts, were owed to the parties in the amounts below:

Total debt outstanding	US\$m as at 30-Jun-22	A\$m as at 30-Jun-22	% of Total
Waterford	49.63	72.04	68%
Blackbird	17.93	26.03	25%
Midocean	4.04	5.87	6%
Ayman	1.27	1.84	2%
Total	72.86	105.77	100%

*Converted assuming an AUDUSD exchange rate of 0.6889

Source: Draft legal opinion report by Signum and BDO analysis

During the 2022 financial year, Jupiter funded its operations primarily from oil sales to the domestic Kazakhstan market with small amounts being drawn down from the Notes to cover corporate expenses. Jupiter has advised that the last drawdown was to cover for corporate costs incurred in January 2022. At 30 June 2022, Jupiter had approximately US\$6.97 million available to it for further drawdowns under the Notes. More recently, the Company received approval from the Ministry to issue a maximum of 2.2 billion new shares at a minimum issue price of \$0.03 per share up until 30 June 2023.

5.2 Historical Statement of Financial Position

Statement of Financial Position	Audited as at 30-Jun-22 \$	Audited as at 30-Jun-21 \$	Audited as at 30-Jun-20 \$
CURRENT ASSETS			
Cash and cash equivalents	1,330,334	690,949	138,980
Trade and other receivables	68,501	80,968	65,579
Inventories	29,920	37,126	25,080
Other current assets	70,826	82,013	101,365
TOTAL CURRENT ASSETS	1,499,581	891,056	331,004
NON-CURRENT ASSETS			
Other financial assets	253,124	405,503	489,460
Property, plant and equipment	337,336	541,261	903,552
Right-of-use assets	-	-	72,452
Exploration and evaluation assets	1,389,210	1,558,934	485,567
Oil and gas properties	17,127,378	16,757,259	19,549,250
TOTAL NON-CURRENT ASSETS	19,107,048	19,262,957	21,500,281
TOTAL ASSETS	20,606,629	20,154,013	21,831,285
CURRENT LIABILITIES			
Trade and other payables	1,775,830	1,568,525	1,723,257
Contract liabilities	3,847	205,187	538,223
Lease liabilities	-	-	83,071
Other financial liabilities	-	-	22,030,391
TOTAL CURRENT LIABILITIES	1,779,677	1,773,712	24,374,942
NON-CURRENT LIABILITIES			
Provisions	363,663	306,875	358,816
Other financial liabilities	100,027,287	88,372,096	64,844,316
TOTAL NON-CURRENT LIABILITIES	100,390,950	88,678,971	65,203,132
TOTAL LIABILITIES	102,170,627	90,452,683	89,578,074
NET LIABILITIES	(81,563,998)	(70,298,670)	(67,746,789)
EQUITY			
Issued capital	85,633,935	85,633,935	85,633,935
Reserves	(24,985,025)	(25,230,703)	(22,617,167)
Accumulated losses	(142,212,908)	(130,701,902)	(130,763,557)
TOTAL DEFICIENCY IN EQUITY	(81,563,998)	(70,298,670)	(67,746,789)

Source: Jupiter's audited financial statements for the years ended 30 June 2020, 30 June 2021 and 30 June 2022.

We note that the Company's auditor included an emphasis of matter relating to a material uncertainty to continue as a going concern, in its audit reports for the years ended 30 June 2020, 30 June 2021 and 30 June 2022.

Commentary on the Historical Statement of Financial Position

- The significant cash flow movements in the cash and cash equivalents balance over the assessed periods are outlined in the table below:

Significant cash flow movements	Audited as at	Audited as at	Audited as at
	30-Jun-22	30-Jun-21	30-Jun-20
	\$	\$	\$
Opening cash and cash equivalents	690,949	138,980	534,690
Receipts from customers	3,938,073	3,677,276	6,147,984
Payments to suppliers and employees	(4,130,330)	(3,491,241)	(6,745,436)
Interest received	68,578	31,626	23,712
Other revenue	352,882	428,160	-
Interest and other finance costs paid	-	(16,796)	(56,932)
Payments for property, plant and equipment	(7,685)	(85,329)	(112,852)
Payments for exploration and evaluation assets	(165,358)	(1,201,995)	(1,808,330)
Payments for oil and gas properties	(112,349)	(84,778)	-
Proceeds from borrowings	694,902	1,380,841	2,298,204
Repayment of lease liabilities	-	(83,071)	(146,320)
Effects of exchange rate changes on cash and cash equivalents	672	(2,724)	4,260
Closing cash and cash equivalents	1,330,334	690,949	138,980

- Other financial assets relate to a Kazakhstan regulatory requirement to maintain 1% of annual investments in a liquidation fund.
- Management has confirmed that property, plant and equipment of \$0.34 million as at 30 June 2022 solely related to Block 31.
- Exploration and evaluation assets decreased from \$1.56 million as at 30 June 2021 to \$1.39 million as at 30 June 2022 due to an impairment of \$0.37 million to the J-55 and J-59 wells. This was partially offset by capitalised exploration and evaluation of \$0.17 million and exchange differences.
- Oil and gas properties over the assessed period is comprised as follows:

Oil and gas properties	Audited as at 30-Jun-22 \$	Audited as at 30-Jun-21 \$	Audited as at 30-Jun-20 \$
Opening balance	16,757,259	19,549,250	20,427,153
Additions	113,080	84,778	90,792
Exchange differences	(731)	(2,566,394)	(531,662)
Change in estimate of restoration liability	406,037	29,768	11,615
Amortisation expense	(148,267)	(340,143)	(448,648)
Closing balance	17,127,378	16,757,259	19,549,250

- Trade and other payables of \$1.78 million as at 30 June 2022 primarily relate to deferred director fees of \$1.15 million. Of this, \$1.08 million of the director fees are payable in cash upon an equity raise of at least US\$10 million or the sale of the Block 31 license.
- Other financial liabilities of \$100.03 million as at 30 June 2022 comprised of the Notes, all of which was recognised as a non-current liability. As at 30 June 2020, \$22.03 million of other financial liabilities was classified as current. This was subsequently reclassified as non-current due to a repayment extension being granted.

A breakdown of the Notes over the periods analysed is set out below, in Australian dollar terms. We note that the total value at 30 June 2022 below does not align with the total in Section 5.1. This is because the audited figure represents the fair value of the debt which has been discounted to its present value, whereas the total in Section 5.1 represents the undiscounted face value of the debt.

Other financial liabilities	Audited as at 30-Jun-22 \$	Audited as at 30-Jun-21 \$	Audited as at 30-Jun-20 \$
2017 Funding Agreement	10,254,973	8,407,174	6,762,017
2016 Funding Agreement	8,878,297	7,849,382	7,836,828
Refinanced Series B Promissory Note	26,067,458	23,238,663	23,290,326
Promissory Note - Discharge of Convertible Notes	54,826,559	48,876,877	48,985,536
Total	100,027,287	88,372,096	86,874,707

- Provisions of \$0.36 million as at 30 June 2022 relate to provisions for rehabilitation of fields when production ceases to be economically viable, which is estimated to be 2044. The increase from \$0.31 million as at 30 June 2021 primarily related to a decrease in the discount rate and increase in estimated rehabilitation cost per well.

5.3 Historical Statement of Profit or Loss and Other Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Audited for the year ended 30-Jun-22 \$	Audited for the year ended 30-Jun-21 \$	Audited for the year ended 30-Jun-20 \$
Revenue from contracts with customers	4,126,946	4,025,701	5,634,059
Cost of sales	(2,627,886)	(2,125,323)	(3,194,429)
Gross Profit	1,499,060	1,900,378	2,439,630
Other income	352,882	428,159	107,318
Foreign exchange gains (losses)	(8,346,417)	7,636,191	(1,406,647)
Finance income	68,578	31,627	23,712
Gain on remeasurement of promissory notes	4,988,472	-	-
General and administration expenses	(1,992,148)	(2,060,683)	(2,519,824)
Impairment of exploration and evaluation assets	(367,892)	-	(32,571,270)
Other expenses	(21,684)	(106,990)	(4,432)
Finance costs	(7,691,857)	(7,767,027)	(8,420,635)
Profit/(loss) before income tax expense	(11,511,006)	61,655	(42,352,148)
Income tax expense	-	-	-
Profit/(loss) after income tax expense	(11,511,006)	61,655	(42,352,148)
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation	245,678	(2,613,536)	(680,854)
Total comprehensive loss for the year, net of tax	(11,265,328)	(2,551,881)	(43,033,002)

Source: Jupiter's audited financial statements for the years ended 30 June 2020, 30 June 2021 and 30 June 2022.

As noted previously, the Company's auditor included an emphasis of matter relating to a material uncertainty to continue as a going concern, in its audit reports for the years ended 30 June 2020, 30 June 2021 and 30 June 2022.

Commentary on the Historical Statement of Profit or Loss and Other Comprehensive Income

- Revenue from contracts with customers related to revenue generated from the sale of 91,100 barrels of oil during the year ended 30 June 2022.
- Foreign exchange losses of \$8.35 million for the year ended 30 June 2022 primarily related to unrealised foreign losses on the Notes.
- The impairment of exploration and evaluation assets expense of \$32.57 million for the year ended 30 June 2020 was recognised after the Company had assessed that there would be limited expenditure towards identifying and developing new reserves, with the focus being on developing existing reserves instead. Included in the impairment charge was a write down of \$1.95 million for the associated value-added tax ('VAT') receivable.
- The impairment of exploration and evaluation assets expense of \$0.37 million for the year ended 30 June 2022 related to a full impairment write down of the J-55 and J-59 wells as they were assessed to have a nil value-in use.
- Finance costs primarily comprised of interest and finance charges paid or payable on the Notes.

5.4 Capital Structure

The share structure of Jupiter as at 5 September 2022 is outlined below:

	Number
Total ordinary shares on issue	153,377,693
Top 20 shareholders	127,753,941
Top 20 shareholders - % of shares on issue	83.29%

Source: Share registry information

The range of shares held in Jupiter as at 5 September 2022 is as follows:

Range of Shares Held	No. of Ordinary Shareholders	Percentage of Issued Shares (%)
1 - 1,000	419	0.10%
1,001 - 5,000	443	0.77%
5,001 - 10,000	205	1.01%
10,001 - 100,000	366	8.58%
100,001 - and over	68	89.54%
TOTAL	1,501	100.00%

Source: Share registry information

The ordinary shares held by the most significant shareholders as at 5 September 2022 are detailed below:

Name	No. of Ordinary Shares	Percentage of Issued Shares (%)
Waterford Finance and Investment Limited	35,836,107	23.36%
Mistyvale Limited	32,366,613	21.10%
Central Asian Holdings Limited	30,277,470	19.74%
Subtotal	98,480,190	64.21%
Others	54,897,503	35.79%
Total ordinary shares on Issue	153,377,693	100.00%

Source: Share registry information

There are no Jupiter options on issue as at the date of our Report.

6. Profiles of Waterford and Blackbird

6.1 Waterford

The Waterford Group, based in London, was founded in 1995 as a finance boutique and portfolio management company for third party assets. Waterford holds a 23.36% equity interest in Jupiter, held in Waterford Finance and Investment Limited.

Waterford invests primarily in the resources sector, through both debt and equity, in start-up companies and those looking to raise capital for development. It provides capital through means of both debt and equity. It typically invests between US\$5 million and US\$100 million in companies with enterprise values between US\$10 million and US\$500 million. Waterford's focus is mainly in the oil and gas upstream sector and involves raising capital, managing asset portfolios and direct investments within the Middle East, South America and Kazakhstan.

Waterford's assets are invested in a portfolio of both privately held and publicly traded companies. Aside from Jupiter, Waterford also has a significant holding in Gulfsands Petroleum Plc, an unlisted oil and gas company headquartered in London. Waterford is currently working on a number of projects relating to the acquisition of oil and gas assets in Russia and countries of former Soviet Union and the Middle East.

Waterford's current directors are:

- Mikhail Kroupeev;
- Alexey Kruzhkov; and
- Paul Conway.

Source: Jupiter website, Waterford website and Capital IQ.

6.2 Blackbird

Blackbird is a private trust with a registered office in Guernsey. It holds a 2.15% equity interest in Jupiter. On 2 July 2020, a deed of assignment was entered into which resulted in Mobile Energy Limited (a noteholder at the time) assigning all of the debt it was owed by Jupiter to Blackbird. Weighbridge Trust Limited ('**Weighbridge**') operates as the trustee of Blackbird and accordingly it will receive the shares in Jupiter as part of the Proposed Transaction. The terms Weighbridge and Blackbird refer to the same beneficial holder and for the purposes of our report we have used the term Blackbird.

Source: Jupiter announcements and Capital IQ.

7. Economic analysis

Given the nature of Jupiter's business operations and oils impact on the global market, we have presented an economic analysis on the global economy. Additionally, Jupiter is also exposed to the risks and opportunities of the Kazakhstan economy through its operations in Kazakhstan.

7.1 Global Economy

Global growth is expected to decline from an estimated 6.1% in 2021 to 3.2% in 2022. This decrease is largely burdened by the two largest economies globally, China and the US. In the US, a decline in household purchasing power and consumer spending is a primary repercussion of persisting elevated inflation. Aggressive tightening of monetary policy by the Federal Reserve has aided in driving a 1.4% decline in forecast growth. Although higher inflation worldwide has stipulated a sharp tightening in global financial conditions, inflationary pressures have been most prevalent in the US and major European economies.

The economic strains shaped by the COVID-19 pandemic appear to be subsiding around the world, as countries look to be progressing beyond the acute phase of the pandemic. Most economies appear to be returning to normal capacity as COVID-19 is counteracted by vaccination and effective treatment. However, China appears to be falling behind the pack. Pandemic related disturbances and mobility restrictions in China, as part of their zero-tolerance COVID-19 policies, in hand with the inability to isolate the financial distresses within the property development market from the wider economy also alluded to a contraction of 1.1% in forecast growth. China's economic slowdown has global consequences in the form of supply chain disruptions, as demand from China's trade partners for goods and services is reduced.

Further negative spill overs stemming from ongoing geopolitical tension between Russia and Ukraine is expected to predominantly disrupt European energy markets in the near term and may potentially lead to a sudden halt in gas imports from Russia. The invasion of Ukraine has led to significant economic fragmentation, as many countries sever economic ties with Russia, potentially impeding the post-pandemic recovery. War-induced commodity price increases combined with other broadening inflationary sources have elevated inflation projections to 6.6% in advanced economies and 9.5% in emerging market and developing economies. The IMF's forecast global growth of 2.9% in 2023 assumes that the conflict is confined to Ukraine.

In many advanced economies, inflation has exceeded the initial forecasts published earlier in the year and has significantly outpaced many central banks' inflation targets, remaining a primary source of market volatility. Yields on government bonds have increased sharply in developed economies and resultingly, financial conditions have become slightly less accommodating. The intimidating outlook for inflation is projected to remain a priority for policymakers through sharper tightening of monetary policies which may be aided through targeted fiscal support. Although, natural implications of an increase in taxes or lower government spending will emerge as a result. Evident soaring energy and food prices are further predicted to be addressed through frameworks. As such, there remains substantial economic uncertainty across the globe.

Source: www.imf.org World Economic Outlook Update July 2022, www.eiu.com Global economic implications of the Russia-Ukraine war 3 March 2022.

7.2 Kazakhstan

Economic growth in Kazakhstan increased in the first half of 2022 with Gross Domestic Product ('GDP') growing 4.4% from January to April. High prices of oil and metals, growing consumer demand, increasing real income, the lifting of quarantine restrictions and a credit impulse are all key drivers supporting recent economic growth. Economic growth is anticipated to slow in the second half of 2022 as Kazakhstan's trading partners witness a dampening in business activity, supply chain disruptions continue to occur and oil prices retract from their highs.

As with the global economy, Kazakhstan's inflation rate has increased over 2021 and 2022. The National Bank of Kazakhstan ('NBK') reported annual inflation of 16.1% in August 2022, up from 15.0% reported in July 2022. The largest contributor, food products, rose by 20.8% year on year, primarily attributable to bakery food products and cereals as poor harvests led to a short supply of wheat among other products. In August 2022, non-food products and paid services faced increases of 15.5% and 10.1% respectively. The risk of importing inflation remains high as global geopolitical risk associated with the Russia-Ukraine conflict creates uncertainty in forecasts. NBK expects inflation to slow to between 7.5% and 9.5% in 2023 in the absence of new shocks in the domestic and foreign markets.

Political instability in the first half of 2022 proceeded to jeopardise Kazakhstan's economic growth. In January 2022, anti-government protests were held across the country over fuel price increases, authoritarianism and corruption. The protests led to 225 deaths and widespread damage as airports were taken over and town halls set alight. In response to the riots, Jupiter temporarily shut down production and office staff were sent home.

On 25 July 2022, the NBK increased the base rate by 0.5% to 14.5% and has since maintained this rate. The increase marked a 5.25% increase from 9.25% in July 2021 as the NBK fights to slow the unprecedented inflation, citing geopolitical risks, positive fiscal policy and rising prices globally and with their trading partners. The NBK has announced that the significant increase to the base rate over 2022 has not taken full effect and that it will be undertaking assessments to determine the need for its adjustment in the future. The main objective of the NBK's monetary policy is to ensure price stability, creating a macroeconomic environment that supports sustained development of the economy.

The Tenge (Kazakhstan's official currency) depreciated sharply following the worsening of the COVID-19 outbreak globally, as well as the steep decline in oil prices. Whilst the NBK aims to maintain a floating exchange rate regime, foreign exchange intervention may occur in times of financial instability. On 10 March 2020, the NBK conducted exchange rate intervention, acting as the sole seller of Tenge. Similarly, in February 2022, the NBK made a currency intervention to reduce volatility instigated by the Russia-Ukraine conflict. Being Kazakhstan's primary trading partner, the sanctions placed on Russia led to a swift decline in the Tenge. As of 19 October 2022, the exchange rate was approximately KZT470 per USD.

Source: www.nationalbank.kz Monetary Policy Report, www.nationalbank.kz National Bank of Kazakhstan press releases, Jupiter Energy Limited ASX announcement dated 7 January 2022 and Bloomberg.

8. Industry analysis

We note that the primary focus of Jupiter's operations is oil exploration and. As such, we have included a brief overview of the global oil and gas industry, as both form the basis for the global energy market.

8.1 Global Oil and Gas Industry

The primary products of the oil and gas industry are crude oil and natural gas, and to a lesser extent, liquefied petroleum gas, coal seam gas and shale oil and gas. Historically, oil and gas have been extracted from "conventional" plays in which the hydrocarbons are trapped by an overlying layer of impermeable rock allowing for traditional extraction methods. However, oil and gas can also be found in other geological settings, such as shale formations. Shale oil and gas resources are formed within the organic rich shale source rock. As the low permeability of the shale inhibits the oil and gas from migrating to permeable reservoir rocks, shale oil and gas is often referred as 'unconventional' plays or 'tight' oil and gas.

Over the last decade, there has been significant growth in unconventional resource development due to breakthroughs in technology, which have resulted in resources located in shale and other tight formations becoming commercially viable. According to BP's Statistical Review of World Energy 2022, global oil consumption increased by 5.3 million barrels per day in 2021 but remained 3.7 million barrels per day below 2019 levels as the global economy continued its recovery from the COVID-19 pandemic. Conversely, natural gas demand grew 5.3% in 2021, recovering above pre-pandemic 2019 levels and surpassing the 4 trillion cubic meter mark for the first time. This also resulted in a strong rebound in natural gas prices globally. However, the forecast for the oil and gas industry in 2022 remains uncertain with the Russian invasion of Ukraine and global growth concerns clouding its outlook.

While the growth, cost and risk profiles of oil and gas industry products may vary, depending on the method and technology necessary for extraction, commodities are generally traded on the same market once extracted. The global oil and gas industry is therefore one of the largest in the world, and as is inherent to large markets, the industry is dominated by large highly integrated companies. The scale of operations and the capital investment required to bring fields into production represent high barriers to entry.

The transport sector including road, rail, sea and air, accounts for most of the global oil consumption, and as a result, demand for oil is largely influenced by global economic growth. According to the Australian Government's Department of Industry, Science and Resources ('DISR'), for 2021 the top five consumers of oil were the United States ('US') (20%), China (16%), European Union (13%), India (5%) and Japan (4%).

Demand for natural gas is strongly linked with energy consumption for both industrial and residential electricity production, with the generation of electricity accounting for approximately 40%. Natural gas accounted for 23% of total global power generation in 2021 and global Liquefied Natural Gas ('LNG') trade is expected to grow by 2.5% 2021, with Asia remaining the key driver of import growth. According to the DISR, in addition to the European Union (21%), China (20%) and Japan (19%) were amongst the largest importers of liquified natural gas during 2021.

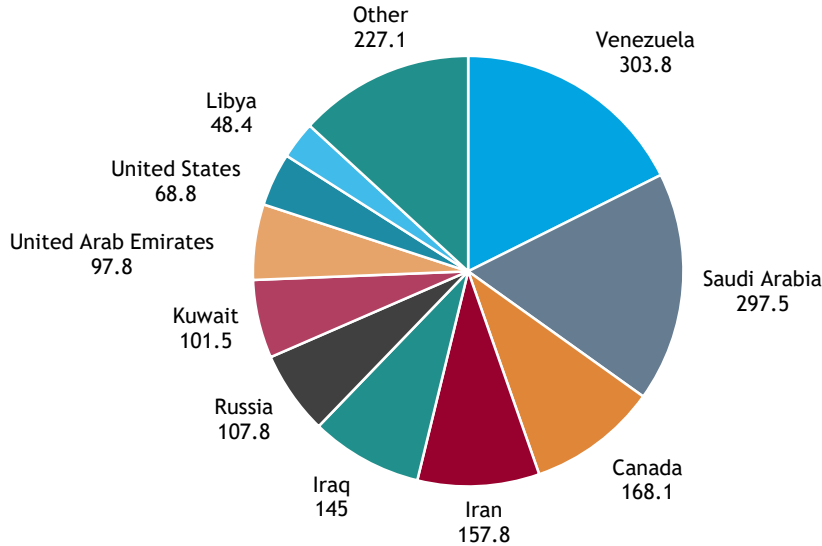
8.2 Global Reserves

Crude Oil

At the end of 2020, proved global oil reserves stood at 1,732.4 billion barrels, down 2 billion barrels from 2019. The top 10 countries contributed 87% of total proven reserves, with Venezuela holding the largest

reserve, closely followed by Saudi Arabia. Global oil reserves have doubled over the past 40 years, contrasting with oil production and oil consumption which dropped in 2020 for the first time since 2009. The largest consumption declines were from the United States, European Union, and India.

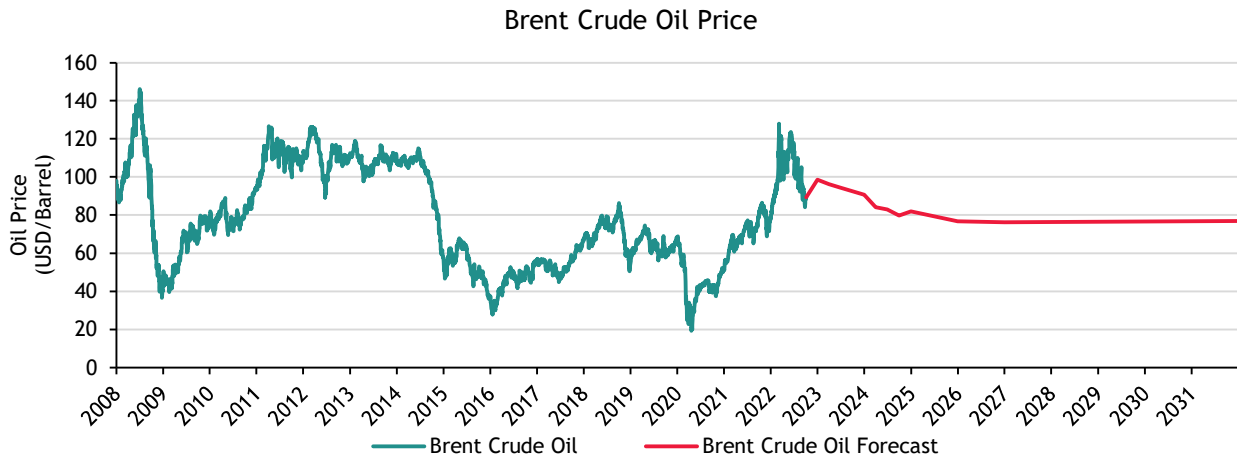
Crude oil proved reserves by country (end 2020) (billion barrels)



Source: BP Statistical Review of World Energy 2021

8.3 Price Trends

Like all commodities, the price of oil is determined by supply and demand factors and as such, there can be significant price volatility. This is evident in the volatile price movements which often follow meetings held by the Organisation of the Petroleum Exporting Countries ('OPEC') to determine short-term oil supply. The supply of oil is also largely driven by the price. A higher price encourages production to increase, with producers taking advantage of increased profit margins, whilst lower prices force extraction companies to cut back on production capacity that is no longer viable. The graph below highlights the highly volatile nature of oil prices, particularly relevant following the 2007-08 Global Financial Crisis ('GFC'), outbreak of COVID-19 and the Russian-Ukraine conflict.



Source: Bloomberg and Consensus Economics

Early 2008 saw oil prices spike to a high of US\$140 per barrel causing production to jump. In the six months from June 2008 onwards, the price of oil declined to reach a low of approximately US\$30 per barrel in January 2009. Following the aftermath of the GFC, the oil price experienced a prolonged period in which the average price was approximately US\$100 per barrel, throughout 2011-2014. Over 2014-2016 however, global oversupply saw a fall in crude oil prices to below US\$50 per barrel. The price then recovered to almost US\$90 per barrel in October 2018 before moderating over 2019 to trade between US\$54 and US\$74 per barrel.

The COVID-19 outbreak has had visible effects on oil prices, influenced by both demand and supply factors. This is evident with oil prices falling from US\$65 per barrel in January 2020 to US\$25 in March 2020, including a one-day drop of 24% on 9 March 2020. This price reduction was largely driven by a decrease in the demand for oil, as 80% of demand for crude oil in 2019 came from China, the centre of the COVID-19 outbreak. On the supply side, a breakdown in talks between OPEC and Russia prompted Saudi Arabia to launch a price war and further lift production, however subsequent agreements saw the OPEC cut supply in various degrees over 2020. COVID-19 and the oil price war led to a low of US\$19.3 per barrel of Brent crude oil in April 2020, a decline of 71% from the start of 2020.

Activity began to increase in the second half of 2020 as vaccines emerged and countries began exiting COVID-19 associated lockdowns, leading to a pre-pandemic price recovery in early 2021. In response to large growth in activity over late 2020 and 2021, the demand for oil increased beyond the supply and created strong price growth for the remainder of the 2021 calendar year, with Brent crude up approximately 52%. In February 2022, Russia launched an invasion of Ukraine that was met with harsh international economic sanctions. Producing approximately 13% of the world's crude oil, the sanctions against Russia created a supply shortage that temporarily increased crude oil prices above US\$120 per barrel. Global oil demand subsided from June 2022 as China's zero COVID policy brought renewed lockdowns which eased crude oil prices to below US\$100 per barrel.

8.4 Outlook

DISR forecasts global oil consumption to increase to 100 million barrels per day over 2022 but remain behind pre-COVID-19 levels. Buoyant gas prices are estimated to place upward pressure on oil prices through 2023 as industrials and power generation, particularly in Europe and the Middle East, switch energy sources from gas to oil to ease costs. Increased air travel in combination with gas to oil switching is forecast to increase global oil consumption by 2.1% in 2023. The Russia-Ukraine conflict, global economic outlook and further COVID-19 outbreaks in China remain as significant threats to the global oil outlook.

Substitutes for oil and gas include coal, solar power, wind power, hydroelectricity and nuclear energy and now account for approximately 13% of total power generation. The BP Energy Outlook predicts that the share of renewable energy sources will increase rapidly, however it is anticipated that oil and gas will still play an important role in energy needs to 2050. As discoverable reserves are depleted and alternative fuels become more widely available with advances in technology, these traditional fuel sources will face a more apparent threat of substitution. Nonetheless, for the medium term, oil and gas will continue to play a fundamental role in all economies, particularly in developing countries lacking the investment and infrastructure necessary to move to renewable fuel sources.

Source: IBIS World *Liquefied Natural Gas Production in Australia Report*, Bloomberg, BP *Statistical Review of World Energy 2022*, BP *Energy Outlook 2022*, the *Australian Financial Review* and DISR *Resources and Energy Quarterly September 2022*.

9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market based assessment

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information.

It is possible for a combination of different methodologies to be used together to determine an overall value where separate assets and liabilities are valued using different methodologies. When such a combination of methodologies is used, it is referred to as a 'sum-of-parts' ('Sum-of-Parts') valuation.

The approach using the Sum-of-Parts involves separately valuing each asset and liability of the company. The value of each asset may be determined using different methods as described above.

In our assessment of the value of a Jupiter share prior to the Proposed Transaction, we have chosen to employ the following methodologies:

- Sum-of-Parts as our primary methodology, which estimates the market value of a company by assessing the realisable value of its identifiable assets and liabilities. The value of each asset and liability may be determined using different methods and the component parts are then aggregated using the NAV methodology. The value derived from this methodology reflects a control value; and
- QMP as our secondary methodology to value a Jupiter share prior to the Proposed Transaction, as this represents the value that a Shareholder may receive for a share if it were sold on market. The value derived from this methodology reflects a minority interest value and as such we have applied a control premium to this value.

In our assessment of the value of a Jupiter share following the Proposed Transaction, we have also chosen to employ the Sum-of-Parts methodology as our primary valuation methodology. As discussed previously this methodology reflects a controlling interest hence we have applied a minority interest discount to this.

We have employed the Sum-of-Parts method in estimating the fair market value of Jupiter both prior to and following the Proposed Transaction by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration to the:

- Value of Block 31, applying the DCF methodology, having reliance on the technical inputs verified by the independent technical specialist, RISC Advisory Pty Ltd ('RISC'). Further detail of RISC's assessment can be found in its Independent Technical Specialist Report ('ITSR') contained in Appendix 5.

With regards to the DCF valuation of Block 31 both prior to and following the Proposed Transaction, we have performed the valuation on a debt-free basis and therefore have not incorporated any of the repayment of the Notes in the cash flows of Block 31. Instead, the value

of the Notes is reflected in our valuation of Jupiter's other assets and liabilities both prior to and following the Proposed Transaction as discussed below;

- Assumptions around the funding required for Block 31, as determined by BDO and discussions with Jupiter; and
- Value of Jupiter's other assets and liabilities using the NAV approach. This includes an assessment of the fair value of the Notes for the valuation prior to and following the Proposed Transaction, which is calculated by discounting the future expected payments at a market rate of debt.

We have chosen these methodologies for the following reasons:

- The core value of Jupiter lies in the future cash flows of Block 31. The cash flows from Block 31 have a finite life and these cash flows may vary substantially from year to year, rendering it suitable for a DCF valuation;
- The FME methodology is most commonly applicable to profitable businesses with steady growth histories and forecasts. The FME methodology is also not considered appropriate for valuing finite life assets such as mining or oil and gas assets; and
- The QMP basis is a relevant methodology to consider as Jupiter's shares are listed on the ASX. This means there is a regulated and observable market where Jupiter's shares can be traded. However, in order for the QMP methodology to be considered appropriate, the listed shares should be liquid and the market should be fully informed of the Company's activities.

Technical Expert

In performing our valuation of Block 31 using the DCF methodology, we have relied on the ITSR prepared by RISC, which includes RISC's review of the technical project assumptions contained within the cash flow model of Block 31.

The ITSR has been prepared in accordance with the Petroleum Resources Management System ('PRMS') as prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers and was guided by certain principles of the Australasian Code for Public Reporting of Technical Assessments and Valuation of Mineral Assets (2015 Edition) ('VALMIN Code') where relevant. The ITSR has been prepared by RISC in accordance with industry practices and is compliant with the requirements of the PRMS and the VALMIN Code where relevant. RISC's ITSR is contained within Appendix 5.

10. Valuation of Jupiter prior to the Proposed Transaction

Our valuation of Jupiter prior to the Proposed Transaction involves the following:

- Sum-of-Parts method as our primary valuation methodology (Section 10.1); and
- QMP of Jupiter including a premium for control as our secondary valuation methodology (Section 10.2).

10.1 Sum-of-Parts valuation

We have employed the Sum-of-Parts methodology in estimating the fair market value of a Jupiter share on a control basis prior to the Proposed Transaction, by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration to the following:

- Value of Jupiter’s oil and gas assets;
- Impact of a notional capital raising; and
- Value of Jupiter’s other assets and liabilities.

Our Sum-of-Parts valuation is set out in the table below:

Sum-of-Parts Valuation prior to the Proposed Transaction	Ref	Low value \$	High value \$
DCF value of Block 31 prior to the Proposed Transaction	10.1.1	-	51,700,000
Net cash raised from notional capital raising	10.1.2	65,296,053	65,296,053
Value of Jupiter’s other assets and liabilities prior to the Proposed Transaction	10.1.3	(103,652,101)	(103,652,101)
Value of Jupiter prior to the Proposed Transaction (control)		(38,356,048)	13,343,952
Shares on issue prior to the Proposed Transaction	10.1.4	3,994,321,966	3,262,713,533
Value of a Jupiter share prior to the Proposed Transaction (control)		nil	\$0.004

Source: BDO analysis

Based on the table above, the value of Jupiter prior to the Proposed Transaction and on a control basis is between nil and \$0.004.

10.1.1 DCF value of Block 31 prior to the Proposed Transaction

The management of Jupiter has prepared a cash flow model of Block 31 (**‘the Model’**). The Model estimates the annual future cash flows expected over the current expected life of Block 31 from 2022 to 2044. The Model forecasts real post-tax cash flows over the forecast period on a calendar year basis in USD terms.

We have reviewed the Model and the material assumptions that underpin it. BDO has made certain adjustments to the Model where it was considered appropriate to arrive at an adjusted model (**‘the Adjusted Model’**) at a valuation date of 30 September 2022. We have adjusted the Model to reflect any changes to technical assumptions as a result of RISC’s review, in addition to any changes to the economic and other input assumptions that we consider appropriate as a result of our research.

The Model was prepared based on estimates of the production profiles, operating costs and capital expenditure. The main assumptions underpinning the Model and the Adjusted Model include:

- oil production volumes;
- domestic and export oil prices;
- operating costs;
- capital expenditure;
- royalties;
- corporate tax; and
- discount rate.

BDO has undertaken an analysis of the Model which has involved:

- analysing the Model to confirm its integrity and mathematical accuracy;
- appointed RISC as technical expert to review, and where required, provide changes to the technical assumptions underpinning the Model;
- conducted independent research on certain economic and other inputs such as oil prices, inflation, and the discount rate applicable to the future cash flows from Block 31;
- held discussions with RISC to confirm the reasonableness of the technical inputs underpinning the Model;
- adjusted the cash flows for 2022 in the Model to only reflect the final quarter of that calendar year given our assumed 30 September 2022 valuation date; and
- performed sensitivity analysis on the value of Block 31 as a result of flexing key assumptions and inputs.

The Adjusted Model, which forms the basis of our DCF valuation, has been adjusted based on the above procedures and therefore forecasts nominal cash flows from 1 October 2022 to 31 December 2044 (the 'Forecast Period').

We have not undertaken a review of the cash flow forecasts in accordance with the Standards on Assurance Engagement ASAE 3450 'Assurance Engagements involving Corporate Fundraising and/or Prospective Financial Information' and do not express an opinion on the reasonableness of the assumptions or their achievability. However, nothing has come to our attention as a result of our procedures to suggest that the assumptions on which the Model has been based have not been prepared on a reasonable basis.

Appointment of a Technical Expert

RISC was engaged to prepare a report providing a technical assessment of the assumptions underlying the Model. RISC's assessment involved the review and provision of opinion on the reasonableness of the assumptions adopted in the Model, including but not limited to:

- oil production (including the preparation of three different production profiles as discussed later in our Report);
- oil reserves included in the Model;
- operating costs (comprising operating expenses, general and administrative expenses, royalties, and selling costs);
- capital expenditure (development and sustaining capital required); and
- other relevant assumptions.

RISC's Independent Technical Specialist Report is included in Appendix 5.

Limitations

Since forecasts relate to the future, they may be affected by unforeseen events and they depend, in part, on the effectiveness of management’s actions in implementing the plans on which the forecasts are based. Accordingly, actual results may vary materially from the forecasts included in the Adjusted Model, as it is often the case that some events and circumstances frequently do not occur as expected, or are not anticipated, and those differences may be material.

Economic assumptions

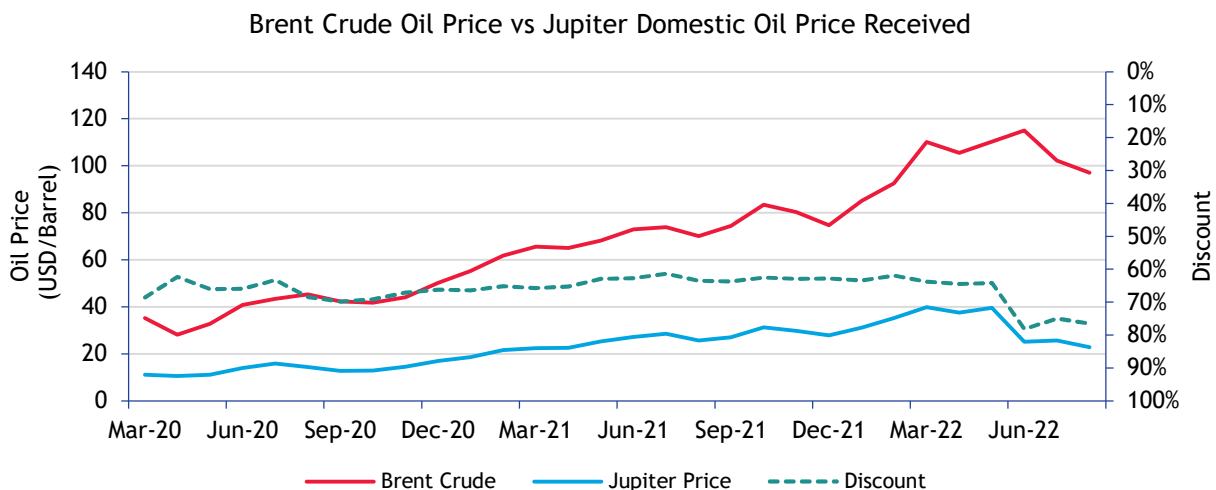
Inflation

We have valued Block 31 on a nominal basis. As such, in the Adjusted Model, we have specified a forecast inflation rate to convert cash flows into nominal terms. Costs and capital expenditure in the Adjusted Model are denominated in USD. Therefore, we have applied a US inflation rate to the assumed real costs in the Adjusted Model.

In the Adjusted Model, we have adopted a US annual inflation rate of 3.90% for the 2023 calendar year, falling to 2.60% in 2024 before moderating to the long-term targeted US inflation rate of 2.00% over the rest of the Forecast Period. This is based on forecast inflation rates as sourced from Bloomberg, whilst also giving consideration to historical inflation rates and inflationary targeting policies set by the US Federal Reserve.

Brent Crude Oil Prices

Jupiter currently sells all of its oil into the domestic Kazakhstan market, which is priced at a discount to the Brent crude oil price. To determine our forecast domestic oil price assumption for Jupiter’s future domestic oil sales, we have analysed Jupiter’s historical oil sale prices to determine an appropriate discount rate to the Brent crude oil price. Set out below is a graph of Jupiter’s historical domestic oil sale price compared to the historical Brent crude oil price.



Source: Jupiter’s historical oil sales data provided by the Company, S&P Capital IQ and BDO analysis

Based on historical Company sales data from 2020 to 2022 and historical Brent crude oil prices, we observe the discount on Jupiter’s domestic oil sales to the prevailing Brent crude oil price ranges from 61% to 78% with a median and average of 65% and 66%, respectively.

On this basis, we have adopted a domestic oil sale price discount of 65% to the Brent crude oil price in our Adjusted Model. Meanwhile, export oil is assumed to be sold at Brent prices. We note that, from 2024 onwards, Jupiter aims to sell 65% of its oil into the global market at the prevailing Brent crude price, which will be subject to additional costs outlined in the operating costs section below. The remaining 35% will continue to be sold into the domestic market.

In forming our view of the forecast price for Brent crude oil, we have had regard to consensus analyst views on forecast pricing, as published by Consensus Economics. These prices have then been used as inputs into the Adjusted Model for both domestic and export oil sales over the Forecast Period.

Based on our analysis, we have adopted the following nominal forecast prices over the Forecast Period (shown in calendar years except for 2022):

Oil prices	2022*	2023	2024	2025	2026	2027-31
Brent oil (US\$/barrel)	98.71	93.42	81.84	76.68	76.35	76.96
Domestic oil (US\$/barrel)	34.55	32.70	28.65	26.84	26.72	26.94

*Represents the average price for the final quarter of the 2022 calendar year

Source: Consensus Economics, S&P Capital IQ and BDO analysis

After 2031, we have escalated the Brent crude oil price at our long-term assumed inflation rate of 2.00% per annum over the remainder of the Forecast Period.

Finally, we note that, as oil production over the Forecast Period is estimated in tonnes of oil, RISC has recommended the application of a conversion factor of 7.82 barrels per tonne of oil for the purposes of the Adjusted Model. Further details are set out in RISC's ITSR (see Appendix 5).

Discount rate

As discussed in Section 9, our DCF Valuation of Block 31 prior to the Proposed Transaction does not include the repayment of the Notes. The value of the Notes is instead reflected in the valuation of Jupiter's other assets and liabilities prior to the Proposed Transaction outlined in Section 10.1.3.

Since the cashflows are contemplated on a debt-free basis, a weighted average cost of capital ('WACC') is determined to be the appropriate discount rate to apply to the cashflows of the Adjusted Model in our DCF valuation prior to the Proposed Transaction.

However, prior to the Proposed Transaction, Jupiter is effectively funded by debt (noting that based on its 30 June 2022 audited financials, it is in a net equity deficiency position and the total principal and interest of the Notes at 30 June 2022 was in excess of A\$100 million, compared to the Company's market capitalisation of around A\$3 million at the time). Accordingly, we consider an appropriate WACC would be effectively equal to the market rate of debt that a third-party lender would be willing to lend to the Company in an arm's length transaction.

We have selected a nominal cost of debt of 15.0%, which is also the current interest rate on the Notes. In selecting this rate, we have considered the following:

- the rate of return for comparable oil and gas companies; and
- the risk profile of Jupiter as compared to the comparable companies identified.

A detailed consideration of how we arrived at our adopted discount rate range is discussed in Appendix 3.

Taxation

Taxation has been applied at the statutory rate of 20% which represents the current corporate tax rate for companies operating in Kazakhstan. Although no opening balance of carry forward tax losses is included, the Adjusted Model calculates tax losses generated from operations over the Forecast Period and applies these against future tax payable.

Oil production assumptions

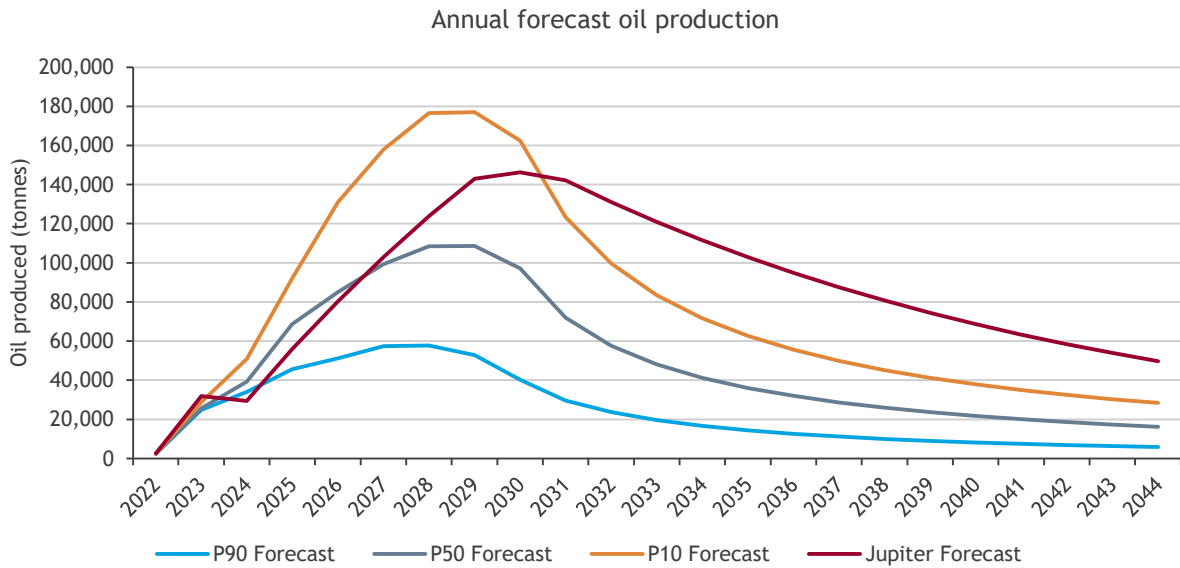
Block 31 is a producing asset, with a remaining production outlook of approximately 22 years. The graph below shows the forecast oil to be produced over the Forecast Period. RISC has provided three production profiles based on its analysis and after discussions with the Company. Among RISC's considerations were analysis of historical well production data and Jupiter's historical success rate of wells drilled (which was then extrapolated for new wells drilled over the Forecast Period). We have adopted the alternative three production profiles in the Adjusted Model:

- **P90 Forecast:** RISC's low production profile case. RISC estimate a 90% probability that actual production will exceed this estimate and a 10% probability that it will be less than this.
- **P50 Forecast:** RISC's best estimate of the production profile. RISC estimate a 50% probability that actual production will exceed this estimate and a 50% probability that it will be less than this.
- **P10 Forecast:** RISC's high estimate of the production profile. RISC estimate a 10% probability that actual production will exceed this estimate and a 90% probability that it will be less than this.

We note that particularly for the P90 Forecast and P50 Forecast, the above forecast production profiles are lower than the initial production profile in the Model provided by Jupiter. RISC has adopted an overall conservative approach to estimation which results in a low overall recovery factor. This suggests more wells should be drilled in order to fully exploit the resource, however these are not currently planned for by Jupiter based on its own expectations of future production and therefore not included in the Model. Further details on RISC's proposed production profiles above can be found in the ITSR.

As the net present value ('NPV') of Block 31 is highly sensitive to the level of production, the adoption of the above production profiles results in a wide range of NPVs and negative NPVs for the P90 Forecast and P50 Forecast scenarios. Notwithstanding this, we have formed our valuation range for the DCF value of Block 31 based on consideration of all three RISC production profiles. We have continued to value the asset as a going concern as it is Jupiter's belief that, based on the Company's forecast production profile, there is value to Block 31 and it will continue to receive support from the Noteholders to allow it to operate as a going concern.

The graph below shows the significant differences between the initial production profile provided by Jupiter ("Jupiter Forecast") and the three different scenarios proposed by RISC. We note that all the graphs presented in this section are in calendar years (except for 2022 which represents only the final quarter of the 2022 calendar year). It is assumed that all oil produced is sold in the same year.



Source: Adjusted Model and BDO analysis

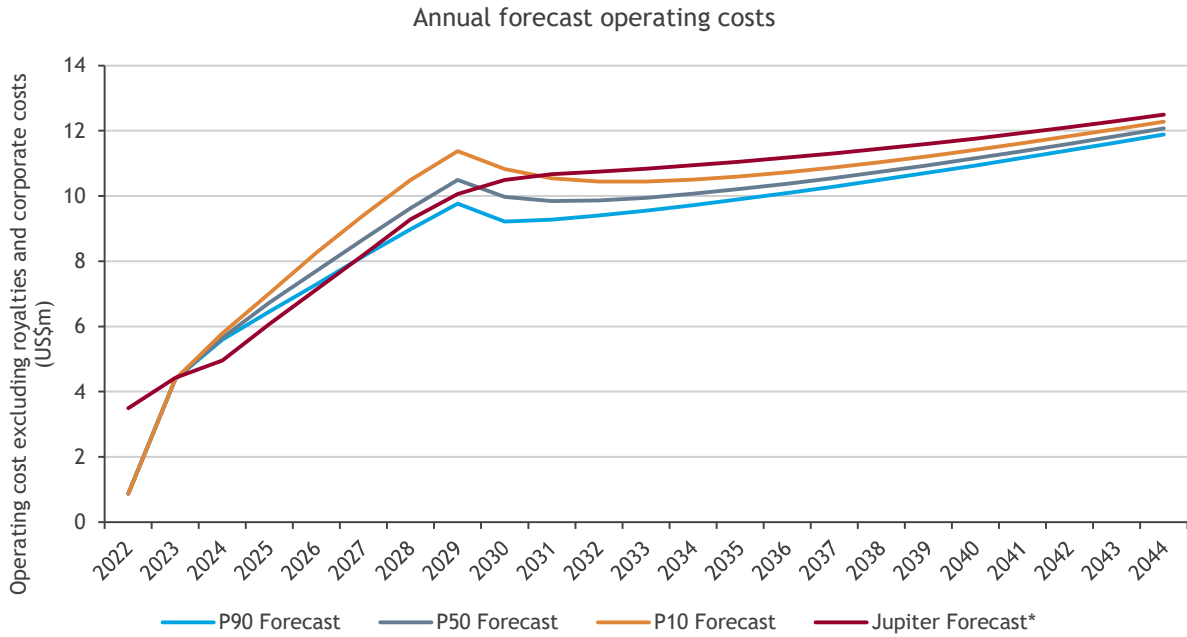
Operating costs

The operating costs included in the Adjusted Model include operating support costs, general and administrative costs in Aktau ('G&A - Aktau Cost'), health, safety and environment ('HSE') costs, production costs and training costs.

Furthermore, export oil sales attract additional costs compared to domestic oil sales in the form of additional transport costs, export duties, insurance and other selling costs. These additional costs, which vary with the oil price and oil production, are expected to reduce the gross revenue received from export oil sales by 22%. Corporate costs and royalties are also included in the Adjusted Model but these are detailed separately in the sections below. In preparing the Adjusted Model, we have applied our inflation assumption as outlined previously to the forecast operating costs.

RISC has confirmed the reasonableness of the forecast operating cost assumptions having considered the costs incurred historically and by assessing the forecast operating costs in the context of their experience with oil and gas projects in similar jurisdictions. Rehabilitation costs are included within the operating support costs and RISC has assessed these to be reasonable as well. As a result, we have removed the value of the rehabilitation provision from Jupiter's other assets and liabilities in Section 10.1.3 below.

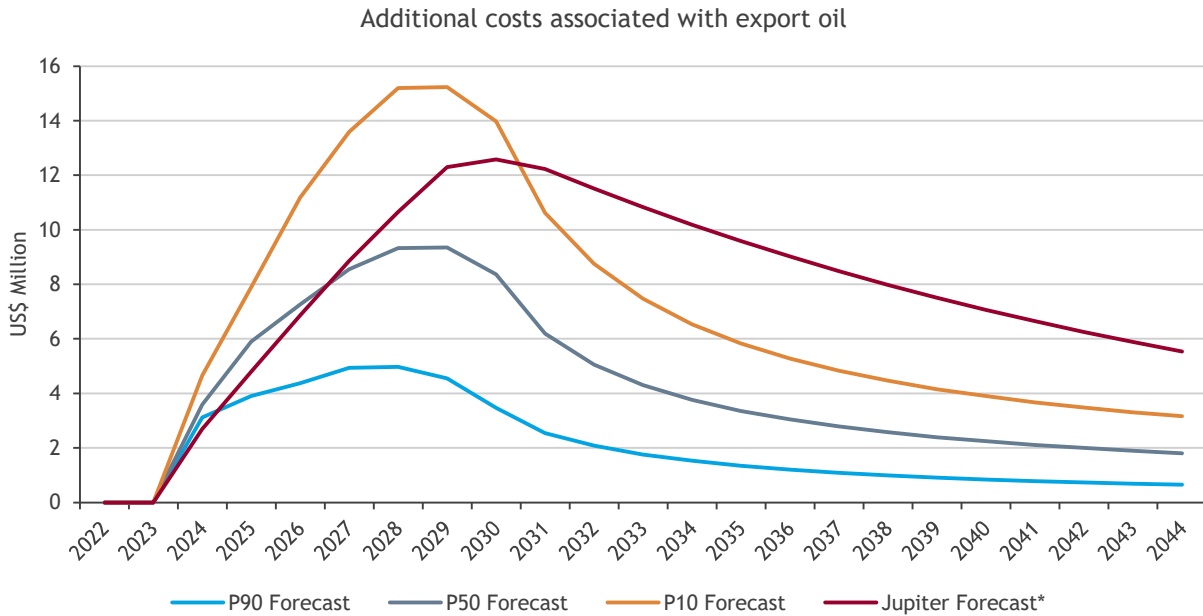
The nominal forecast operating costs for the three RISC production profiles compared to the initial production profile provided by Jupiter are shown in the charts below.



*Adjusted for inflation

Source: Adjusted Model and BDO analysis

The graph above indicates forecast operating costs are largely fixed across the three RISC production profiles.



*Adjusted for BDO's assessed forecast oil price and applying RISC's 7.82 barrels/tonne of oil conversion factor

Source: Adjusted Model and BDO analysis

The graph above shows how the additional costs associated with export oil varies with production levels across all the scenarios.

Corporate costs

Corporate costs are included in the Adjusted Model. We have assumed that once Jupiter has entered into commercial production, it will incur higher corporate costs than those incurred historically.

Set out below are the general and administration expenses (which we have taken as its corporate costs) incurred by Jupiter for the 2022, 2021 and 2020 financial years. It must be considered that for these periods Jupiter was not operating at commercial production levels and as a result, historic corporate costs will not accurately reflect the Company's operations once it is producing at full capacity.

Jupiter's corporate costs	Actual year ended 30-Jun-22	Actual year ended 30-Jun-21	Actual year ended 30-Jun-20
As reported in A\$m	1.99	2.06	2.52
In US\$ (converted at AUD:USD 0.6508)*	1.29	1.34	1.64

*As at 5 October 2022 per Bloomberg

Source: Jupiter's Annual Reports for 2022, 2021 and 2020, Bloomberg and BDO analysis.

As part of our analysis, we have considered the corporate costs incurred by various listed oil and gas producers with a similar size and scale of operations to Block 31, having regard to the forecast revenues generated by Block 31 as indicated in the Adjusted Model. We have analysed various listed oil and gas producers with major projects located within Kazakhstan or jurisdictions facing similar country and geopolitical risks, while considering other company characteristics such as revenue, total assets, number of projects and market capitalisation, as proxies for the size, scale and complexity of operations. As there was a paucity of ASX-listed oil and gas producers operating in a similar jurisdiction to Kazakhstan and of a similar scale to Jupiter, we have expanded our analysis to include other listed companies in the US, Canada and the United Kingdom.

Our analysis of the corporate costs for the identified various listed oil and gas producers is set out below. These companies were also used as comparable companies in determining an appropriate discount rate and as such, a business description of each can be found at the end of Appendix 3.

The table shows the corporate costs, in US\$ million, for each of the listed companies as reported in their financials for the most recent available financial year ("Last FY" column below) and the financial year prior ("FY before" column). We have not included Jupiter in the mean and median calculations, but it has been presented for comparison purposes. We note that there are two companies in the list with operations in Kazakhstan, namely, Caspian Sunrise plc and Tethys Petroleum Limited. Caspian Sunrise plc has previously reported total un-risked and risked resources of 900 million barrels and 202 million barrels, respectively, as well as Most-Likely Contingent Resources of 13 million barrels on South Yelemes. It also reported reserves attributable to its oil and gas project, BNG shallow structures, at 31 December 2021 comprising 15.1 million barrels of oil equivalent for shallow P1 and 26.3 million barrels for shallow P2. Meanwhile, Tethys Petroleum Limited reported reserves at 31 December 2021 comprising "Proved" 1P reserves of 41.9 million barrels of oil equivalent and "Proved + Probable" 2P reserves of 79.3 million barrels of oil equivalent.

Company Name	Location of operations	Revenue Last FY US\$m	Market capitalisation 5-Oct-22 US\$m	Enterprise Value 5-Oct-22 US\$m	Corporate Costs Last FY US\$m***	Corporate Costs FY before US\$m***
Jupiter Resources Limited (ASX:JPR)	Kazakhstan	2.84	2.48	64.08	1.29	1.34
Alvopetro Energy Limited (TSXV:ALV)	Brazil	31.91	182.69	179.55	5.11*	3.31*
Caspian Sunrise plc (AIM:CASP)	Kazakhstan	25.00	56.96	47.92	3.33*	3.68*
New Stratus Energy Inc. (TSXV:NSE)	Colombia and Ecuador	20.60	72.02	52.69	3.10**	0.84**
Tethys Petroleum Limited (TSXV:TPL)	Kazakhstan	15.91	58.58	59.57	3.24*	3.09*
Savannah Energy plc (AIM:SAVE)	Nigeria	185.80	398.15	720.70	3.74*	2.94*
Mean (excluding Jupiter)					3.70	2.77
Median (excluding Jupiter)					3.33	3.09

*Reported for the year ended 31 December 2021 and 31 December 2020

**Reported for the year ended 31 March 2022 and 31 March 2021

***All reported figures have been converted assuming an AUD:USD exchange rate of 0.6508, CAD:USD exchange rate of 0.7359 and GBP:USD exchange rate of 1.1326 as sourced from Bloomberg on 5 October 2022.

Source: Annual reports, interim reports, S&P Capital IQ and BDO Analysis.

Based on the above analysis of corporate costs and having regard to the level of revenue expected to be generated by Jupiter over the Forecast Period, we have assessed real corporate costs for the Company to be in the range of US\$2.75 million to US\$3.25 million per annum, with a preferred position of US\$3.00 million per annum.

We have assumed a ramp up of corporate costs in the Adjusted Model in line with the Company's forecast production. Across all three of the P90 Forecast, P50 Forecast and P10 Forecast scenarios, corporate costs start from (in real terms) approximately US\$0.33 million for the final quarter of 2022 and rise to a maximum of US\$3.00 million per annum over 2026-2029 (coinciding with peak production levels based on the production profiles estimated by RISC), before gradually reducing over the remainder of the Forecast Period to US\$1.50 million in 2036. We have also applied our assumed inflation discussed previously to convert these costs into nominal terms in the Adjusted Model.

Royalties

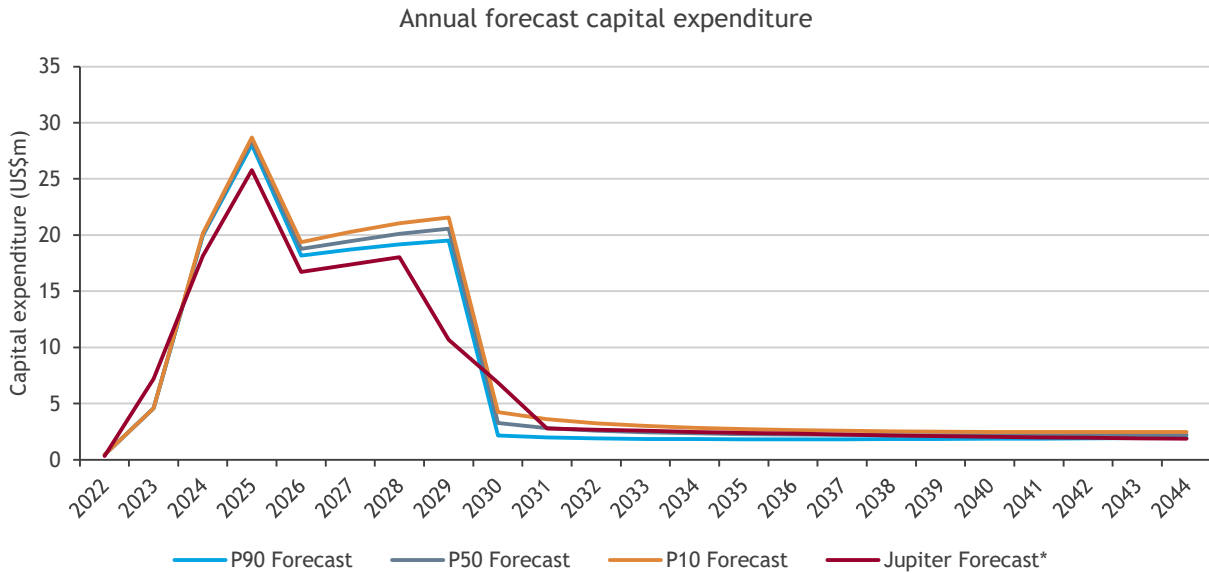
A 5% Mineral Extraction Tax is payable each year only on export oil revenue. Therefore, these royalties are only incurred from 2024 when 65% of oil sales is assumed to be sold to the export market. This royalty has been confirmed by RISC as reasonable. Further details are provided in RISC's ITSR.

Capital expenditure

Block 31's future capital expenditure is forecast to be primarily incurred during the first half of the Forecast Period, with most of it relating to drilling and completion works, workover and facility construction. Over the Forecast Period, a total of approximately US\$157 million, US\$168 million and US\$178 million (all in nominal terms), is to be spent on capital expenditure across the P90 Forecast, P50 Forecast and P10 Forecast scenarios, respectively. RISC's capital expenditure estimates include a 10% allowance for contingency (which covers capital expenditure and operating expenses) compared to Jupiter's initial allowance of 3%. This is the primary difference between the RISC capital expenditure

assumptions, which we have adopted in the Adjusted Model, and the Jupiter capital expenditure assumptions.

The yearly forecast total capital expenditure, in nominal terms, is set out in the graph below.



*Adjusted for inflation

Source: Adjusted Model and BDO analysis

Assumed financing

We have assessed an initial funding requirement based on the initial capital expenditure and operating costs required to fund the 24 new wells to be drilled per Jupiter’s drilling plan which is also reflected in the Adjusted Model. Depending on the assumed forecast oil production profile, the Adjusted Model forecasts different levels of initial funding required. We have adopted the US\$39.7 million required under the P50 Forecast scenario as our best estimate of the level of funding required.

Jupiter’s existing debt levels and its current financial position likely preclude debt financing and we note that the Company is seeking to raise A\$5 million in equity as detailed in Resolution 8 of the Notice of Meeting. Furthermore, our analysis of comparable companies suggest that oil and gas companies operating in similar jurisdictions are primarily equity funded and generally hold no, or low, levels of debt. Therefore, we have assumed the entire funding shortfall will be raised through a notional equity raise, detailed further in Section 10.1.2 below.

As discussed previously, based on the Adjusted Model, the NPV of Block 31 is negative in the P90 Forecast and P50 Forecast production scenarios. Despite this, we have still considered this notional equity raise in our assessment as it is Jupiter’s belief that there will be value in Block 31 (based on the Company’s own production forecast), and funds would be required to execute its drilling program.

Sensitivity analysis

As mentioned previously, our valuation of Block 31 is highly sensitive to the production forecast assumed hence our consideration of all three production profiles proposed by RISC. In addition, we have also considered the sensitivity of the NPV of Block 31 to changes in forecast commodity prices, operating

expenditure, capital expenditure, the discount rate and the inflation rate. We have therefore included a sensitivity analysis to consider the value of Block 31 under the various RISC production scenarios and in applying:

- a relative change of +/- 10% to the oil price;
- a relative change of +/- 10% to operating costs;
- a relative change of +/- 10% to capital costs;
- a discount rate in the range of 14% to 16%; and
- an absolute change to the inflation rate of +/-1%.

The following sensitivities have been prepared to assist Shareholders in considering the potential effects to the value of Block 31 if our assumptions change:

US\$ million	P90 Forecast			P50 Forecast			P10 Forecast		
% Relative Flex	Oil Price	Operating Costs	Capital Costs	Oil Price	Operating Costs	Capital Costs	Oil Price	Operating Costs	Capital Costs
+10.0%	(66.5)	(78.4)	(80.7)	(14.3)	(31.1)	(33.5)	50.9	27.9	25.2
+8.0%	(67.8)	(77.4)	(79.2)	(16.6)	(30.0)	(32.0)	47.4	28.9	26.8
+6.0%	(69.2)	(76.4)	(77.7)	(18.9)	(29.0)	(30.5)	43.8	30.0	28.4
+4.0%	(70.5)	(75.3)	(76.2)	(21.2)	(28.0)	(28.9)	40.2	31.0	30.0
+2.0%	(71.9)	(74.3)	(74.7)	(23.6)	(26.9)	(27.4)	36.7	32.1	31.5
0%	(73.3)	(73.3)	(73.3)	(25.9)	(25.9)	(25.9)	33.1	33.1	33.1
-2.0%	(74.6)	(72.2)	(71.8)	(28.2)	(24.9)	(24.4)	29.6	34.2	34.7
-4.0%	(76.0)	(71.2)	(70.3)	(30.6)	(23.8)	(22.8)	26.0	35.2	36.3
-6.0%	(77.3)	(70.2)	(68.8)	(32.9)	(22.8)	(21.3)	22.4	36.3	37.9
-8.0%	(78.7)	(69.1)	(67.3)	(35.2)	(21.8)	(19.8)	18.9	37.3	39.5
-10.0%	(80.1)	(68.1)	(65.9)	(37.6)	(20.7)	(18.2)	15.3	38.3	41.0

Source: Adjusted Model and BDO analysis

Sensitivity Analysis of Block 31's DCF Valuation to the discount rate					
Discount rate	14.0%	14.5%	15.0%	15.5%	16.0%
Value (US\$ million) - P90	(77.1)	(75.1)	(73.3)	(71.5)	(69.8)
Value (US\$ million) - P50	(26.5)	(26.2)	(25.9)	(25.6)	(25.3)
Value (US\$ million) - P10	36.2	34.7	33.1	31.7	30.2

Source: Adjusted Model and BDO analysis

Sensitivity Analysis of Block 31's DCF Valuation to the inflation rate					
Absolute flex to inflation	-1.0%	-0.5%	-	+0.5%	+1.0%
Value (US\$ million) - P90	(65.8)	(69.5)	(73.3)	(77.2)	(81.4)
Value (US\$ million) - P50	(18.9)	(22.3)	(25.9)	(29.6)	(33.6)
Value (US\$ million) - P10	39.8	36.5	33.1	29.6	25.9

Source: Adjusted Model and BDO analysis

In considering the above sensitivities, Shareholders should note the following:

- the variables described above may have compounding or offsetting effects and are unlikely to move in isolation;
- the variables for which we have performed sensitivities are not the only variables which are subject to deviation from the forecast assumptions; and
- the sensitivities performed do not cover the full range of possible variances from the assumptions used (i.e. variances could be greater than the percentage increases or decreases set out in this analysis).

We also note that we have presented the above sensitivities to highlight the sensitivity of the value of Block 31 to changes in pricing and other assumptions.

Conclusion on the DCF valuation of Block 31 prior to the Proposed Transaction

Based on the above analysis and having consideration for the NPV across the P90 Forecast, P50 Forecast and P10 Forecast production profiles, we consider the value of Block 31 prior to the Proposed Transaction to be in the range of negative US\$73.3 million to US\$33.1 million. Therefore, this results in an effective valuation range of nil to US\$33.1 million. Using an AUD:USD exchange rate of 0.6400 as at the valuation date of 30 September 2022 and rounding to the nearest hundred thousand, the above values are converted to a range between nil and A\$51.7 million. This is summarised in the table below.

DCF value of Block 31 prior to the Proposed Transaction	Low value	High value
DCF value of the Block 31 in US\$	-	33,100,000
<i>AUD:USD Exchange Rate on 30 September 2022 per Bloomberg</i>	<i>0.6400</i>	
DCF value of the Block 31 in A\$	-	51,718,750
Adopted DCF value of the Block 31 in A\$ (rounded)	-	51,700,000

10.1.2 Net cash raised from notional equity raising

In assessing the DCF valuation of Block 31 both prior to and following the Proposed Transaction, we have had to make certain assumptions on the funding that will be available to the Company. In particular, per RG 111.15, the funding requirements for a target that is not in financial distress (i.e. capital that is required to develop a project) should generally be taken into account when determining the fair value of target securities.

We note that based on our analysis of companies comparable to Jupiter, the capital structure of these comparable companies is primarily equity as opposed to debt funded. We also note from Resolution 8 of the Company's Notice of Meeting that Jupiter intends to raise up to A\$5.00 million through the issue of shares primarily for drilling at the Company's production wells. The Company intends to issue these new shares at a 20% discount to the VWAP of Jupiter's shares five days prior to the date of the Notice of Meeting.

Based on the above, whilst we do not opine on the probability of success of the proposed capital raising in connection with the Notice of Meeting, we consider there to be reasonable grounds to assume that Jupiter's future funding requirements could be fulfilled through an equity raising that will fund the initial cash shortfall outlined in the Adjusted Model.

Under the P50 Forecast production profile scenario (and ignoring the sensitivities outlined in the previous section), the total notional equity required to fully fund the development of Block 31 is approximately US\$39.7 million (A\$62.0 million based on an AUD:USD exchange rate of 0.6400 at 30 September 2022). This is based on the minimum amount required to ensure that the operations of Block 31 are fully funded to drill all 24 planned wells. The shortfall to be funded is largely driven by forecast capital expenditure and the funding of operating and corporate costs during the production ramp-up phase.

We have increased the amount to be raised to reflect our estimate of the gross amount including likely capital raising costs. We have assessed the placement fee to be approximately 5% of the funds raised. Therefore, the total equity funding requirement of the Project will be approximately US\$41.8 million (A\$65.3 million) (inclusive of placement fees).

In order to determine the likely price at which Jupiter would have to place its shares to a third party, or to current shareholders, under a notional capital raising to raise the funds required, we considered the quoted market prices of Jupiter's shares and the discount at which shares have been issued by ASX listed companies when compared to the respective companies' 30-day VWAP prior to the announcement of the placement.

We considered the discount at which shares have been issued over the last three years, by ASX listed companies to raise capital. A summary of our results is set out in the table below:

	Offer size between US\$5 - \$20m	Capital raise to >100% market cap	Market cap <US\$10m	All companies
All Oil and Gas				
No. companies	33	1	24	128
Mean	15.3%	20.7%	22.0%	18.3%
Median	15.1%	20.7%	16.1%	15.2%
All ASX				
No. companies	262	6	303	1,974
Mean	15.0%	21.3%	20.4%	16.4%
Median	13.4%	21.5%	18.3%	14.3%

Source: Bloomberg and BDO analysis

From our analysis, the average (mean) discount for ASX listed companies was 16.4%. Given that the placement discounts have ranged significantly we have also considered the median of 14.3% as this represents a better measure of central tendency.

However, given that the size of the notional capital raising required to fund Block 31 would be more than multiples of Jupiter's current market capitalisation, we have analysed placement discounts for capital raisings in which the amount raised was more than 100% of the company's market capitalisation at the time of the raising and found that the median discount for mining companies was 21.3% and the mean discount across all companies on the ASX raising more than 100% of their market capitalisation was 21.5%.

We have also assessed the discounts of capital raisings for companies with market capitalisations less than US\$10 million (where Jupiter's market capitalisation currently falls). The mean discount across all ASX listed companies in this band was 20.4%, with the median being 18.3%.

Given the above analysis and the size of the notional capital raising, we consider a placement discount in the range of 18% and 22% will be required to provide a sufficient incentive for investors to participate in any raising that Jupiter would conduct on the open market.

In Section 10.2 of our Report, we consider the QMP of Jupiter shares. From this analysis, we assessed the value of a Jupiter share to be between \$0.022 and \$0.026 on a minority interest basis. Applying a discount in the range of 18% to 22% to the assessed value of a Jupiter share prior to the Proposed Transaction results in an assumed notional capital raising price of between \$0.017 and \$0.021 per share.

For the notional capital raising contemplated above, which would provide funding to develop Block 31 and to cover associated capital raising costs, the Company will be required to issue the number of new shares as shown in the table below.

	Low	High
Shortfall funding per the Adjusted Model - P50 Forecast (US\$)	39,700,000	39,700,000
Equity raising costs (estimated at 5%)	2,089,474	2,089,474
Total equity funding required (US\$)	41,789,474	41,789,474
AUD:USD exchange rate at 30 September 2022 per Bloomberg	0.6400	0.6400
Total equity funding required (A\$)	65,296,053	65,296,053
Quoted market price (\$) (minority)	\$0.022	\$0.026
Assessed placement discount (%)	22%	18%
Price of capital raising	\$0.017	\$0.021
Number of shares issued under notional capital raise	3,840,944,273	3,109,335,840

Source: Bloomberg and BDO analysis.

10.1.3 Valuation of Jupiter's other assets and liabilities prior to the Proposed Transaction

The other assets and liabilities of Jupiter represent the assets and liabilities that have not been specifically addressed elsewhere in our Sum-of-Parts valuation. From our discussions with Jupiter and analysis of these other assets and liabilities, outlined in the table below, we do not consider there to be a material difference between book value and fair value unless an adjustment has been noted below.

The table below represents a summary of the assets and liabilities identified:

Value of Jupiter's other assets and liabilities prior to the Proposed Transaction	Note	Audited as at 30-Jun-22 \$	Adjusted value \$
CURRENT ASSETS			
Cash and cash equivalents		1,330,334	1,330,334
Trade and other receivables		68,501	68,501
Inventories		29,920	29,920
Other current assets		70,826	70,826
TOTAL CURRENT ASSETS		1,499,581	1,499,581
NON-CURRENT ASSETS			
Other financial assets		253,124	253,124
Property, plant and equipment	a)	337,336	-
Exploration and evaluation assets	b)	1,389,210	-
Oil and gas properties	c)	17,127,378	-
TOTAL NON-CURRENT ASSETS		19,107,048	253,124
TOTAL ASSETS		20,606,629	1,752,705

Value of Jupiter's other assets and liabilities prior to the Proposed Transaction	Note	Audited as at 30-Jun-22 \$	Adjusted value \$
CURRENT LIABILITIES			
Trade and other payables		1,775,830	1,775,830
Contract liabilities		3,847	3,847
TOTAL CURRENT LIABILITIES		1,779,677	1,779,677
NON-CURRENT LIABILITIES			
Provisions	d)	363,663	-
Other financial liabilities	e)	100,027,287	103,625,129
TOTAL NON-CURRENT LIABILITIES		100,390,950	103,625,129
TOTAL LIABILITIES		102,170,627	105,404,806
NET LIABILITIES		(81,563,998)	(103,652,101)

Source: Jupiter's audited financial statements for the year ended 30 June 2022 and BDO analysis.

We have been advised that, since the 30 June 2022 audit balance date, there has not been any other significant change in the net assets of Jupiter, as the net cash generated from its operations since largely offset by corporate and other costs. Apart from the adjustments detailed below, Jupiter has advised that the above assets and liabilities represent their fair market values.

We note the following in relation to the above valuation of Jupiter's other assets and liabilities:

Note a) Property, plant and equipment

We have adjusted property, plant and equipment of approximately \$0.34 million as at 30 June 2022 to nil as this value is reflected in the DCF value of Block 31. Management has confirmed that the entire balance of property, plant and equipment relates to Block 31.

Note b) Exploration and evaluation assets

We have adjusted exploration and evaluation assets of approximately \$1.39 million as at 30 June 2022 to nil as this value is reflected in the DCF value of Block 31.

Note c) Oil and gas properties

We have adjusted oil and gas properties of approximately \$17.13 million as at 30 June 2022 to nil as this value is reflected in the DCF value of Block 31.

Note d) Provisions

Provisions of \$0.36 million as at 30 June 2022 relate to provisions for rehabilitation of Block 31. We have adjusted this balance to nil as these are already included in the Adjusted Model and therefore reflected in the DCF Valuation of Block 31.

Note e) Other financial liabilities

Other financial liabilities of \$100.03 million as at 30 June 2022 relate to the Notes held by the Noteholders. We have assessed the fair market value of the Notes prior to the Proposed Transaction and as at the Settlement Date by discounting the future expected payments at a market rate of debt. We have

assumed a valuation date of 30 September 2022 for this purpose and assumed no further drawdowns on the Notes with only additional interest accrued up to their 1 July 2024 maturity date.

We then discount the entire principal and interest amounts outstanding at the maturity date based on a 15% market rate of debt. In determining this market rate of debt, we have considered comparable oil and gas companies facing similar risks including geopolitical and operational. In our analysis, the comparable companies had cost of debt within the range of 13% to 15%. Having regard to Jupiter's current financial position, we have adopted the higher end of this range for this purpose. Further details of our assessment of a market rate of debt for Jupiter is outlined in Appendix 3. Our calculations of the fair value of the Notes prior to the Proposed Transaction is summarised below.

Fair value of the Notes prior to the Proposed Transaction		
Total principal outstanding on the Notes at 30 June 2022	US\$	39,574,931
Total interest outstanding on the Notes at 30 June 2022	US\$	33,289,797
Additional interest accrued up to 1 July 2024 at 15% p.a.	US\$	11,872,479
Total debt outstanding on 1 July 2024 (assuming no further drawdowns)	US\$	84,737,207
<i>Market rate of debt (prior to the Proposed Transaction)</i>	%	15.0%
Present value of the Notes prior to the Proposed Transaction	US\$	66,320,082
AUDUSD exchange rate at 30 September 2022 per Bloomberg	rate	0.6400
Present value of the Notes prior to the Proposed Transaction	A\$	103,625,129

Source: BDO analysis

We note that in assessing the fair value of the Notes, we have assumed all of the total debt outstanding is repaid on 1 July 2024 being the maturity date of the Notes. Implicit in this assumption is also that, should the Company have insufficient cash at this date, the Noteholders will continue to extend the repayment date as it has done in the past and/or restructure the terms of the Notes, to allow Jupiter to continue operating as a going concern. Therefore, the assessed value of Jupiter prior to the Proposed Transaction (on a control basis) is predicated on the Noteholders continuing their support for the Company.

10.1.4 Shares on issue prior to the Proposed Transaction

As detailed in Section 5 of our Report, the Company has 153,377,693 shares currently on issue. However, we have adjusted this number of shares to account for the shares issued pursuant to the Company's notional equity raise outlined in Section 10.1.2. As such, we have adjusted the number of shares on issue for Jupiter below based on the low and high of the notional equity raising shares:

Shares on issue prior to the Proposed Transaction	Low	High
Number of Jupiter shares currently on issue	153,377,693	153,377,693
Add: Shares issued pursuant to notional equity raising (ref 10.1.2)	3,840,944,273	3,109,335,840
Number of Jupiter shares prior to the Proposed Transaction	3,994,321,966	3,262,713,533

Source: BDO analysis

10.2 Quoted Market Prices for Jupiter Securities

To provide a comparison to the valuation of Jupiter in Section 10.1, we have also assessed the quoted market price for a Jupiter share.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

RG 111.43 suggests that when considering the value of a company's shares for the purposes of approval under Item 7 of s611 the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

- control over decision making and strategic direction;
- access to underlying cash flows;
- control over dividend policies; and
- access to potential tax losses.

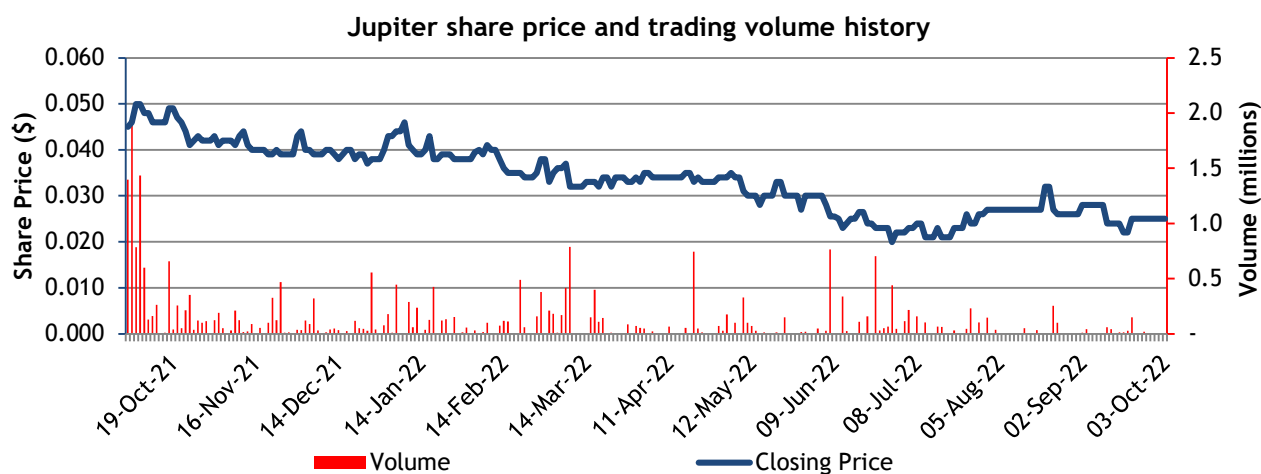
Whilst the Noteholders will not be obtaining 100% of Jupiter, RG 111 states that the expert should calculate the value of a target's shares as if 100% control were being obtained. The expert can then consider an acquirer's practical level of control when considering reasonableness. Reasonableness has been considered in Section 13.

Therefore, our calculation of the quoted market price of a Jupiter share including a premium for control has been prepared in two parts. The first part is to calculate the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

Minority interest value

Our analysis of the quoted market price of a Jupiter share is based on the pricing prior to the announcement of the Proposed Transaction. This is because the value of a Jupiter share after the announcement may include the effects of any change in value as a result of the Proposed Transaction. However, we have considered the value of a Jupiter share following the announcement when we have considered reasonableness in Section 13.

Information on the Proposed Transaction was announced to the market on 4 October 2022. Therefore, the following chart provides a summary of the share price movement over the 12 months to 3 October 2022 which was the last trading day prior to the announcement.



Source: Bloomberg

The daily price of Jupiter shares from 3 October 2021 to 3 October 2022 has ranged from a low of \$0.020 on 30 June 2022 to a high of \$0.050 on 6 October 2021 and 7 October 2021. Following the release of the Company's 2021 Annual Report on 30 September 2021, a total of 6,213,286 shares, representing 4% of the Company's issued capital, were traded over the five-day trading period from 4 October 2021 to 8 October 2021. This was the most actively traded period of Jupiter's shares over the 12-months our analysis was conducted for.

During the analysed period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement			Closing Share Price Three Days After Announcement		
		\$	(movement)	%	\$	(movement)	%
30/09/2022	2022 Annual Report	0.025	▶	0.0%	0.025	▶	0.0%
13/09/2022	Cancel - Proposed issue of securities - JPR	0.024	▶	0.0%	0.022	▼	8.3%
12/09/2022	Change in substantial holding - Waterford	0.024	▼	14.3%	0.024	▶	0.0%
12/09/2022	Ceasing to be a substantial holder - Arrow	0.024	▼	14.3%	0.024	▶	0.0%
12/09/2022	Becoming a substantial holder - Mistyvale	0.024	▼	14.3%	0.024	▶	0.0%
12/09/2022	Update on Debt Restructure Plan	0.024	▼	14.3%	0.024	▶	0.0%
29/07/2022	Jun 2022 Quarterly Activities Report and Appendix 5B	0.026	▲	8.3%	0.027	▲	3.8%
26/07/2022	Update on Gas Utilisation Plan	0.026	▲	13.0%	0.026	▶	0.0%
27/04/2022	Mar 2022 Quarterly Activities Report and Appendix 5B	0.033	▶	0.0%	0.034	▲	3.0%
16/03/2022	JPR Interim Accounts for the HY ended 31 Dec 2021	0.033	▶	0.0%	0.034	▲	3.0%
15/03/2022	Lodgement of 100% Gas Utilisation Plan	0.033	▶	0.0%	0.034	▲	3.0%
04/03/2022	Proposed issue of securities - JPR	0.036	▶	0.0%	0.032	▼	11.1%
04/03/2022	Agreement Reached with Noteholders on Debt Restructure Plan	0.036	▶	0.0%	0.032	▼	11.1%
04/03/2022	Pause in Trading	0.036	▶	0.0%	0.032	▼	11.1%
18/01/2022	Dec 2021 Quarterly Activities Report and Appendix 5B	0.043	▲	7.5%	0.039	▼	9.3%

Date	Announcement	Closing Share Price Following Announcement \$ (movement)			Closing Share Price Three Days After Announcement \$ (movement)		
10/01/2022	Resumption of Production post Civil Unrest	0.046	▲	4.5%	0.039	▼	15.2%
07/01/2022	Shut in Production with Civil Unrest	0.044	▶	0.0%	0.040	▼	9.1%
19/11/2021	2021 AGM Results	0.039	▼	2.5%	0.039	▶	0.0%
18/10/2021	2021 AGM - Notice of Meeting	0.049	▲	6.5%	0.046	▼	6.1%
18/10/2021	Sep 2021 Quarterly Activities Report and Appendix 5B	0.049	▲	6.5%	0.046	▼	6.1%

Source: Bloomberg and BDO analysis

Over the assessed period, we noted several days with significant trading volumes.

On 4 March 2022, the Company announced that it had reached binding agreements with its Noteholders for a significant restructure of the Notes. The Company's shares remained unchanged on the date of the announcement. However, over the subsequent three-day trading period, 1,201,636 shares were traded (approximately 1% of Jupiter's issued capital) and the shares closed at \$0.032.

On 18 January 2022, the Company released its quarterly activities and cash flow report for the December 2021 quarter, highlighting oil sales of approximately US\$0.70 million and the resumption of business following civil unrest in Kazakhstan. On the date of the announcement the share price increased 7.5% to close at \$0.043, before decreasing 9.3% over the subsequent three-day trading period to close at \$0.039.

On 10 January 2022, Jupiter announced the resumption of oil production from the Akkar North (East Block) and Akkar East oilfields following the disruption of operations due to civil unrest in the country. On the date of the announcement the share price increased 4.5% to close at \$0.046, before decreasing 15.2% over the subsequent three-day trading period to close at \$0.039.

On 18 October 2021, the Company released its quarterly activities and cash flow report for the September 2021 quarter, which detailed oil sales of approximately US\$1.00 million. On the date of the announcement, the share price increased 6.5% as 658,163 shares were traded to close at \$0.049. Over the subsequent three-day trading period, the share price decreased 6.1% to close at \$0.046.

To provide further analysis of the market prices for a Jupiter share, we have also considered the weighted average market price for 10-, 30-, 60- and 90-day periods to 3 October 2022.

Share Price per unit	3-Oct-2022	10 Days	30 Days	60 Days	90 Days
Closing Price	\$0.025				
Volume weighted average price (VWAP)		\$0.022	\$0.022	\$0.025	\$0.024

Source: Bloomberg, BDO analysis

The above weighted average prices are prior to the date of the announcement of the Proposed Transaction, to avoid the influence of any increase in price of Jupiter shares that has occurred since the Proposed Transaction was announced.

An analysis of the volume of trading in Jupiter shares for the twelve months to 3 October 2022 is set out below:

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	\$0.025	\$0.025	-	0.00%
10 Days	\$0.020	\$0.025	196,757	0.13%
30 Days	\$0.020	\$0.032	734,002	0.48%
60 Days	\$0.020	\$0.032	1,647,717	1.07%
90 Days	\$0.020	\$0.032	4,996,684	3.26%
180 Days	\$0.020	\$0.044	12,482,473	8.14%
1 Year	\$0.020	\$0.052	26,066,204	16.99%

Source: Bloomberg, BDO analysis

This table indicates that Jupiter's shares display a low level of liquidity, with 0.48% of the Company's current issued capital being traded in a 30 day period and only 16.99% over the past year. RG 111.86 states that for the quoted market price methodology to be an appropriate methodology there needs to be a 'liquid and active' market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active'. However, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

We have also assessed the trading volumes for Jupiter shares on a weekly basis over the twelve months prior to 3 October 2022, being the last day on which shares were traded prior to the announcement of the Proposed Transaction and found the mean and median weekly trading volume was approximately 0.33% and 0.23% of the Company's issued capital respectively. Of the 52 weeks in which our analysis is based on, more than 1% of the Company's securities had been traded in only one of those weeks.

Notwithstanding low liquidity levels, our assessment is that a range of values for Jupiter shares based on market pricing, after disregarding post announcement pricing, is between \$0.022 and \$0.026.

10.2.1 Quoted market price including control premium

The quoted market price per share reflects the value to minority interest shareholders. In order to value a Jupiter share on a control basis, we have added a control premium that is based on our analysis set out in Appendix 4.

Applying a control premium to Jupiter's quoted market share price results in the following quoted market price value including a premium for control:

	Low \$	High \$
Quoted market price value	0.022	0.026
Control premium	20%	30%
Quoted market price valuation including a premium for control	0.026	0.034

Source: BDO analysis

Therefore, our valuation of a Jupiter share based on the quoted market price method and including a premium for control is between \$0.026 and \$0.034.

10.3 Assessment of the value of a Jupiter share prior to the Proposed Transaction

The results of the valuations performed are summarised in the table below:

Value of a Jupiter share prior to the Proposed Transaction (control basis)	Low \$	High \$
Sum-of-Parts (Section 10.1)	nil	\$0.004
ASX market prices (Section 10.2)	0.026	0.034

Source: BDO analysis

We have chosen to rely solely on the Sum-of-Parts for the purposes of determining our range for the following reasons:

- The core value of Jupiter lies in the oil and gas assets that it holds and we have commissioned RISC, an independent technical specialist to advise on the technical DCF assumptions to value these assets; and
- As detailed in Section 10.2, based on the pre-announcement trading data, Jupiter shares were thinly traded over the period up to the announcement of the Proposed Transaction. We do not consider there to be a liquid and active market for Jupiter's shares and have therefore concluded that it would not be appropriate to rely on the QMP in forming our valuation range.

We note that the value of Jupiter derived under the Sum-of-Parts approach is lower than the results derived under the QMP approach for the following reasons:

- Our QMP assessment was performed over a period when Jupiter's shares were illiquid, therefore the Company's share price may not reflect the underlying value of the Company. As detailed in Section 10.2 of our Report, we consider there to be a low level of liquidity in trading Jupiter shares, with only 16.99% of the Company's current issued capital being traded in the twelve months prior to the announcement of the Proposed Transaction;
- Given Jupiter's other financial liabilities balance exceeded A\$100 million as at 30 June 2022 and the Company's debt restructure announcements on 4 March 2022 and 12 September 2022, the market price may already reflect the market's expectation of Jupiter proceeding with the Proposed Transaction; and
- The market may have ascribed a higher value to Jupiter's oil and gas assets compared to the valuation attributed by the DCF valuation using technical assumptions provided by RISC. This could be due to more optimistic assumptions such as assigning greater potential to Jupiter's oil and gas assets compared to the DCF. RISC has prepared its Independent Technical Specialist Report in compliance with the PRMS and other industry guidelines, whilst also adhering to guidance provided

by ASIC's Regulatory Guides. Market participants are not governed by these industry codes and therefore may be basing their valuation on more optimistic assumptions.

Based on the results above we consider the value of a Jupiter share prior to the Proposed Transaction on a controlling interest basis to be between \$nil and \$0.004.

11. Valuation of Jupiter following the Proposed Transaction

11.1 Sum-of-Parts valuation of Jupiter following the Proposed Transaction

We have assessed the value of a Jupiter share following the Proposed Transaction using a Sum-of-Parts approach as set out below:

Sum-of-Parts valuation following the Proposed Transaction	Ref	Low value \$	High value \$
DCF Value of Block 31 following the Proposed Transaction	11.1.1	-	59,700,000
Net cash raised from notional equity raising	11.1.2	65,296,053	65,296,053
Value of Jupiter's other assets and liabilities following the Proposed Transaction	11.1.3	(19,685,318)	(19,685,318)
Value of Jupiter following the Proposed Transaction (control)		45,610,734	105,310,734
Shares on issue following the Proposed Transaction (incl. notional capital raising)	11.1.4	5,070,794,394	4,339,185,961
Value of a Jupiter share following the Proposed Transaction (control)		\$0.009	\$0.024
Minority interest discount	11.1.5	23%	17%
Value of a Jupiter share following the Proposed Transaction (minority)		\$0.007	\$0.020

Source: BDO analysis

The table above indicates that the net assets value of a Jupiter share on a minority basis is between \$0.007 and \$0.020. The following adjustments were made to the net assets of Jupiter in arriving at our valuation of the Company following the Proposed Transaction.

11.1.1 DCF value of Block 31 following the Proposed Transaction

In assessing the DCF value of Block 31 following the Proposed Transaction, we have retained the adjustments to technical, economic and other input assumptions discussed in Section 10.1.1. Therefore, at the project-level, the forecast cash flows from the Adjusted Model are consistent with those used in valuing Block 31 prior to the Proposed Transaction.

Following the Proposed Transaction, the total debt outstanding will be significantly reduced and as such the WACC has been adjusted to reflect the market return required by both debt and equity holders under Jupiter's new capital structure. Having regard to the capital structure of Jupiter following the Proposed Transaction, we have adopted a nominal post-tax WACC of 13.4% to discount the cash flows to their present value. This was based on a rounded midpoint of the WACC range following the Proposed Transaction of 12.67% to 14.18%.

In selecting this range of discount rates we have considered the following:

- the rates of return of comparable listed companies; and
- the risk profile of Jupiter as compared to other listed companies with operations in jurisdictions of similar risk.

Details of our discount rate determination are provided in Appendix 3.

Sensitivity analysis

Similar to our DCF valuation of Block 31 prior to the Proposed Transaction, we have presented the value of Block 31 following the Proposed Transaction in the sensitivity tables below.

US\$ million	P90 Forecast			P50 Forecast			P10 Forecast		
% Relative Flex	Oil Price	Operating Costs	Capital Costs	Oil Price	Operating Costs	Capital Costs	Oil Price	Operating Costs	Capital Costs
+10.0%	(72.3)	(85.4)	(87.5)	(14.3)	(32.8)	(35.1)	57.7	32.4	29.9
+8.0%	(73.8)	(84.3)	(85.9)	(16.8)	(31.6)	(33.4)	53.8	33.6	31.5
+6.0%	(75.2)	(83.1)	(84.3)	(19.4)	(30.5)	(31.8)	49.9	34.7	33.2
+4.0%	(76.7)	(82.0)	(82.8)	(21.9)	(29.3)	(30.2)	46.0	35.9	34.9
+2.0%	(78.2)	(80.8)	(81.2)	(24.4)	(28.1)	(28.6)	42.2	37.1	36.6
0%	(79.6)	(79.6)	(79.6)	(27.0)	(27.0)	(27.0)	38.2	38.2	38.2
-2.0%	(81.1)	(78.5)	(78.1)	(29.5)	(25.8)	(25.4)	34.3	39.4	39.9
-4.0%	(82.6)	(77.3)	(76.5)	(32.1)	(24.7)	(23.8)	30.4	40.6	41.6
-6.0%	(84.1)	(76.2)	(75.0)	(34.6)	(23.5)	(22.1)	26.5	41.7	43.3
-8.0%	(85.5)	(75.0)	(73.4)	(37.2)	(22.4)	(20.5)	22.6	42.9	45.0
-10.0%	(87.0)	(73.8)	(71.8)	(39.8)	(21.2)	(18.9)	18.7	44.1	46.6

Source: Adjusted Model and BDO analysis

Sensitivity Analysis of Block 31's DCF Valuation to the discount rate					
Discount rate	12.4%	12.9%	13.4%	13.9%	14.4%
Value (US\$ million) - P90	(84.2)	(81.9)	(79.6)	(77.5)	(75.5)
Value (US\$ million) - P50	(27.8)	(27.4)	(27.0)	(26.6)	(26.3)
Value (US\$ million) - P10	41.8	40.0	38.2	36.6	35.0

Source: Adjusted Model and BDO analysis

Sensitivity Analysis of Block 31's DCF Valuation to the inflation rate					
Absolute flex to inflation	-1.0%	-0.5%	-	+0.5%	+1.0%
Value (US\$ million) - P90	(71.2)	(75.3)	(79.6)	(84.1)	(88.9)
Value (US\$ million) - P50	(19.1)	(23.0)	(27.0)	(31.2)	(35.6)
Value (US\$ million) - P10	45.6	42.0	38.2	34.3	30.1

Source: Adjusted Model and BDO analysis

As discussed previously, in considering the above sensitivities, Shareholders should note the following:

- the variables described above may have compounding or offsetting effects and are unlikely to move in isolation;
- the variables for which we have performed sensitivities are not the only variables which are subject to deviation from the forecast assumptions; and
- the sensitivities performed do not cover the full range of possible variances from the assumptions used (i.e. variances could be greater than the percentage increases or decreases set out in this analysis).

Conclusion on DCF valuation of Block 31 following the Proposed Transaction

Based on the above analysis and having consideration for the NPV across the P90 Forecast, P50 Forecast and P10 Forecast production profiles, we consider the value of Block 31 following the Proposed Transaction to be in the range of negative US\$79.6 million to US\$38.2 million. Therefore, this results in an effective valuation range of nil to US\$38.2 million.

Using an AUD:USD exchange rate of 0.6400 as at the valuation date of 30 September 2022 and rounding to the nearest hundred thousand, the above values are converted to a range between nil and A\$59.7 million. This is summarised in the table below.

DCF value of Block 31 following the Proposed Transaction	Low value	High value
DCF value of the Block 31 in US\$ following the Proposed Transaction	-	38,200,000
<i>AUD:USD Exchange Rate on 30 September 2022 per Bloomberg</i>	<i>0.6400</i>	
DCF value of the Block 31 in A\$	-	59,687,500
Adopted DCF value of Block 31 in A\$ (rounded)	-	59,700,000

Source: Adjusted Model, Bloomberg and BDO analysis

11.1.2 Net cash raised from notional equity raising

Consistent with the Sum-of-Parts valuation prior to the Proposed Transaction in Section 10.1, we have included the net cash raised from the notional equity raising to fund the shortfall forecast by the Adjusted Model. As the Proposed Transaction does not impact the operational cash flows of Block 31, the funding shortfall is the same both prior to and following the Proposed Transaction. Please refer to Section 10.1.2 for further details.

11.1.3 Value of Jupiter's other assets and liabilities following the Proposed Transaction

The other assets and liabilities of Jupiter represent the assets and liabilities that have not been specifically addressed elsewhere in our Sum-of-Parts valuation. The only difference between the value of Jupiter's other assets and liabilities following the Proposed Transaction compared to prior to the Proposed Transaction, is the reduction in the value of the Notes. The Notes, which are restructured following the Proposed Transaction, have been assessed at their fair market value below.

Therefore, with the exception of the other financial liabilities line item, the adjustments shown below are consistent with those in Section 10.1.3 as shown in the table below.

Value of Jupiter's other assets and liabilities following the Proposed Transaction	Note	Audited as at 30-Jun-22 \$	Adjusted value \$
CURRENT ASSETS			
Cash and cash equivalents		1,330,334	1,330,334
Trade and other receivables		68,501	68,501
Inventories		29,920	29,920
Other current assets		70,826	70,826
TOTAL CURRENT ASSETS		1,499,581	1,499,581
NON-CURRENT ASSETS			
Other financial assets		253,124	253,124
Property, plant & equipment	a)	337,336	-
Exploration and evaluation assets	a)	1,389,210	-
Oil and gas properties	a)	17,127,378	-
TOTAL NON-CURRENT ASSETS		19,107,048	253,124
TOTAL ASSETS		20,606,629	1,752,705
CURRENT LIABILITIES			
Trade and other payables		1,775,830	1,775,830
Contract liabilities		3,847	3,847
TOTAL CURRENT LIABILITIES		1,779,677	1,779,677
NON-CURRENT LIABILITIES			
Provisions	a)	363,663	-
Other financial liabilities	b)	100,027,287	19,658,346
TOTAL NON-CURRENT LIABILITIES		100,390,950	19,658,346
TOTAL LIABILITIES		102,170,627	21,438,023
NET LIABILITIES		(81,563,998)	(19,685,318)

Source: Jupiter's audited financial statements for the year ended 30 June 2022 and BDO analysis.

Note a) Adjustments to other assets and liabilities prior to the Proposed Transaction

As set out in Section 10.1.3, we have adjusted the property, plant and equipment, exploration and evaluation assets, oil and gas properties and provisions balances as at 30 June 2022 to nil as these values are reflected in the DCF value of Block 31. Management has confirmed that these balances relate entirely to Block 31.

Note b) Other financial liabilities

Consistent with the adjustment to other financial liabilities in Section 10.1.3, we have adjusted the balance to \$19.66 million following the restructure of the Notes. We have assessed the fair market value of the restructured Notes following the Proposed Transaction as at 30 September 2022, by discounting its future repayments at our assessed market rate of debt for Jupiter following the Proposed Transaction of 13% (see Appendix 3 for further details on the market rate of debt).

We have assumed that the entire restructured Notes balance will be repaid at the end of its interest-free period of 31 December 2024, and that no further drawdowns will occur. We note that subsequent to 31

December 2024, any outstanding debt balance will attract interest of 15% per annum. Our calculations of the fair value of the restructured Notes following the Proposed Transaction is summarised below.

Fair value of the restructured Notes following the Proposed Transaction		
Total debt retained on the restructured Notes following the Proposed Transaction	US\$	16,573,260
Total debt outstanding on 31 December 2024 (assuming no further drawdowns)	US\$	16,573,260
<i>Market rate of debt (following the Proposed Transaction)</i>	%	13.0%
Present value of the restructured Notes following the Proposed Transaction	US\$	12,581,342
<i>AUDUSD exchange rate at 30 September 2022 per Bloomberg</i>	rate	0.6400
Present value of the restructured Notes following the Proposed Transaction	A\$	19,658,346

11.1.4 Shares on issue following the Proposed Transaction

As detailed in Section 5 of our Report, the Company has 153,377,693 shares currently on issue. We have adjusted this number of shares to account for the shares issued pursuant to the Company's notional equity raise consistent with Section 10.1.4. In addition, following the Proposed Transaction, the number of shares on issue will be increased by the Debt Conversion Shares. Our calculation is set out below.

Jupiter shares on issue following the Proposed Transaction	Low no.	High no.
Number of Jupiter shares currently on issue	153,377,693	153,377,693
Add: Shares issued pursuant to the notional capital raising (see Section 10.1.4)	3,840,944,273	3,109,335,840
Add: Debt Conversion Shares	1,076,472,428	1,076,472,428
Jupiter shares on issue following the Proposed Transaction	5,070,794,394	4,339,185,961

Source: Jupiter management and BDO analysis

11.1.5 Minority interest discount

As outlined in Section 3.3 of our Report, in assessing fairness we have compared the value of a Jupiter share prior to the Proposed Transaction on a control basis to the value of a Jupiter share following the Proposed Transaction on a minority interest basis, as we are required by RG 111.

A minority interest discount is the inverse of a premium for control and is calculated using the formula $1 - (1 \div (1 + \text{control premium}))$. As discussed in Appendix 4, we consider an appropriate control premium for Jupiter to be in the range of 20% to 30%, giving a minority interest discount in the range of 17% to 23%.

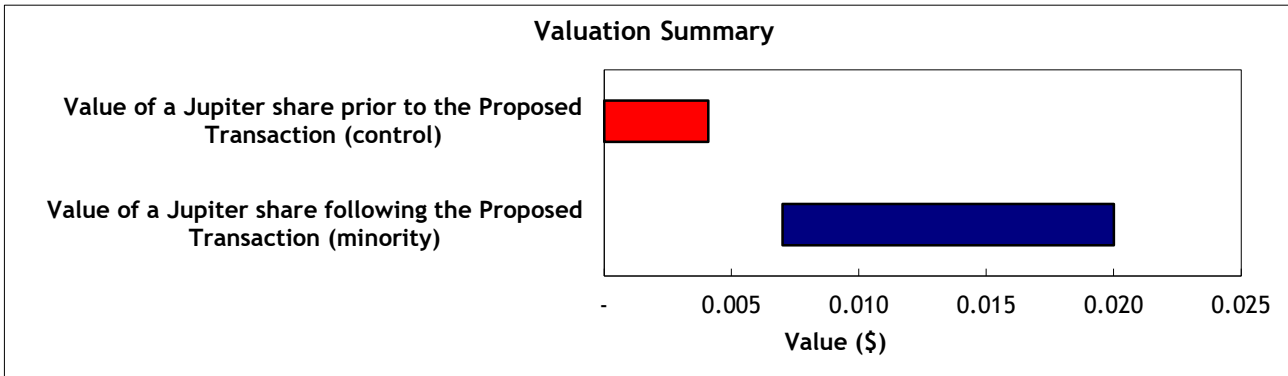
12. Is the Proposed Transaction fair?

The value of a Jupiter share prior to the Proposed Transaction and the value of a Jupiter share following the Proposed Transaction is compared below:

	Ref	Low \$	High \$
Value of a Jupiter share prior to the Proposed Transaction on a control basis	10.3	nil	0.004
Value of a Jupiter share following the Proposed Transaction on a minority basis	11.1	0.007	0.020

Source: BDO analysis

The above valuation ranges are graphically presented below:



The above pricing indicates that, in the absence of any other relevant information, the Proposed Transaction is fair for Shareholders.

RG 111 states that an offer is fair if the value of the offer price or consideration is equal to or greater than the value of the securities which are the subject of the offer. Our assessment is that the Proposed Transaction is fair as our valuation of Jupiter following the Proposed Transaction is greater than our valuation of Jupiter prior to the Proposed Transaction at each of the low and high points of our valuation ranges.

Accordingly, we consider the Proposed Transaction to be fair for Shareholders.

We have also considered the terms of the Voluntary Escrow as outlined in the body of this report and consider it to be fair as the restrictions on transferability only apply to the Debt Conversion Shares and not to the Jupiter shares held by Shareholders, and therefore it has no impact to the value of their shares.

13. Is the Proposed Transaction reasonable?

13.1 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of Jupiter a premium over the value resulting from the Jupiter.

In the past, the Company had tried to find a buyer for Block 31 but was unable to secure an offer that would provide the necessary funds to repay the outstanding debt balance at the time.

In late 2017, an offer was received which the Company believed would be sufficient to repay the outstanding debt, however when requested by the Company to place a small deposit into escrow, the potential buyer was unable to provide the funds, raising concerns that they did not have the capital required. The transaction was therefore terminated. Since that date no other reasonable offers have been received.

13.2 Practical Level of Control

If the Proposed Transaction is approved then Waterford and Blackbird will hold an interest of approximately 62.56% and 21.78% in Jupiter, respectively. We note that there are no proposed changes to the current board of the Company pursuant to the Proposed Transaction.

When shareholders are required to approve an issue that relates to a company there are two types of approval levels. These are general resolutions and special resolutions. A general resolution requires 50% of shares to be voted in favour to approve a matter and a special resolution required 75% of shares on issue to be voted in favour to approve a matter. If the Proposed Transaction is approved then Waterford will be able to block special and general resolutions and pass general resolutions. For Blackbird, if the Proposed Transaction is approved, it would neither be able to block nor pass general and special resolutions.

Waterford and Blackbird's control of Jupiter following the Proposed Transaction will be significant when compared to all other shareholders. Therefore, in our opinion, while Waterford and Blackbird will be able to significantly influence the activities of Jupiter, it will not be able to exercise a similar level of control as if it held 100% of Jupiter. As such, Waterford and Blackbird should not be expected to pay a similar premium for control as if it were acquiring 100% of Jupiter.

13.3 Consequences of not Approving the Proposed Transaction

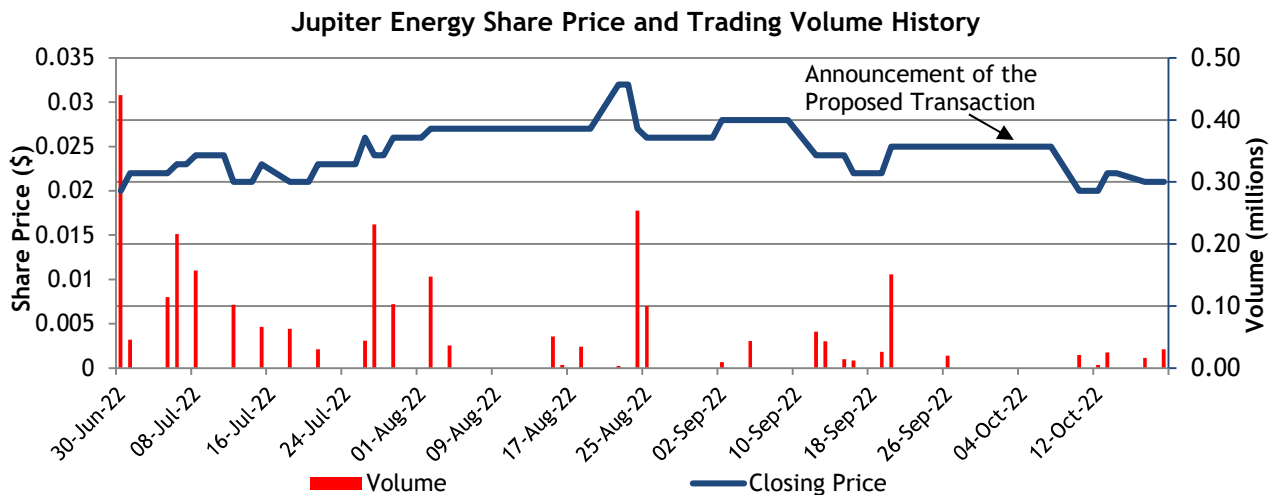
Consequences

In the event that the Proposed Transaction is not approved, the Company will continue to accrue interest on the Notes (at the existing 15% interest rate) and be reliant on its Noteholders for financing over and above the funds it can generate from current constrained production levels. The Company considers the existing debt levels to be an impediment to accessing a wider range of funding which would allow it to accelerate its plans for 100% Gas Utilisation to move towards long term commercial production and self-funding for further development.

We also note that the Company's auditors outlined in their audit report for the year ended 30 June 2022, the existence of a material uncertainty relating to the ability of the Company to continue as a going concern, noting that it was dependent on several factors including the Company's ability to secure additional funding and extend the payment terms of the Notes. The Company may be limited in its ability to secure additional funding in light of the difficulties it has face in achieving commercial production as well as the current debt levels, therefore its ability to continue as a going concern may be impacted.

Potential impact on share price

We have analysed Jupiter's share price since the Proposed Transaction was announced. A graph of Jupiter's share price and trading volume leading up to and following the announcement of the Proposed Transaction is set out below.



Source: Bloomberg

As outlined in Section 10.2, Jupiter's shares display a low level of liquidity, with 8.14% of the current issued capital being traded in a 6-month period. This is true of the period following the announcement of the Proposed Transaction as well. In the three trading days following the announcement of the Proposed Transaction, we note that no shares were traded. Since then, trading in Jupiter's shares has been irregular and low in volume. On 10 October 2022, the price of a Jupiter share fell by 20% from its last traded price of \$0.025 (on 26 September 2022) to close at \$0.020. However, only 20,759 shares were traded on the day, reinforcing the illiquid trading nature of the Company's shares. On 13 October 2022, the share price increased to close at \$0.022 before levelling out to close at \$0.021 on 17 October 2022. Although this represents a 16% decrease from the closing share price on the date of the announcement, the low volume of shares traded on both these days (16,000 and 30,000, respectively) renders it unreliable to form a conclusion on the impact of the announcement on the price of a Jupiter share.

Given the above analysis, it is not possible to conclude whether Jupiter's share price will react positively or negatively if the Proposed Transaction is not approved.

13.4 Other considerations

13.4.1 Impact of Voluntary Escrow

The Voluntary Escrow will prevent the Noteholders from selling any of the Debt Conversion Shares, until a period of between 6 and 18 months from their issue. The Voluntary Escrow shall not apply in the case of a takeover offer under Chapter 6 of the Act where holders of at least 50% of the issued capital of the Company (excluding shares under the Voluntary Escrow) have accepted, or, if the securities are subject to a scheme of arrangement under Part 5.1 of the Act. We note that the escrow restrictions are not dissimilar to the permitted terms that ASIC may consider providing relief for when considering escrow arrangements, as outlined in Regulatory Guide 5 'Relevant interests and substantial holding notices'. We

note that the escrow will reduce the free float of the Company, relative to the total number of shares on issue following the Proposed Transaction.

The Voluntary Escrow is fair to Shareholders as it does not impact the value of a Jupiter share to Shareholders, the restrictions may reduce the value of the Debt Conversion Shares to the Noteholders for the duration of the Voluntary Escrow. The restrictions also are reasonable and benefit Shareholders as it mitigates the risk of large shareholders selling shares (for the duration of the Voluntary Escrow) which may have the effect of reducing the share price of a Jupiter share following the Proposed Transaction.

13.4.2 Potential dilution to Shareholders from repayment of the restructured Notes

Following the Proposed Transaction, each Noteholder will retain approximately 20% of their total debt outstanding. The restructured Notes will continue to be a financial liability to the Company. This portion of debt will remain interest free from Settlement Date until 31 December 2024, after which any unpaid amounts will attract an interest rate equivalent to 15% per annum from 1 January 2025.

Under the P90 Forecast and P50 Forecast production scenarios, the forecast free cash flows generated by Block 31 per the Adjusted Model are insufficient to repay the restructured Notes. Only in the P10 Forecast scenario is there sufficient cash generated over the Forecast Period to repay the restructured Notes. Under this scenario, the Adjusted Model suggests the restructured Notes can be repaid by the end of 2027. As a result, the Company may need to raise equity in the future should it decide to repay debt sooner. If this were to occur, it would likely have a dilutionary impact on Shareholders.

13.5 Advantages of Approving the Proposed Transaction

We have considered the following advantages when assessing whether the Proposed Transaction is reasonable.

Advantage	Description
The Proposed Transaction is fair	As set out in Section 12 the Proposed Transaction is fair. RG 111 states that an offer is reasonable if it is fair.
The Proposed Transaction may assist the Company in accessing the capital markets for funding to progress its projects in the future	Following the Proposed Transaction, the Company will have reduced borrowings as approximately 80% of the Notes will be either written off or converted to equity. This will leave the Company in a more favourable position to obtain either debt or equity funding to develop Block 31. A lower level of gearing could make the Company more attractive for both debt and equity investors, given there is a lower chance of the permanent loss of their capital.
Significant reduction in Jupiter's debt levels and more favourable terms	<p>If approved, the Proposed Transaction will result in a substantial decrease to Jupiter's debt levels. A lower level of debt reduces the risk of default and in turn, reduces the risk to Shareholders.</p> <p>Furthermore we note that certain terms of the restructured Notes are more favourable than the current terms of the Notes. In particular, the restructure will:</p>

Advantage	Description
<p>Helps to resolve the material uncertainty surrounding the going concern issues faced by the Company</p>	<ul style="list-style-type: none"> introduce an interest-free period from between 1 December 2022 until 31 December 2024, after which interest will accrue at the same interest rate per the current Notes, being 15%; and eliminate the repayment date on the current Notes of 1 July 2024 and will not enforce a specific repayment schedule for the restructured Notes. <p>In the Company’s audited financial statements for the years ended 30 June 2020, 30 June 2021 and 30 June 2022, one of the factors contributing to the ability of Jupiter to continue as a going concern was that it was dependent on the continued deferral of loans and accrued interest. The Proposed Transaction eliminates a significant portion of these borrowings and accrued interest and may reduce this as a contributing factor.</p> <p>Furthermore, we note that in assessing the fair value of the Notes prior to the Proposed Transaction, we have assumed all of the total debt outstanding is repaid on 1 July 2024 being the maturity date of the Notes. Implicit in this assumption is also that, should the Company have insufficient cash at this date, the Noteholders will continue to extend the repayment date as it has done in the past and/or restructure the terms of the Notes, to allow Jupiter to continue operating as a going concern.</p>
<p>Settlement of a portion of the Notes is in the form of shares as opposed to cash</p>	<p>Since the settlement of a portion of the Notes is via the issuance of Debt Conversion Shares as opposed to a cash repayment to the Noteholders, Jupiter would not be required to raise cash from its shareholders to reduce its debt levels. The Company’s existing cash reserves can then be conserved for developing Block 31 and for other working capital purposes.</p>
<p>The Proposed Transaction further aligns the interests of the Noteholders and Jupiter Shareholders</p>	<p>Approval of the Proposed Transaction will bring increase the combined Noteholders interest in the Company to approximately 91.04%. As such, it may further align the interests of the Noteholders and Shareholders.</p>

13.6 Disadvantages of Approving the Proposed Transaction

If the Proposed Transaction is approved, in our opinion, the potential disadvantages to Shareholders include those listed in the table below:

Disadvantage	Description
Dilution of Shareholders' interests	If the Proposed Transaction is approved, existing non-associated Shareholders will be diluted from holding 71.86% of the issued capital of Jupiter to holding approximately 8.96%. Therefore, Shareholders' ability to participate in the potential upside of Jupiter's Projects, should they materialise, will be reduced as a result of the Proposed Transaction.
Presence of large shareholders may reduce the possibility of a takeover offer being received in the future	Following the Proposed Transaction, the Noteholders will hold 91.04% of the issued capital of Jupiter, which could deter potential acquirers from making a takeover offer for Jupiter in the future, thereby reducing the opportunity for Shareholders to receive a future premium for control.

14. Conclusion

We have considered the terms of the Proposed Transaction as outlined in the body of this report and have concluded that, in the absence of an alternative offer, the Proposed Transaction is fair and reasonable to the Shareholders.

We have also considered the terms of the Voluntary Escrow as outlined in the body of this report and consider it to be fair as the restrictions on transferability only apply to the Debt Conversion Shares and not to the Jupiter shares held by Shareholders, and therefore it has no impact to the value of their shares. Further, the Voluntary Escrow is considered reasonable as it has been assessed as fair and a benefit to Shareholders as it mitigates the risk of large shareholders selling shares (for the duration of the escrow), which may have a negative impact on the share price of Jupiter following the Proposed Transaction.

15. Sources of information

This report has been based on the following information:

- Draft Notice of Meeting on or about the date of this report;
- Audited financial statements of Jupiter for the years ended 30 June 2022, 30 June 2021 and 30 June 2020;
- Independent Technical Specialist Report of Jupiter's oil and gas assets dated 24 October 2022 performed by RISC;
- Legal opinion report on the tenure of Jupiter's oil fields by Signum (Jupiter's legal advisor in Kazakhstan);
- Financial model of the Company's oil and gas assets provided by Jupiter;
- Letter of Variation of the Notes dated 4 March 2022;
- Deeds of Settlement and Release for the Noteholders dated 3 October 2022;
- Jupiter's annual financial cash flow model for Block 31 to 2044 and the Company's monthly budget prepared for the 2022 and 2023 calendar years;
- Share registry information;

- Jupiter's historical oil sales data from March 2020 to August 2022 provided by the Company;
- Energy and Metals Consensus Forecasts;
- Bloomberg;
- S&P Capital IQ;
- Information in the public domain; and
- Discussions with Directors and Management of Jupiter.

16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$60,000 (excluding GST and reimbursement of out-of-pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Jupiter Energy Limited in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the Jupiter, including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Jupiter and the Noteholders and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Jupiter and the Noteholders and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd, have had within the past two years any professional relationship with Jupiter, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to Jupiter and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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17. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of

independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 35 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 500 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

Adam Myers is a member of Chartered Accountants Australia & New Zealand and the Joint Ore Reserves Committee. Adam's career spans over 25 years in the Audit and Assurance and Corporate Finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

18. Disclaimers and consents

This report has been prepared at the request of Jupiter Energy Limited for inclusion in the Notice of Meeting which will be sent to all Jupiter Shareholders. Jupiter engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the proposal to restructure the Notes, resulting in one of the Noteholder increasing its interest in Jupiter from more than 20% to greater than 60%, and another Noteholder increasing its interest in Jupiter from below 20% to greater than 20%. Our report also provides an opinion on the fairness and reasonableness of the Voluntary Escrow arrangements arising from the Proposed Transaction, which result in Jupiter increasing its interest in itself to above 20%.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Notice of Meeting. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Notice of Meeting other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Jupiter. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

The forecasts provided to BDO Corporate Finance (WA) Pty Ltd by Jupiter and its advisers are based upon assumptions about events and circumstances that have not yet occurred. Accordingly, BDO Corporate Finance (WA) Pty Ltd cannot provide any assurance that the forecasts will be representative of results that will actually be achieved. We note that the forecasts provided do not include estimates as to the effect of

any future emissions trading scheme should it be introduced as it is unable to estimate the effects of such a scheme at this time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Proposed Transaction, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Jupiter, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for oil and gas assets held by Jupiter.

The independent technical specialist engaged to assess technical assumptions for the cash flow model of Block 31, RISC Advisory Pty Ltd, possess the appropriate qualifications and experience in the industry to make such assessments. We have received consent from RISC for the use of their independent technical specialist report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD



Sherif Andrawes
Director



Adam Myers
Director

Appendix 1 - Glossary of Terms

Reference	Definition
\$, A\$ or AUD	Australian dollar
100% Gas Utilisation	100% utilisation of gas produced
AFCA	Australian Financial Complaints Authority
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
BDO	BDO Corporate Finance (WA) Pty Ltd
Blackbird	The Blackbird Trust
CAPM	Capital asset pricing model
Corporations Act	The Corporations Act 2001 Cth
CPL	Commercial Production License
DCF	Discounted Future Cash Flows
Debt Conversion Shares	Conversion of a portion (approximately 30%) of the total debt outstanding to new shares in the Company
DISR	The Australian Government's Department of Industry, Science and Resources
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Final Reserve Report	Report defining the reserves approved for commercial production
FME	Future Maintainable Earnings
Forecast Period	1 October 2022 to 31 December 2024
FSG	Financial Services Guide
G&A - Aktau Cost	General and administrative costs in Aktau
GDP	Gross Domestic Product
GFC	The 2007-08 Global Financial Crisis
HSE	Health, safety and environment
Item 7 s611	Item 7 Section 611 of the Corporations Act
ITSR	The Independent Technical Specialist Report prepared by RISC dated 24 October 2022
Jupiter	Jupiter Energy Limited
LNG	Liquefied Natural Gas
Midocean	Midocean Holdings Limited
MMG	MangistauMunaiGas
NAV	Net Asset Value
NBK	The National Bank of Kazakhstan

Reference	Definition
NPV	Net Present Value
OPEC	The Organisation of the Petroleum Exporting Countries
Our Report	This Independent Expert's Report prepared by BDO
Preparatory Period	Transitory period between TPL and CPL
PRMS	Petroleum Resources Management System
QMP	Quoted market price
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
RG 74	Acquisitions Approved by Members
RISC	RISC Advisory Pty Ltd
Section 606	Section 606 of the Corporations Act
Section 611	Section 611 of the Corporations Act
Settlement Date	30 November 2022
Shareholders	Shareholders of Jupiter not associated with the Lenders
Sum-of-Parts	A combination of different methodologies used together to determine an overall value where separate assets and liabilities are valued using different methodologies
Tengizchevroil	Tengizchevroil Finance Co International
The Act	The Corporations Act 2001 Cth
The Adjusted Model	BDO adjusted cash flow model of Block 31
The Company	Jupiter Energy Limited
The Ministry	The Kazakh Ministry of Energy
The Model	The cash flow model of Block 31 prepared by Jupiter management
The Noteholders	Waterford Finance and Investment Limited, Midocean Holdings Limited, The Blackbird Trust and Ayman Asfari
The Notes	Jupiter's outstanding promissory notes
the Proposed Transaction	The debt restructure transaction proposed by Jupiter to restructure its outstanding promissory notes
The Subsurface Code	The Kazakhstan code on subsoil and subsoil use published in December 2017 and made effective from 29 June 2018 which governs the extraction of oil and gas in Kazakhstan.
Tpd	Tonnes per day
TPL	Trial Production License
US	United States
US\$ or USD	United States dollar
VALMIN Code	Australasian Code for Public Reporting of Technical Assessments and Valuation of Mineral Assets (2015 Edition)
VAT	Value-added tax

Reference	Definition
Voluntary Escrow	Restrictions on the disposal of Debt Conversion Shares
WACC	Weighted Average Cost of Capital
Waterford	Waterford Finance and Investment Limited
Weighbridge	Weighbridge Trust Limited

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Appendix 2 - Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 *Capitalisation of future maintainable earnings ('FME')*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 Discounted future cash flows ('DCF')

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

5 Market Based Assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

Appendix 3 - Discount Rate

Determining the correct discount rate, or cost of capital, for a business requires the identification and consideration of a number of factors that affect the returns and risks of a business, as well as the application of widely accepted methodologies for determining the returns of a business.

The discount rate applied to the forecast cash flows from a business represents the financial return that will be required before an investor would be prepared to acquire (or invest in) the business.

The capital asset pricing model ('CAPM') is commonly used in determining the market rates of return for equity type investments and project evaluations. In determining a business' WACC, the CAPM results are combined with the cost of debt funding. WACC represents the return required on the business, whilst CAPM provides the required return on an equity investment.

Pre-Transaction Discount Rate

In our DCF valuation of Block 31 prior to the Proposed Transaction, we have not considered the repayment of the Notes as this is considered separately in our sum-of-parts (see Section 10.1.3). Therefore the cash flows which are discounted in the Adjusted Model exclude any repayment of the Notes and accordingly, represent free cash flows to the firm available to both debt and equity capital providers. Hence an appropriate discount rate to apply in the DCF valuation of Block 31 prior to the Proposed Transaction would be the WACC.

However, we consider Jupiter's WACC prior to the Proposed Transaction to effectively be equal to its cost of debt. This is because, prior to the Proposed Transaction, the Company is effectively funded through debt financing (specifically, the Notes). Based on Jupiter's audited 30 June 2022 financials, the value of the Notes was recorded at A\$100,027,287 while the Company's equity was in a deficiency of A\$81,563,998. Notwithstanding the low levels of liquidity in the trading of Jupiter's shares as discussed in Section 10.2, even if we were to use the Company's market capitalisation on 30 June 2022 as a proxy for the equity value (A\$3,067,554 per S&P Capital IQ), this would imply a debt-to-total capital ratio of 97% and a equity-to-total capital ratio of 3%. We note that since 30 June 2022, the amount of interest accrued on the Notes would have only increased further. Based on the above analysis, we consider Jupiter's WACC prior to the Proposed Transaction to be most appropriately reflected by its cost of debt.

Cost of debt

In determining an appropriate cost of debt for Jupiter, we have considered comparable oil and gas companies facing similar risks, both geopolitical and operational. Our initial analysis was based on the yield-to-maturities of debt issued by other oil and gas companies operating in Kazakhstan and Central Asia as summarised in the table below.

Issuer Name	Yield-to-Maturity %	Country of risk	Issue Amount US\$m	Years to maturity	Seniority	Moody's rating	S&P's rating
Uzbekneftegaz JSC	10.11	Uzbekistan	700	6.13	Senior Unsecured	N.A.	BB-
KazMunayGas National Co JSC	9.26	Kazakhstan	1,000	4.55	Senior Unsecured	Baa2	BB+
Tengizchevroil Finance Co International Ltd	9.24	Kazakhstan	1,000	3.88	Secured	Baa2	BBB- *-
Tengizchevroil Finance Co International Ltd	9.23	Kazakhstan	500	2.88	Secured	Baa2	BBB- *-
KazMunayGas National Co JSC	9.21	Kazakhstan	1,000	4.55	Senior Unsecured	Baa2	BB+
Tengizchevroil Finance Co International Ltd	9.19	Kazakhstan	1,000	3.88	Secured	Baa2	BBB- *-
KazMunayGas National Co JSC	9.18	Kazakhstan	1,250	7.57	Senior Unsecured	Baa2	N.A.
KazMunayGas National Co JSC	9.10	Kazakhstan	1,250	7.57	Senior Unsecured	Baa2	N.A.
Tengizchevroil Finance Co International Ltd	9.05	Kazakhstan	500	2.88	Secured	Baa2	BBB- *-
Tengizchevroil Finance Co International Ltd	8.33	Kazakhstan	750	7.88	Secured	Baa2	BBB- *-
Tengizchevroil Finance Co International Ltd	8.26	Kazakhstan	750	7.88	Secured	Baa2	BBB- *-
KazMunayGas National Co JSC	8.02	Kazakhstan	500	2.57	Senior Unsecured	Baa2	N.A.
KazMunayGas National Co JSC	8.01	Kazakhstan	500	2.57	Senior Unsecured	Baa2	N.A.
Mean	8.94						
Median	9.18						

Note: The ‘ *- ’ in the S&P’s rating column denotes an issue has been placed on surveillance by S&P with a potential lowering in its rating possible.

Source: Bloomberg, data as at 30 September 2022

As the table above shows, the mean and median cost of debt for the above issuers ranged from approximately 8% to 10% with a mean and median of 8.94% and 9.18%, respectively. However, with the exception of Tengizchevroil Finance Co International (‘**Tengizchevroil**’), we note that all the oil and gas issuers were state-owned entities and therefore would be considered of lower risk compared to Jupiter. Tengizchevroil itself is partially state-owned and partially owned by the oil majors like Chevron Corporation, ExxonMobil Corporation and The PJSC Lukoil Oil Company. Therefore the cost of debt observed above suggests that a market rate of debt for Jupiter would be at least 9%, and likely substantially higher than this value given its current financial position, size and scale of operations compared to the debt issuers in the table above.

We then broadened our search to debt issued by oil and gas companies operating across Africa on the basis that these companies would face similar geopolitical risks. The table below summarises the available bonds on issue at our valuation date of 30 September 2022.

Issuer Name	Yield-to-Maturity %	Country of risk	Issue Amount US\$m	Years to maturity	Seniority	Moody's rating	S&P's rating
Tullow Oil PLC*	27.41	Ghana	800	2.42	Senior Unsecured	Caa2	CCC+
Tullow Oil PLC*	27.41	Ghana	800	2.42	Senior Unsecured	Caa2	CCC+
Tullow Oil PLC	16.11	Ghana	1,800	3.62	1st lien	B2	B-
Tullow Oil PLC	16.10	Ghana	1,800	3.62	1st lien	B2	B-
SEPLAT Energy PLC	14.45	Nigeria	650	3.50	Senior Unsecured	B2	B
SEPLAT Energy PLC	14.42	Nigeria	650	3.50	Senior Unsecured	B2	B
Kosmos Energy Ltd	13.77	Ghana	400	4.59	Senior Unsecured	B3u	B
Kosmos Energy Ltd	13.72	Ghana	400	4.59	Senior Unsecured	B3u	B
Kosmos Energy Ltd	13.40	Ghana	650	3.51	Senior Unsecured	B3u	B
Kosmos Energy Ltd	13.29	Ghana	650	3.51	Senior Unsecured	B3u	B
Kosmos Energy Ltd	13.08	Ghana	450	5.42	Senior Unsecured	B3u	B
Kosmos Energy Ltd	13.02	Ghana	450	5.42	Senior Unsecured	B3u	B
Energiean PLC*	9.49	Egypt	450	4.58	Secured	N.A.	B
Energiean PLC*	9.46	Egypt	450	4.58	Secured	N.A.	B
Mean	15.37						
Median	13.75						
Mean (excl. *)	14.14						
Median (excl. *)	13.75						

Note: The 'u' in the Moody's rating column denotes an unsolicited rating (i.e. credit rating was initiated without the request of the issuer).

Source: Bloomberg, data as at 30 September 2022

For this group, the cost of debt ranged from approximately 9% to 27%, with a mean and median of 15.37% and 13.75%, respectively. However from the data we note two CCC+ rated bonds issued by Tullow Oil PLC which skew the yield-to-maturities upwards, and two Energiean PLC bonds with yield-to-maturities of 9.5% which would be considered too low for Jupiter based on the previous analysis of state-owned issuers operating in Central Asia. Excluding these, the cost of debt ranged from approximately 13% to 16%, with a mean and median of 14.14% and 13.75%, respectively.

Based on our analysis, we consider a reasonable market rate of debt for Jupiter to fall within the range of 13% to 15%. As a cross-check, we have also considered 2-year USD corporate yield curve data from S&P Capital IQ for the energy sector and note that our assessed range of 13% to 15% implies a credit rating which is lower than B but higher than CCC.

Having regard to Jupiter's financial position prior to the Proposed Transaction, we have adopted the higher end of this range as its cost of debt prior to the Proposed Transaction. Therefore, we have selected a Pre-Transaction Discount Rate for Jupiter of 15%, as it represents a market rate of debt for the Company. We also note that 15% is the current interest rate applicable on the Notes.

Post-Transaction Discount Rate

Similar to our DCF valuation of Block 31 prior to the Proposed Transaction, we have not considered the repayment of the restructured Notes in our DCF valuation of Block 31 following the Proposed Transaction as this is considered separately in our sum-of-parts (see Section 11.1.3). As such, the cash flows which are discounted in the Adjusted Model exclude any repayment of the restructured Notes and accordingly, represent free cash flows to the firm available to both debt and equity capital providers. Hence an appropriate discount rate to apply in the DCF valuation of Block 31 following the Proposed Transaction would also be the WACC.

Cost of Equity and Capital Asset Pricing Model

CAPM is based on the theory that a rational investor would price an investment so that the expected return is equal to the risk-free rate of return plus an appropriate premium for risk. CAPM assumes that there is a positive relationship between risk and return, that is, investors are risk averse and demand a higher return for accepting a higher level of risk.

CAPM calculates the cost of equity and is calculated as follows:

CAPM	
K_e	$= R_f + \beta \times (R_m - R_f) + R_a$
Where:	
K_e	= expected equity investment return or cost of equity in nominal terms
R_f	= risk free rate of return
R_m	= expected market return
$R_m - R_f$	= market risk premium
β	= equity beta
R_a	= inherent risk adjustment

The individual components of CAPM are discussed below.

Risk Free Rate (R_f)

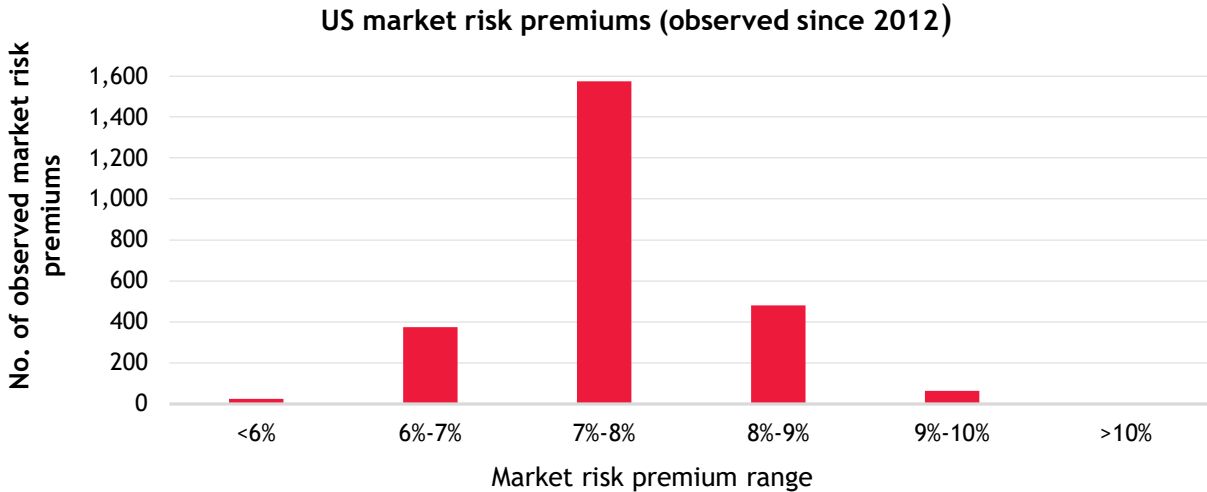
The risk-free rate is typically approximated by reference to a forecast long term government bond rate with a maturity approximately equivalent to the timeframe over which the returns from the assets are expected to be received. Jupiter's Block 31 is forecast to generate cash flows over a period of approximately 23 years.

In determining an appropriate risk-free rate we have given consideration to the ten-year US Government Bond rate as at the assumed valuation date of 30 September 2022 of 3.83%, as well as the long-term historical ten-year US Government bond rate. Subsequently, we have adopted a risk free rate between 3.0% and 4.0% for our purposes.

Market Risk Premium ($R_m - R_f$)

The market risk premium represents the additional return that investors expect from an investment in a well-diversified portfolio of assets. It is common to use a historical risk premium, as expectations are not observable in practice. In order to determine an appropriate market risk premium in the US, we have analysed historical data. Our sample of data included the daily historical market risk premiums in the US over the last ten years to 30 September 2022.

The market risk premium is derived on the basis of capital weighted average return of all members of the S&P 500 Index minus the risk-free rate, which is dependent on the 10-year US Government Bond rate.



Source: Bloomberg and BDO analysis

The graph above illustrates the frequency of observations of the US market risk premium over the past ten years. The graph indicates that a high proportion of the sample data for US market risk premiums lie in the range of 7% to 8%. For the calendar year to 30 September 2022, the average US market risk premium as calculated by Bloomberg was 7%. For the purpose of our Report, we have adopted a market risk premium of 7%.

Equity Beta

Beta is a measure of the expected correlation of an investment's return over and above the risk-free rate, relative to the return over and above the risk-free rate of the market; a beta greater than one implies that an investment's return will outperform the market's average return in a bullish market and underperform the market's average return in a bearish market. On the other hand, a beta less than one implies that the business will underperform the market's average return in a bullish market and outperform the market's average return in a bearish market.

Equity betas are normally estimated using either an historical beta or an adjusted beta. The historical beta is obtained from the linear regression of a stock's historical data and is based on the observed relationship between the security's return and the returns on an index. An adjusted beta is calculated based on the assumption that the relative risk of the past will continue into the future and is hence derived from historical data. It is then modified by the assumption that a stock will move towards the market over time, taking into consideration the industry risk factors, which make the operating risk of the company greater or less risky than comparable listed companies.

It is important to note that it is not possible to compare the equity betas of different companies without having regard to their gearing levels. It is generally accepted that a more valid analysis of betas can be achieved by 'ungearing' the equity beta to derive an asset beta (B_a) by applying the following formula:

Asset beta (B_a)

$$B_a = B / (1 + (D/E \times (1-t)))$$

Where:

B_a = ungeared or asset beta

B = equity beta

D = value of debt

E = value of equity

t = corporate tax rate

Selected Beta (B)

In order to assess the appropriate equity beta for Jupiter, we have had regard to the equity betas of various publicly listed oil and gas producers. The companies identified have similar projects to Jupiter, primarily regarding project size and location. We note that whilst not all comparable companies operate in Kazakhstan, we have selected companies that operate in areas that represent the economic and geopolitical risks faced by Jupiter.

The betas below have been assessed over a three-year period, against the MSCI World Index.

The list of comparable companies we selected are set out below.

Company	Market Capitalisation 30-Sep-22 (US\$m)	Gearred Beta (B)	Gross Debt/Equity (%)	Ungeared Beta (B_a)
Savannah Energy Plc (AIM:SAVE)	397	1.10	175%	0.46
Alvopetro Energy Ltd (TSXV:ALV)	184	0.71	12%	0.65
Touchstone Exploration Inc (TSX:TXP)	176	1.30	47%	0.95
New Stratus Energy Inc (TSXV:NSE)	76	1.93	0%	1.93
Tethys Petroleum Ltd (TSXV:TPL)	67	1.40	20%	1.20
Caspian Sunrise Plc (AIM:CASP)	65	1.51	2%	1.48
Wentworth Resources Plc (AIM:WEN)	46	0.77	0%	0.77
SDX Energy Plc (AIM:SDX)	21	1.00	0%	1.00
Mean	129	1.21	32%	1.05
Median	72	1.20	7%	0.97

Source: Bloomberg and BDO analysis

Descriptions of each of the comparable companies are provided at the end of this appendix.

In selecting an appropriate beta for Jupiter, we have considered the similarities and differences between Jupiter and the set of comparable companies as set out above. The comparable similarities and differences noted are:

- the comparable companies are producers in the oil and gas sector, with New Stratus Energy Inc having entered production in 2022;
- two of the eight comparable companies (Caspian Sunrise Plc and Tethys Petroleum Limited) have oil and gas operations located in Kazakhstan or the broader Central Asian region. As Kazakhstan has experienced high levels of civil unrests, inflation and changes in government, we consider its country risk premium to be an important factor in identifying a comparable company;

- apart from Caspian Sunrise Plc and Tethys Petroleum Limited, the other companies operate primarily across Africa or South America, regions which we consider to have similar geopolitical and economic risks to Kazakhstan; and
- although not all companies in the list have similar metrics across each of the assessed factors, we still consider them to be comparable companies as they have sufficient similarities on an overall basis.

In selecting an appropriate ungeared beta for Jupiter, we have considered the ungeared betas of the companies listed above along with the aforementioned factors. As set out in the table above, the ungeared beta for the group of comparable companies, based on the returns over three-year periods, ranged from 0.46 to 1.93 with a mean and median of 1.05 and 0.97, respectively. Based on our analysis, we consider an appropriate ungeared beta to be in the range of 1.00 to 1.10 for Jupiter.

Gearing

In our assessment of a suitable gearing level to apply to the ungeared beta range identified above, we have considered the gearing of Jupiter following the Proposed Transaction.

We have assessed Jupiter's debt to equity ratio following the Proposed Transaction by considering:

- its debt position following the Proposed Transaction based on the fair value of the Notes as detailed in Section 11.1.3; and
- its equity position prior to the Proposed Transaction (using it's the midpoint of our QMP as a basis for the market capitalisation, which we have assumed is a proxy for its equity value prior to the Proposed Transaction), and accounting for the impact from the debt conversion and write-off of a portion of the Notes as part of the Proposed Transaction.

Our calculations, which are set out below, suggest a debt-to-equity ratio of approximately 20% which we have adopted. We note that this level of gearing is not unreasonable when compared to the debt-to-equity ratios of comparable companies as set out in the previous table of company betas.

Debt-to-equity ratio following the Proposed Transaction	Ref	Preferred value
Debt		
Fair value of the restructured Notes following the Proposed Transaction (A\$)	a)	19,658,346
Equity		
QMP value of a Jupiter share prior to the Proposed Transaction (A\$/share)	10.2	0.024
Multiplied by: number of Jupiter shares on issue	5.4	153,377,693
Equity value based on QMP prior to the Proposed Transaction (A\$)		3,681,065
Add: Net impact of the Proposed Transaction on the Notes (A\$)	b)	83,966,783
		87,647,847
Debt-to-equity ratio (%)		22.4%

Source: BDO analysis, Bloomberg

Note a) Fair value of the restructure Notes following the Proposed Transaction

As outlined in Section 11.1.3, our assessed fair value of the restructured Notes following the Proposed Transaction is A\$19,658,346. We have assumed that the entire amount outstanding will be repaid at the

end of its interest-free period of 31 December 2024, and that no further drawdowns will occur. We have discounted the forecast repayment to our 30 September 2022 valuation date, based on a market rate of debt of Jupiter following the Proposed Transaction, to arrive at a fair value of the restructured Notes in USD terms. We then converted it to an AUD amount using the AUD:USD exchange rate of 0.6400 as at 30 September 2022 per Bloomberg.

Having regard to our assessed cost of debt range in the Pre-Transaction Discount Rate section above and taking into account the improved financial position of the Company following the Proposed Transaction, we consider a reasonable market rate of debt for Jupiter following the Proposed Transaction would lie towards the lower end of the range previously identified. Hence, we have used a discount rate of 13% to discount the forecast repayment which is then translated into AUD terms.

Note b) Net impact of the Proposed Transaction on the Notes

As outlined in Section 10.1.3, our assessed fair value of the Notes prior to the Proposed Transaction is A\$103,625,129. This compares to the fair value of the restructured Notes of A\$19,658,346 per note a) above. This is a difference of A\$83,966,783 and as this is a reduction in a liability, it has a positive net impact on the equity of Jupiter.

Regeared beta

Applying the above 20% debt-to-equity ratio to the ungeared beta range calculated previously results in a regeared beta range of between 1.16 and 1.28.

Inherent risk adjustment (R_a)

Our selected ungeared beta range is based on the comparable group of companies as a whole. However we note that within the group, the comparable companies with exposure to Kazakhstan (Caspian Sunrise plc and Tethys Petroleum Limited), along with New Stratus Energy Inc (a company that has only recently entered into commercial production), have higher ungeared betas than the peer group average, suggesting higher risks associated with these types of companies in particular.

Accordingly, we consider it appropriate to include an inherent risk adjustment of 2% to reflect the additional risks faced by Jupiter which operates in Kazakhstan and has not yet fully entered commercial production.

Cost of Equity

We have assessed the cost of equity of Jupiter following the Proposed Transaction to be in the range of 13.12% to 14.93% as summarised below:

Input	Value adopted	
	Low	High
Risk free rate of return	3.00%	4.00%
Equity market risk premium	7.00%	7.00%
Beta (regeared)	1.16	1.28
Inherent risk adjustment	2.00%	2.00%
Cost of Equity	13.12%	14.93%

Source: Bloomberg and BDO analysis

Tax rate

We have adopted a tax rate of 20% based on Kazakhstan's corporate tax rate.

WACC (Post-Tax)

The WACC represents the market return required on the total assets of the undertaking by debt and equity providers. WACC is used to assess the appropriate commercial rate of return on the capital invested in the business, acknowledging that normally funds invested consist of a mixture of debt and equity funds. Accordingly, the discount rate should reflect the proportionate levels of debt and equity relative to the level of security and risk attributable to the investment.

In calculating WACC there are a number of different formulae which are based on the definition of cash flows (i.e. pre-tax or post-tax), the treatment of the tax benefit arising through the deductibility of interest expenses (included in either the cash flow or discount rate), and the manner and extent to which they adjust for the effects of dividend imputation. The commonly used WACC formula is the post-tax WACC, without adjustment for dividend imputation, which is detailed in the below table:

WACC	
WACC	$= \frac{E}{E+D} K_e + \frac{D}{D+E} K_d (1-t)$
Where:	
Ke	= expected return or discount rate on equity
Kd	= interest rate on debt (pre-tax)
t	= corporate tax rate
E	= market value of equity
D	= market value of debt
(1- t)	= tax adjustment

Cost of Debt

We have assessed the relevant cost of debt for Jupiter based on our assessed cost of debt range in the Pre-Transaction Discount Rate section above. Taking into account the improved financial position of the Company following the Proposed Transaction, we consider a reasonable market rate of debt for Jupiter following the Proposed Transaction to lie towards the lower end of the range previously identified. Based on our analysis, we consider an appropriate cost of debt to be 13%.

WACC

Using the inputs discussed above, we have calculated the WACC for Jupiter as set out in the table below.

WACC	Value Adopted	
	Low	High
Cost of Equity (Ke)	13.12%	14.93%
After-tax cost of debt (Kd) (1-t)	10.40%	10.40%
Proportion of Equity (E/(E+D))	83.33%	83.33%
Proportion of Debt (D/(E+D))	16.67%	16.67%
WACC	12.67%	14.18%

Source: Bloomberg, BDO analysis

We have assessed the WACC of Jupiter following the Proposed Transaction to be in the range of 12.67% to 14.18%, with a rounded midpoint of 13.4%.

Comparable company descriptions

Set out below are the company descriptions of the companies we considered in our comparable company analysis (for the discount rate and corporate costs).

Company Name	Business Description
Caspian Sunrise plc (AIM:CASP)	Caspian Sunrise plc engages in the exploration and production of crude oil in Central Asia. The company has a 99% interest in its principal asset, the BNG Contract Area, which covers an area of 1,561 square kilometers located in the Mangistau Oblast in the west of Kazakhstan. The company was formerly known as Roxi Petroleum Plc and changed its name to Caspian Sunrise plc in March 2017. Caspian Sunrise plc was incorporated in 2006 and is based in London, the United Kingdom.
Tethys Petroleum Limited (TSXV:TPL)	Tethys Petroleum Limited acquires, explores for, and develops crude oil and natural gas fields in Kazakhstan. It holds 100% working interest in the Kyzylai production contract covering 449 square kilometers; Akkulka exploration licence and contract covering 827 square kilometers; Akkulka production contract covering 396 square kilometers; and Kul-Bas exploration and production contract covering 7,632 square kilometers located in Kazakhstan. The company was formerly known as Tethys Petroleum Investments Limited and changed its name to Tethys Petroleum Limited in September 2006. Tethys Petroleum Limited was incorporated in 2003 and is based in Grand Cayman, the Cayman Islands.
Savannah Energy PLC (AIM:SAVE)	Savannah Energy PLC engages in the exploration, development, and production of natural gas and crude oil. It holds license interest in Agadem Rift Basin prospective located in the south east Niger covering an area of approximately 13,655 square kilometres. The company also has an 80% interest in the Uquo field asset; 51% interest in the Stubb Creek oil and gas field; and 80% interest in the Accugas midstream assets located in south east Nigeria. In addition, it is involved in the development of other energy related projects in Africa. The company was formerly known as Savannah Petroleum Plc and changed its name to Savannah Energy PLC in April 2020. Savannah Energy PLC was incorporated in 2014 and is headquartered in London, the United Kingdom.
SDX Energy plc (AIM:SDX)	SDX Energy plc engages in the exploration, development, and production of oil and gas in the Arab Republic of Egypt and the Kingdom of Morocco. The company has 50% working interest in Meseda and Rabul fields in the West Gharib, Egypt; 55% interest in the South Disouq concession located in the Nile Delta region, Egypt; and 75% working interest in four exploration permits consisting of Sebou Central, Gharb Occidental, Lalla Mimouna Nord, and Moulay Bouchta

Company Name	Business Description
	<p>Quest concessions situated in the Gharb Basin, Morocco. The company was incorporated in 2019 and is headquartered in London, the United Kingdom.</p>
<p>New Stratus Energy Inc. (TSXV:NSE)</p>	<p>New Stratus Energy Inc. engages in the acquisition, exploration, and development of oil and gas properties principally in South America. It has a farm-in agreement to acquire 100% interests in Block VMM-18 located in Cuenca Valle Medio del Magdalena, Colombia; and operates Blocks 16 and 67 oil consortiums located in Ecuador. The company was formerly known as Red Rock Energy Inc. and changed its name to New Stratus Energy Inc. in August 2017. New Stratus Energy Inc. was incorporated in 2005 and is headquartered in Calgary, Canada.</p>
<p>Alvopetro Energy Ltd. (TSXV:ALV)</p>	<p>Alvopetro Energy Ltd. engages in the acquisition, exploration, development, and production of hydrocarbons. As of December 31, 2021, it held interests in the Caburé and Murucututu natural gas assets; two exploration assets comprising Blocks 182 and the western portion of Block 183; and two oil fields, Bom Lugar and Mãe-da-lua, which include 22,166 acres in the Recôncavo basin onshore Brazil. The company was incorporated in 2013 and is headquartered in Calgary, Canada.</p>
<p>Wentworth Resources plc (AIM:WEN)</p>	<p>Wentworth Resources plc engages in the exploration, development, and production of natural gas and other hydrocarbons. It owns interest in the Mnazi Bay concession totaling an area of approximately 756 square kilometers located in southern Tanzania. The company was incorporated in 2000 and is based in Jersey, the United Kingdom.</p>
<p>Touchstone Exploration Inc. (TSX:TXP)</p>	<p>Touchstone Exploration Inc., an upstream oil and gas company, engages in the exploration, development, production, and sale of petroleum and natural gas properties in the Republic of Trinidad and Tobago. The company has interests in various private exploration mineral leasing properties; and two exploration blocks. Its primary exploration focus is the Ortoire exploration block. The company was formerly known as Petrobank Energy and Resources Ltd. and changed its name to Touchstone Exploration Inc. in May 2014. Touchstone Exploration Inc. was incorporated in 2012 and is headquartered in Calgary, Canada.</p>

Source: S&P Capital IQ

Appendix 4 - Control Premium

Control Premium

We have reviewed the control premiums on completed transactions, paid by acquirers of ASX-listed oil and gas companies, ASX-listed energy companies and all ASX-listed companies. In assessing the appropriate sample of transactions from which to determine an appropriate control premium, we have excluded transactions where an acquirer obtained a controlling interest (20% and above) at a discount (i.e. less than a 0% premium) and at a premium in excess of 100%. We have summarised our findings below:

ASX-listed oil and gas companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2022	2	1,875.97	8.14
2021	1	12,692.96	9.84
2020	1	4.71	0.93
2019	1	13.31	30.24
2018	3	385.81	29.79
2017	1	10.86	37.93
2016	1	339.71	21.32
2015	4	111.40	14.60
2014	4	684.22	64.78
2013	3	65.82	31.02
2012	2	222.52	49.85

Source: Bloomberg and BDO analysis

ASX-listed energy companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2022	2	1,875.97	8.14
2021	2	7,551.60	17.92
2020	5	333.86	20.31
2019	3	10.36	19.61
2018	5	286.44	33.21
2017	2	79.32	67.87
2016	2	169.96	29.33
2015	9	68.70	23.37
2014	8	371.16	63.39
2013	10	43.52	32.61
2012	7	444.70	33.98

Source: Bloomberg and BDO analysis

All ASX-listed companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2022	30	4,091.32	20.78
2021	33	1,420.58	33.59
2020	25	451.20	37.66
2019	43	3,161.24	29.90
2018	42	1,158.47	31.08
2017	29	973.72	37.91
2016	38	788.28	36.82
2015	34	828.15	34.10
2014	45	517.00	37.98
2013	36	138.78	33.37
2012	47	511.86	43.94

Source: Bloomberg and BDO analysis

The mean and median of the entire data sets comprising control transactions from 2012 onwards for ASX-listed oil and gas companies, ASX-listed energy companies and all ASX-listed companies are set out below:

Entire Data Set Metrics	ASX-listed Oil and Gas companies		ASX-listed Energy companies		All ASX-Listed Companies	
	Deal Value (\$m)	Control Premium (%)	Deal Value (\$m)	Control Premium (%)	Deal Value (\$m)	Control Premium (%)
Mean	947.65	31.14	547.75	33.71	1,243.58	34.57
Median	69.49	26.90	55.13	30.24	125.56	30.20

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction;
- Level of liquidity in the trade of the acquiree's securities.

When performing our control premium analysis, we considered completed transactions where the acquirer held a controlling interest, defined at 20% or above, pre-transaction or proceeded to hold a controlling interest post-transaction in the target company.

The table above indicates that the long-term average control premium by acquirers of ASX-listed oil and gas companies, ASX-listed energy companies and all ASX-listed companies is approximately 31.14%, 33.71% and 34.57% respectively. However, in assessing the transactions included in the table above, we noted that control premiums appeared to be positively skewed by outliers.

In a population where the data is skewed, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the assessed



period was approximately 26.90% for ASX-listed oil and gas companies, 30.24% for both ASX-listed energy companies, and 30.20% for all ASX-listed companies.

We consider an appropriate control premium to be on the lower end of historical averages to reflect Jupiter's small size, current financial position, geopolitical risk and early production phase. We believe that an acquirer would not be willing to pay a control premium in line with the higher range of historical averages. Based on the above, we consider an appropriate premium for control to be between 20% and 30%.



Appendix 5 - Independent Technical Specialist Report



decisions with confidence

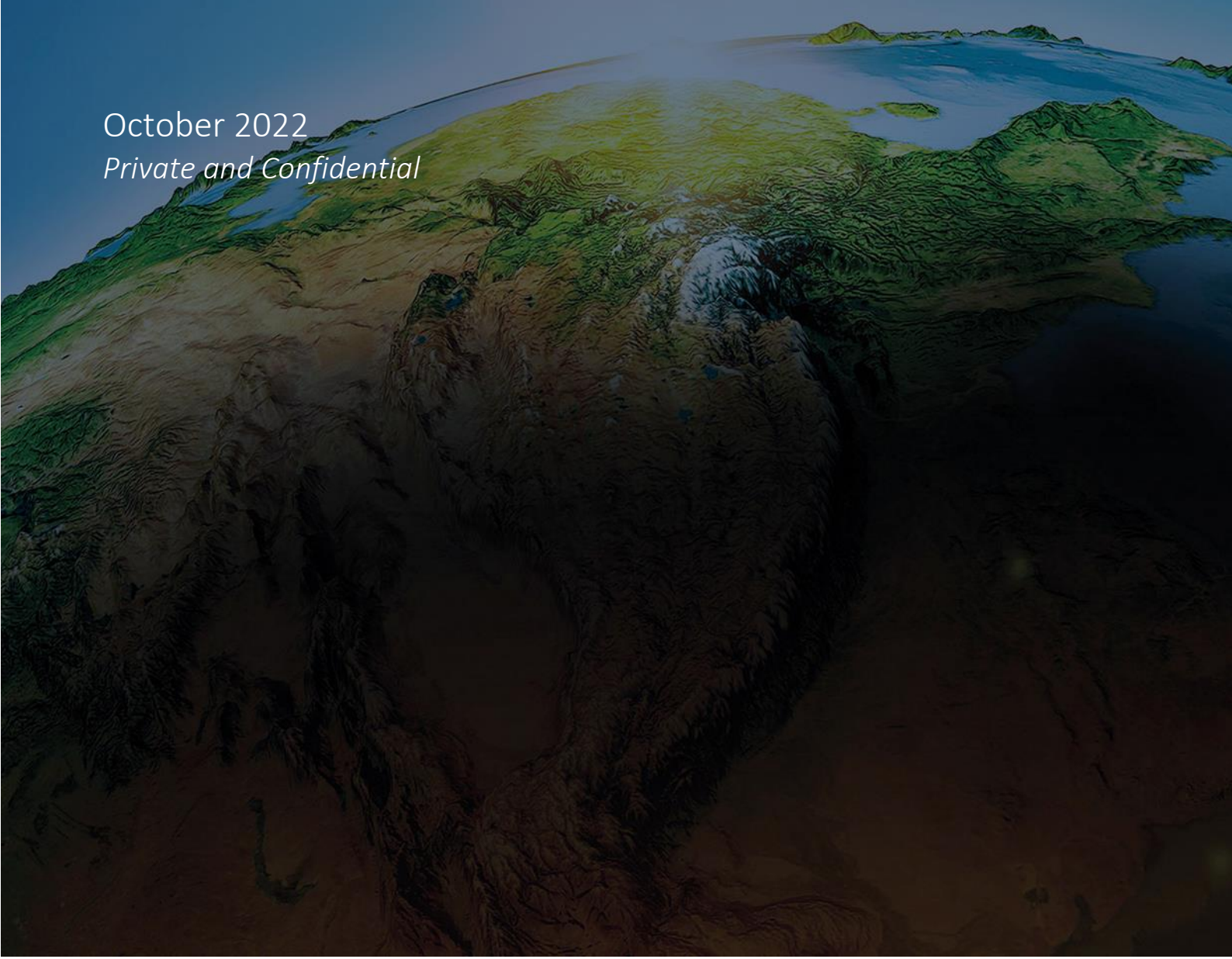
Independent Technical Specialist Report

On certain assets of Jupiter Energy Ltd

For BDO Corporate Finance (WA) Pty Ltd
on behalf of Jupiter Energy Ltd

October 2022

Private and Confidential



Mr Geoff Gander
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BDO Corporate Finance (WA) Pty Ltd
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24 October 2022

Dear Sirs,

Independent Technical Specialist Report – Jupiter Energy Ltd.

Jupiter Energy Ltd ('Jupiter') has engaged BDO Corporate Finance (WA) Pty Ltd ('BDO') to prepare an Independent Expert Report ('IER') for inclusion within a Notice of Meeting to be provided to the shareholders of the company regarding a proposed transaction.

The shareholders are being asked to approve a debt restructure in respect to promissory note holders and the issue of new shares in the Company. As per the instruction letter received from BDO dated 6 October 2022, RISC Advisory Pty Ltd ('RISC') was to provide an independent opinion on the reserves and resources of the assets of Jupiter including production and operating costs and other technical assumptions relevant to the assets.

RISC has completed our independent technical assessment and valuation and our work is documented in this Independent Technical Specialist Report ('ITSR').

Independence

RISC confirms that it is independent of Jupiter and that RISC is unaware of any circumstance which may compromise that independence.

Consent

RISC has consented to this report, in the form and context in which it appears, being included, in its entirety, in the Notice of Meeting.

1. Executive summary

BDO Corporate Finance (WA) Pty Ltd ('BDO') has been engaged by Jupiter Energy Ltd. ('Jupiter') to prepare an Independent Experts Report ('IER') for inclusion in a Notice of Meeting seeking shareholder approval for a proposed debt restructure transaction. RISC was requested to prepare an independent opinion report on the technical project assumptions of Jupiter's assets and to provide an opinion on the reasonableness of the assumptions and inputs to the cash flow model to be used to value the assets. Our report is to be included in BDO's IER.

Jupiter holds a 100% working interest in Block 36 onshore Kazakhstan (also known as Block 31). Block 31 is located in the Mangistau Basin, also referred to as the Middle Caspian Basin and South Mangyshlak Basin, on the eastern shore of the Caspian Sea.

Since acquisition of Block 31 in 2007, Jupiter has acquired 3D seismic, drilled a number of wells and established oil production from the Akkar North (East Block), Akkar East and West Zhetybai oil fields. Five wells have produced 1.54 MMBbl from 2010 to date with a peak production rate of approximately 1,200 bopd.

Production has been constrained at about 240 bopd since September 2021 due to regulatory gas flaring constraints. Jupiter are undertaking a gas utilisation project which should enable unconstrained production from 2Q 2023.

Jupiter have advised work program commitments of 24 new wells in Block 31, amounting to 20 production wells and 4 water injection wells, and the intention to drill 4-wells per year over the period 2024-29.

RISC was specifically instructed to provide an opinion on technical inputs to a cash flow model:

- Recoverable quantities incorporated into the model
- Oil and gas production
- Capital expenditure, production and operating costs
- Any other relevant technical assumptions

RISC has seen few details of the 24 new wells which provide 80% of the forecast future production. Independent reserves and resource reports compiled in 2011 and 2013 included reserves ascribed to additional wells, a significant portion of which have not been drilled or failed to produce.

RISC has reviewed the Block 31 production history and has generated production forecasts which include uncertainty regarding the performance of new wells, the proportion that are productive, and the proportion of incremental oil rather than acceleration of oil developed by existing wells.

In summary RISC was unable to support the production forecasts and hence recoverable quantities as included in the cash flow model. In the mid case we estimate 8.6 MMstb will be recovered from 1/10/2022 to licence expiry in 2044 with a low – high range of 4 - 14 MMstb.

We note that this represents a relatively low recovery factor based on oil in-place estimates by third parties. If the oil in-place estimates are correct there appears to be scope for drilling additional wells and hence increasing the quantity of oil recovered by the end of the licence in 2044.

In general, we found the cost forecasts in the model to be reasonable, we have made some minor adjustments. Total capital costs are forecast to be US\$145 million with operating costs of US\$135 million, averaging approximately US\$6 million pa.

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2. Introduction

2.1. Asset description

Jupiter Energy Ltd ('Jupiter') through its wholly owned and Singapore registered subsidiary Jupiter Energy Pte Ltd, holds a 100% participating interest in Block 36 onshore Kazakhstan. Block 36 is the legal reference to the petroleum property title and which Jupiter refers to as "Block 31" in reference to the property's original tender designation. In our report we shall refer to 'Block 36' as 'Block 31' and consider the terms interchangeable.

Block 31 is located onshore Kazakhstan in the Mangistau Basin, also referred to as the Middle Caspian Basin and South Mangyshlak Basin. The license is located east of the city of Aktau on the eastern shore of the Caspian Sea (Figure 2-1). Block 31 was originally awarded to Zher-Munai LLP in 2006 and was subsequently acquired by Jupiter in 2007.

Since acquisition, Jupiter has acquired 3D seismic over the license, drilled a number of wells and established oil production from the Akkar North (East Block), Akkar East and West Zhetybai oil fields. Contracts 2275 and 4803 between the regulator (Ministry of Energy of the Republic of Kazakhstan) and Jupiter govern petroleum activities within the license. A summary of Block 31 is shown in Table 2-1.

Table 2-1: Jupiter asset summary as at October 2022

Asset		Operator	Working Interest	Status	Licence expiry date	Licence area (km ²)
Country	Block					
Kazakhstan	Block 36, or "Block 31"	Jupiter Energy Pte Ltd	100%	Producing	Refer notes	140.65
Notes to the table: <ol style="list-style-type: none"> Block 36 was originally awarded in 2006 with an initial exploration period of 6-years and production period of 25-years. The exploration period has been extended a number of times to 2 March 2023 for Akkar North (East Block) and 1 September 2023 for West Zhetybai to accommodate the 'preparatory period' oil production for both fields. Akkar East production contract for a period of 25-years is yet to be ratified and is currently producing in the preparatory period which ends 2 March 2023. 						

The Block 31 contract is not a Production Sharing Contract and therefore attracts taxes and royalties according to the Republic of Kazakhstan tax regime.

2.2. Terms of reference

BDO Corporate Finance (WA) Pty Ltd ('BDO') has been engaged by Jupiter to prepare an Independent Experts Report ('IER') for inclusion in a Notice of Meeting seeking shareholder approval for a proposed debt restructure transaction.

RISC has been engaged by Jupiter but acts under instruction from BDO in this matter. RISC was requested to prepare an independent opinion on the technical project assumptions of Jupiter's assets and to provide an opinion on the reasonableness of the assumptions and inputs to the cash flow model to be used to value the assets.

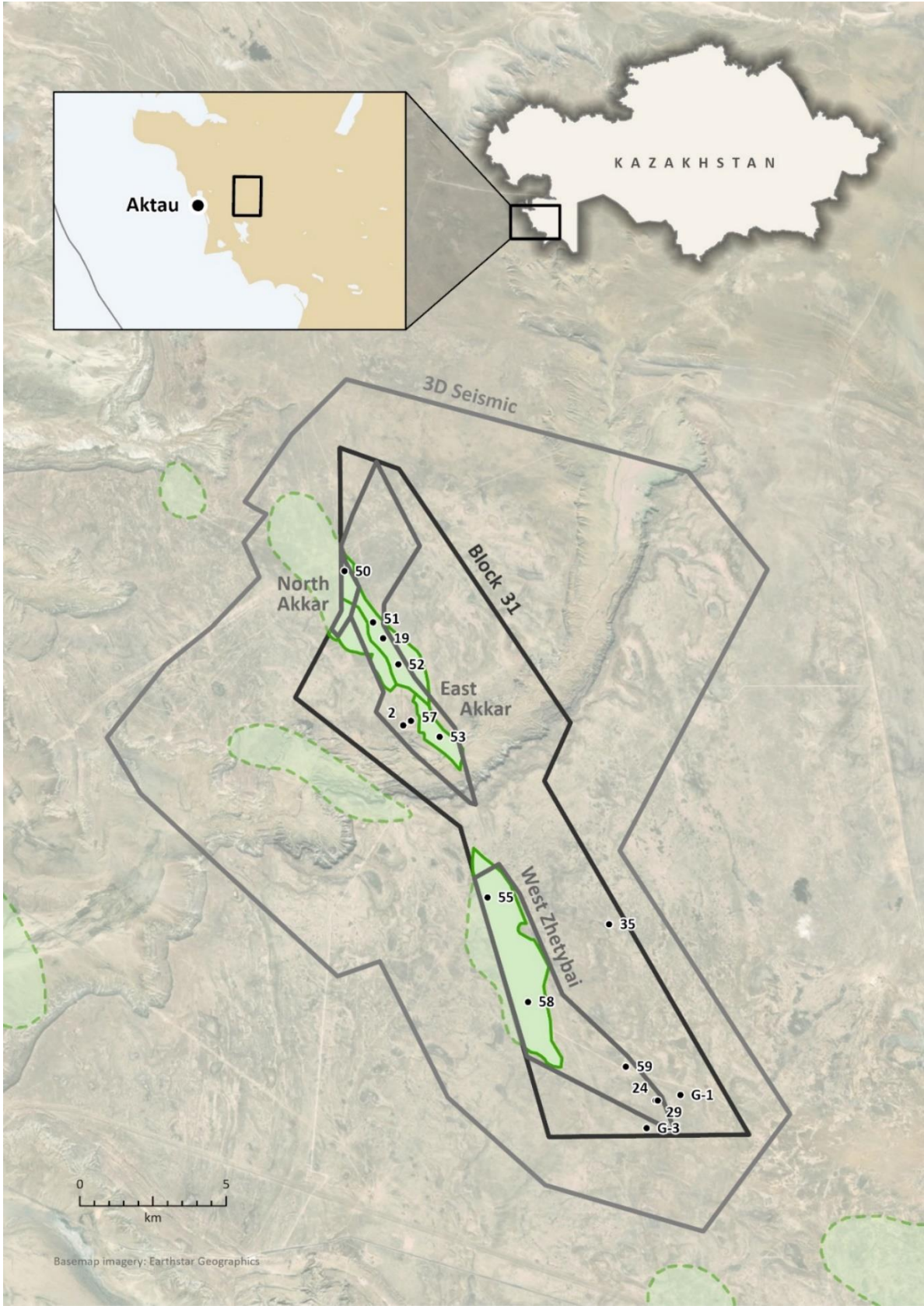


Figure 2-1: Location map, Block 31, Kazakhstan

RISC was specifically instructed to provide an opinion on:

- Resources and resources incorporated into the cash flow model
- Oil and gas production
- Capital expenditure, production and operating costs, and
- Any other relevant technical assumptions.

As per the instruction from BDO, our ITSR is compliant with the Australian Securities and Investments Commission ('ASIC') Regulatory Guides 111 and 112 and includes consent for the report to be included in a Notice of Meeting and for RISC to be named as technical specialist/expert in accordance with ASX listing rule 5.41.

2.3. Basis of assessment

The data and information used in the preparation of this report were provided by Jupiter and supplemented by public domain information. RISC has reviewed the information provided and has undertaken the evaluation on the basis of a review and audit of existing interpretations and assessments as supplied, making adjustments that in our judgment were necessary.

Our assessment for the assets is based on data to 1 October 2022 and this is the reference date of this report. Unless otherwise stated, all resources presented in this report are gross (100%) quantities with an effective date of 1 October 2022. All costs are in US\$ real terms with a reference date of 1 October 2022 (RT2022).

RISC has reviewed the reserves and resources in accordance with the Society of Petroleum Engineers internationally recognised Petroleum Resources Management System ('PRMS'), 2018¹.

RISC's methodology was to review the technical information provided by Jupiter including but not limited to production data, capital and operating expenditures and the following documents which RISC consider as relevant:

- Competent Persons Reports ('CPR's) prepared by Senergy in 2011 and McDaniel & Associates in 2013
- A draft report prepared by Senergy in April 2014 reviewing the factors affecting the hydrocarbons in place and ultimate recovery on Block 31
- Various reserves reports (in Russian) prepared by the Reservoir Evaluation Services ('RES') for Akkar North East Block (2020), Akkar East (2019) and West Zhetybai (2021)

We have not conducted a site visit of the project area or exploration rights and do not consider one necessary as the asset value relates to potential future production, comparable transactions and metrics that cannot be verified by a site visit.

¹ Petroleum Resources Management System, prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the American Association of Petroleum Geologists (AAPG), World Petroleum Council (WPC), Society of Petroleum Evaluation Engineers (SPEE), Society of Exploration Geophysicists (SEG) and approved by the Board of the SPE in March 2007. The PRMS was subsequently updated in June 2018.

3. Regional information

Kazakhstan is a significant oil and gas producing country, with proven oil reserves of 30 billion barrels and proven natural gas reserves of 79.7 TCF². Production primarily comes from the Tengiz, Karachaganak and Kashagan fields.

3.1. Regional geology

Block 31 is located onshore Kazakhstan in the Mangistau Basin, also referred to as the Middle Caspian Basin and specifically the South Mangyshlak Basin, east of the city of Aktau on the eastern shore of the Caspian Sea (Figure 2-1, Figure 3-1).

The Middle Caspian Basin occupies the eastern Northern Caucasus region, the central portion of the Caspian Sea and a series of depressions east of the Caspian Sea. One of these depressions is the South Mangyshlak Basin which is bound to the north-east by the Mangyshlak fold belt. The Zhetybai Step is a structural terrace to the south of the Mangyshlak fold belt and it is on this terrace that Block 31 is located.

Proved hydrocarbon reserves of the South Mangyshlak Basin exceed 6 billion BOE, most of which (84 percent) is oil. Most hydrocarbons are in Middle Jurassic clastic reservoirs on the Zhetybai step (structural terrace) south of the Mangyshlak fold belt.³

3.1.1. Reservoirs

The dominant petroleum reserves in the region are in sandstone reservoirs of Jurassic age with minor reserves in carbonates and sandstones of Triassic aged reservoirs. Minor accumulations are recognised in Cretaceous sandstones and fractured basement granites.

The reservoirs of Block 31 are Middle Triassic aged dolomitic limestones which unconformably overly lower Triassic marine deposits. The thickness of the Middle Triassic is reported to range between 85 to 315 m. The best reservoir quality is noted in 'Bed B' of local definition which is 30 - 180 thick consisting of alternating volcanic tuff and leached oolitic dolomites. Porosities exceeding 20% and permeability of 200 – 300 mD is observed.³

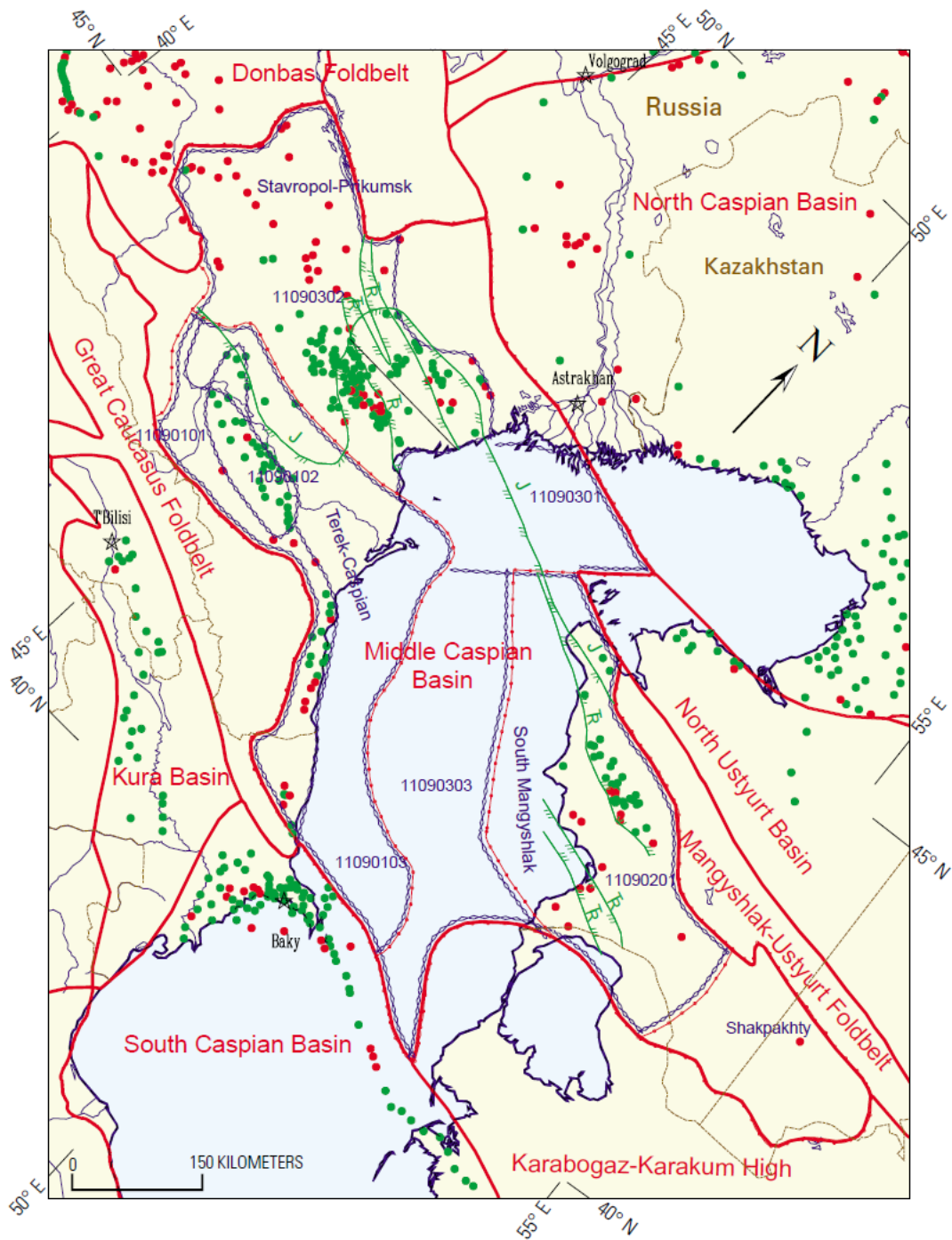
The overlying Upper Triassic is composed of non-reservoir bearing clastic sediments. The Triassic is in turn unconformably overlain by Middle Jurassic sediments with a prominent angular unconformity.

3.1.2. Source rocks

Source rocks whilst not fully characterised, are thought to be present in the Lower to Middle Triassic marine shales which is reported to be about 750 m thick on the Zhetybai Step. Total organic carbon is reported to reach 9.8% and organic matter is dominated by oil prone type II kerogens.

² BP Statistical Review of World Energy, 2021.

³ Petroleum Geology and Resources of the Middle Caspian Basin, Former Soviet Union, USGS Bulletin 2201-A (2001).



EXPLANATION

- | | |
|---|--|
| <ul style="list-style-type: none"> — Hydrography — Shoreline — Geologic province name and boundary — Country boundary • Gas field centerpoint • Oil field centerpoint | <p>ASSESSMENT DATA</p> <ul style="list-style-type: none"> — Assessment units boundary and name — Total petroleum system boundary and name — Pod of active source rocks boundary—
Ticks indicate side of their presence;
T-Triassic, J-Jurassic |
|---|--|

Figure 3-1: Middle Caspian Basin location map (USGS)

3.1.3. Traps

Hydrocarbon traps in the South Mangistau Basin and Zhetybai Step in particular are typically elongate anticlinal structures orientated in a north-west to south-east orientation and parallel to the Mangyshlak fold belt (Figure 3-2).

The structure are compressive in nature and wrenching is noted. Although principal thrusting of Triassic rocks took place in pre-Jurassic time, some trap modification through compression and movement along thrust planes continued during late Mesozoic and Tertiary time.³

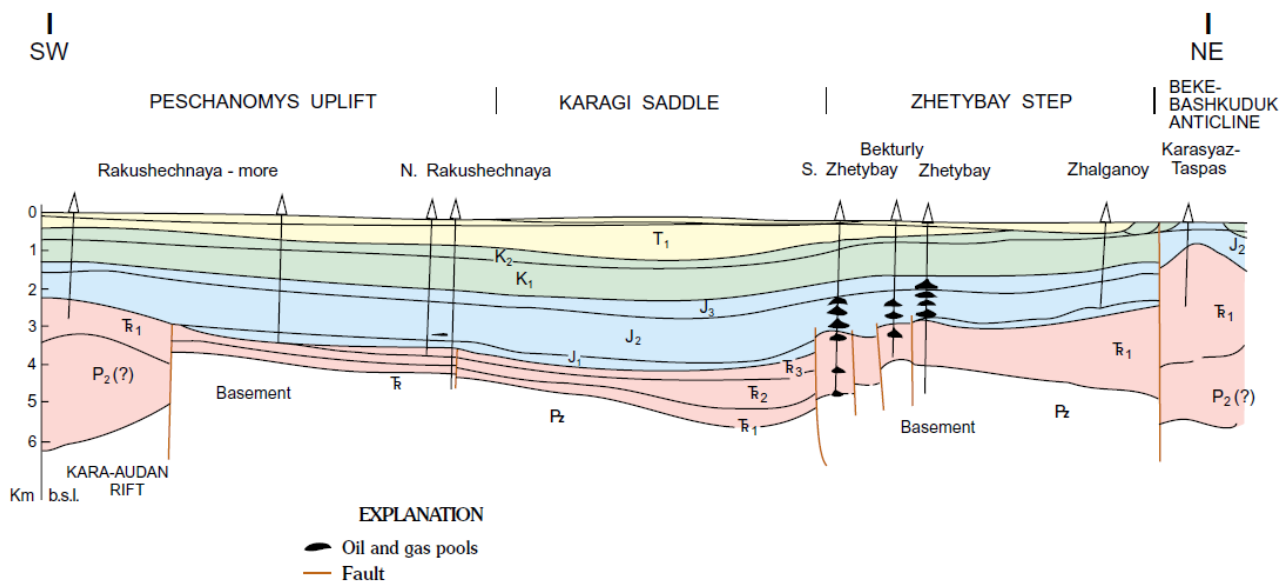


Figure 3-2: Cross section through South Mangistau Basin (USGS)

4. Block 31 asset

Block 31 is located onshore Kazakhstan in the Mangistau Basin, to the east of the city of Aktau on the eastern shores of the Caspian Sea. Jupiter acquired its interests in Block 31 from Zher-Munai LLP in December 2007. Zher-Munai LLP was originally awarded the exploration rights to Block 31 on 29 December 2006.

Key terms of the Block 31 license are shown in Table 4-1.

Table 4-1: Summary of key terms, Block 31

Initial term	6-years for exploration (Note: extensions amounting to 7-years have been granted). 25-years for production period
Commencement date	Contract 2275 (Block 31) 29 December 2006 Contract 4803 (Akkar East field) 2 March 2020
Signature bonus	US\$3 million (paid 2008)
Training, Administration & Local Development fees	As prescribed in the contracts (approx. US\$50,000 p.a.)
Bonus Fees	Nil
Taxes	Republic of Kazakhstan taxes including corporate income tax, mineral extraction tax ('MET') between 5% - 18% for oil and 10% for gas, excess profit tax and rent tax for exports are also applicable. ⁴
Minimum work program commitments	As prescribed in the contracts
<p>Notes to the table:</p> <ol style="list-style-type: none"> 1. Akkar East is in the preparatory period of the production period until 2 March 2023. Production period is until 2 March 2045. 2. Akkar North (Eastern Block) is in the preparatory period of the production period until 2 March 2023. Production period is until 5 March 2046. 3. West Zhetybai is in the preparatory period of the production period until 1 September 2024. 4. Training, Administration & Local Development fees are considered in line with accepted international petroleum contract provisions. 	

4.1. Tenure

RISC has been provided a draft legal opinion from Signum law firm of Almaty, Kazakhstan. This document addresses the subsurface use rights and contractual obligations of Jupiter in respect to Block 31. This indicates that Jupiter has right to tenure and that the licenses and contracts in relation to Block 31 petroleum

⁴ Source: EY Kazakhstan oil and gas tax guide 2022 (https://assets.ey.com/content/dam/ey-sites/ey-com/en_kz/topics/oil-and-gas/ey-kazakhstan-oil-and-gas-tax-guide-2022.pdf)

related activities are in good standing. RISC was not asked to give an opinion on this and we have assumed that Jupiter has right of tenure based on this draft legal opinion.

In summary:

- Block 31 (or Block 36 in its legal standing) contract (#2275) was awarded on 29 December 2006 to Zher-Munai LLP for an initial exploration period of six years.
- Jupiter acquired Block 31 from Zher-Munai LLP in 2007, with registrations completed with the regulator (Ministry of Energy of the Republic of Kazakhstan) 20 June 2008.
- Various addendums to the contract have been entered into altering the work program and extending the exploration period.
- Production from the Akkar North (East Block), Akkar East and West Zhetybai fields has been during the exploration period ('trial production period') during which associated gas was flared and produced oil is sold domestically.
- The Block 31 contract has been extended to 2 March 2023 for the Akkar North (East Block) and 1 September 2024 for the West Zhetybai fields. It is expected that Commercial Production and the Preparatory Period shall commence at this time.
- Akkar East field has transitioned to commercial production with a new contract (#4803) entered into on 2 March 2020 with a Preparatory Period of three years till 2 March 2023. During the Preparatory Period flaring of associated gas is not permitted. A new contract was required as Akkar East trial production exceeded 3-years.

RISC has not been provided title documents or contracts or their English translations to review in the preparation of this report.

4.2. Exploration and permit history

Exploration activity in the area of Block 31 was undertaken by the Soviets with the acquisition of 2D seismic and the drilling of a number of exploration wells in the 1960's – 1970's, including drilling the North West Zhetybai-2 ('NWZ-2') well within Block 31. The North Akkar field to the north of Block 31 was discovered in 1988 and placed on production. The Zhetybai field to the south-east of Block 31 was discovered in 1961 and placed on production.

Post award, there was no exploration activity in Block 31 prior to Jupiter acquiring the block. Jupiter acquired 3D seismic in late 2008 over the north-west of Block 31, acquiring 195 km² of onshore 3D data. Jupiter re-entered and recompleted the NWZ-2 well which was originally drilled in 1969. The workover was successful with testing indicating rates of 400-500 bopd from a Jurassic reservoir.

Jupiter commenced drilling the SV Akkar well (J-50) in December 2009 which intersected 55 m of net oil pay in Middle Triassic dolomitic reservoir. In early 2010 Jupiter announced the results of an independent reserves and resources review of Block 31 by Senergy. Reserves associated with an on-block extension of the Akkar North oil field were recognised where J-50 was drilled. This area is known as Akkar North (East Block). Oil production from J-50 commenced in May 2010.

The J-52 and J-51 wells were drilled in 2011 in addition to additional 3D acquisition over an extended area of Block 31. The J-53 well commenced drilling in November 2011 and reached total depth in January 2012 intersecting 56 m of net oil pay. J-55 and J-58 were drilled in late 2012 on a separate structure and discovered oil in separate pools of the West Zhetybai field in Triassic aged reservoir. The J-59 well commenced drilling

in late December 2012 and reached total depth in March 2013. The J-19 well commenced drilling in December 2014 and reached total depth in February 2015, intersecting 85 m of net oil pay.

The J-57 well was drilled in 2018 and intersected water wet Triassic reservoir within a separate fault compartment in the Akkar East field and remains the most recent well drilled. Failure of J-57 is attributed to a sealing fault separating the fault compartment drilled by J-57 and the adjacent oil-bearing fault compartments; NWZ-2 to the north-west, and J-53 to the south-east.

No further drilling or seismic acquisition has occurred since 2018.

4.3. Work program and commitments

Jupiter have provided the following guidance with respect to work program commitments in Block 31:

- Akkar East field, wells 17 to 35 (16 in total) over the period 1 April 2024 to 1 April 2029. Four of these wells are to be injector wells.
- Akkar North (East Block), wells 70 and 71, 1 July 2023 to 1 July 2024
- West Zhetybai field, wells 63 to 68 (6 in total) over the period 1 April 2025 to 1 April 2030.

In total 24 new wells, 20 as production wells and 4 for water injection.

4.4. Reserves and resources reports

Jupiter commissioned Synergy to prepare a reserves and resources report in 2010 and which was subsequently updated in May 2011.

As part of the Trial Production Period approvals process for the discovered oil pools, Jupiter was required by the regulator to complete preliminary and final reserves reports which are required to be compiled by an approved and independent Kazakh institute and submitted to the regulatory authorities for approval. These reserves reports have been compiled by Reservoir Evaluation Services ('RES') of Almaty, Kazakhstan. The reports are compiled in accordance with the Russian Federation Classification ('RF 2013') scheme of oil and combustible gases which became effective in 2016. This classification scheme differs significantly from the internationally recognised PRMS.

RISC has been provided copies of the RES reserves and resources reports for Akkar North (East Block) dated 2010, 2019, 2020; Akkar East dated 2019, 2020 and West Zhetybai dated 2013, 2020 and 2021. These reports are compiled in Russian and RISC has not received an English translation.

McDaniel & Associates ('McDaniel') was engaged in December 2012 to undertake a reserves and resources audit. Their report dated October 2013 is compiled in accordance with the PRMS. It must be noted that this report was compiled prior to the drilling of the J-19 and J-57 wells on the Akkar East field.

4.5. Data

Jupiter has acquired 3D seismic over Block 31 which it has used to delineate drilling. Jupiter has also acquired wireline logs in the wells it has drilled in the contract area. RISC has not been provided the raw or interpreted seismic or well data to review in the preparation of this report. We have relied upon representations made in the Synergy and McDaniel reports and various figures and PowerPoint extracts in the preparation of this report.

RISC has been provided daily oil, water and gas production data which has been used in our review.

4.6. Subsurface interpretation

4.6.1. Seismic interpretation

Jupiter has undertaken interpretation of the 3D seismic data which has been conducted by its technical consultants and associates. RISC has not been provided any Jupiter interpretations to review.

The 2013 McDaniel reserves and resources audit included a middle Triassic reservoir depth structure map which is shown in Figure 4-1. RES it is also assumed have undertaken independent interpretation of the 3D seismic data which it has used in its estimation of reserves and resources. The RES T2A (middle Triassic) reservoir depth structure map is shown in Figure 4-2.

RISC notes differences in the depth structure maps of Figure 4-1 and Figure 4-2, predominantly associated with fault interpretation and correlation. In particular, the RES structure map indicates that most interpreted faults do not form closed compartments. For instance, the J-57 well (water bearing) is not fault closed or isolated from the oil bearing NWZ-2 or J-53 wells.

Seismic data quality and uncertainty in the interpretations would explain the differences in the mapping.

4.6.2. Reservoir description

The primary reservoir in Block 31 are Middle Triassic aged dolomitic limestones with typically tight matrix porosity and permeability. Porosity and permeability is enhanced through secondary porosity development of vugs and fractures. The lowermost 30 to 40 m of this sequence displays the best reservoir quality.⁵ Permeabilities from cores acquired in the wells is reported to be between 0.01 – 0.1 mD.⁵

Reservoir parameters from McDaniel and Synergy reports are shown in Table 4-2. RISC notes that no discrimination between matrix porosity (and water saturation) and that of vuggy or fracture porosity has been made. It is this secondary porosity development that is expected to dominate well production.

Table 4-2: Middle Triassic reservoir parameters

	McDaniel & Associates (2013)			Senergy (2011)
	East Akkar Field	East Akkar Field (J-53)	West Zhetybai	East Akkar Field
Net to Gross (ave)	48%	18%	53%	52.6%
Porosity (ave)	9.4%	8.7%	9.7%	13.1%
Water saturation (ave)	29.2%	35.7%	32.6%	31.8%
Notes to the table:				
1. Matrix (primary) and secondary porosity and water saturation are not delineated separately.				

Jupiter undertakes acid treatment when completing wells for production. This is an appropriate stimulation treatment for these reservoirs.

⁵ McDaniel & associates Competent Persons Report, October 2013.

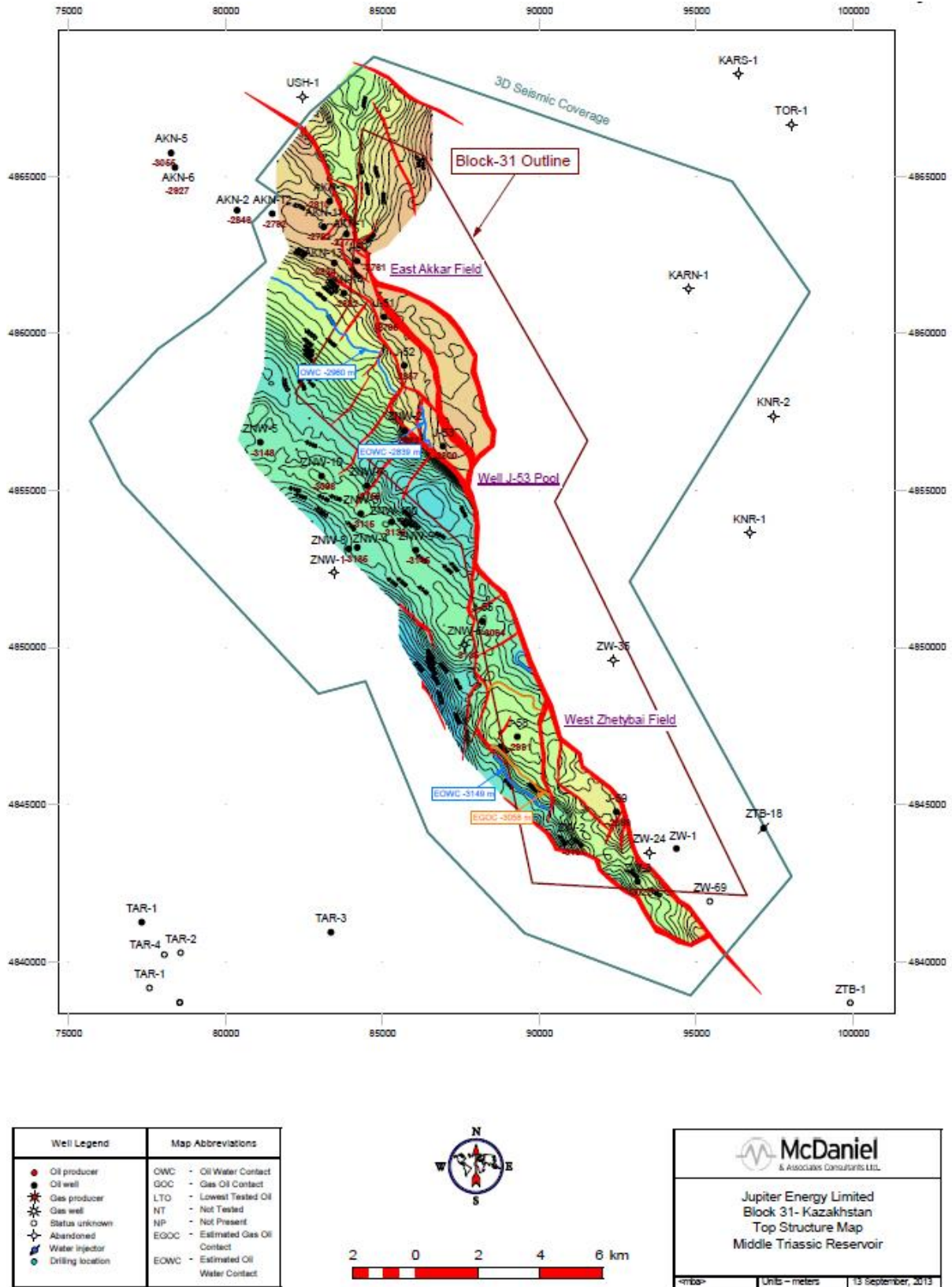


Figure 4-1: Middle Triassic reservoir depth structure map (McDaniel)

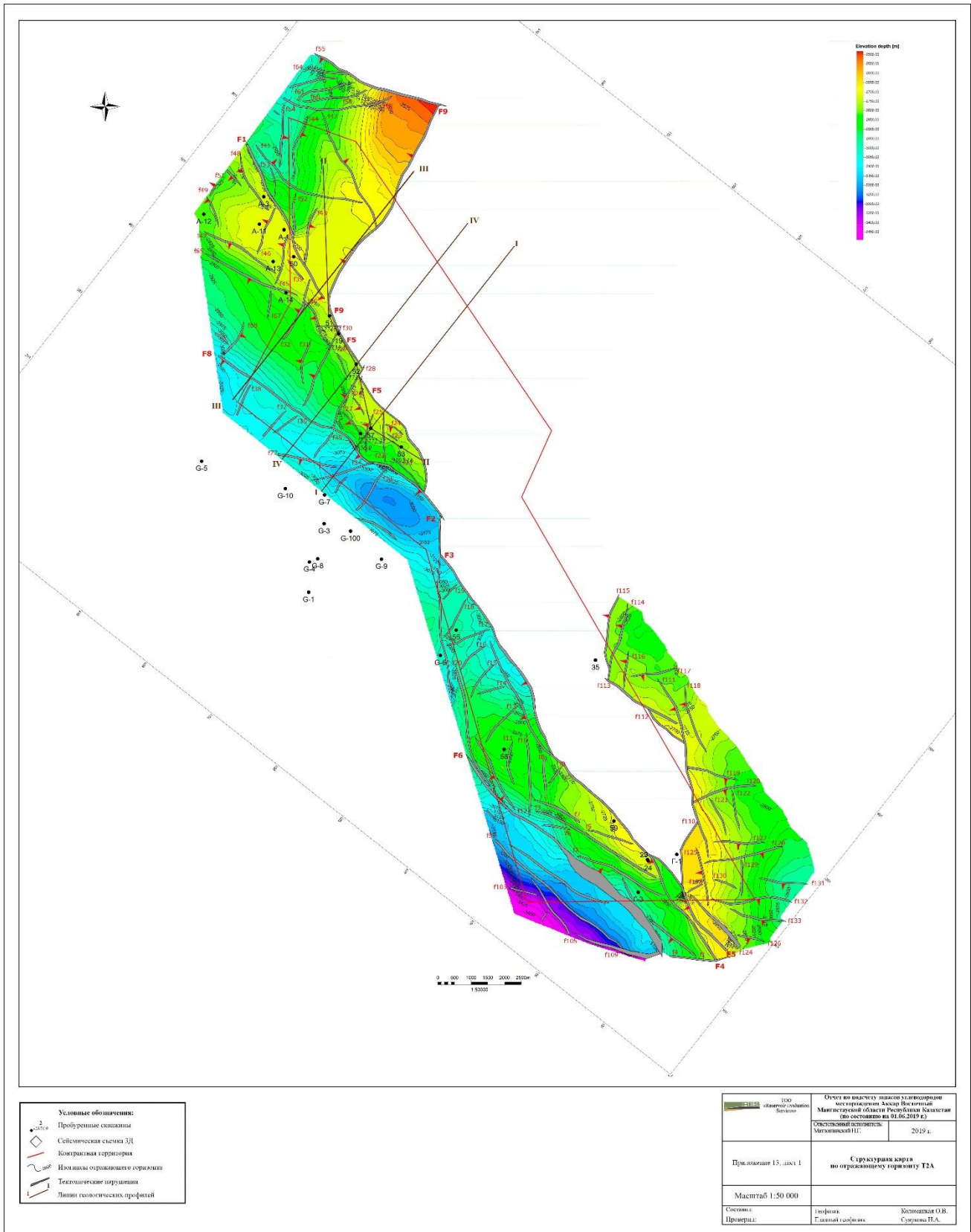


Figure 4-2: T2A reservoir, middle Triassic depth structure map (RES)

4.6.3. Fluid properties

Block 31 fields contain a light (40 API) oil with an in-situ viscosity of 0.9 cp, solution GOR of 600 to 800 scf/stb and bubble point pressure slightly below initial reservoir pressure, Table 4-3.

The surface GOR and oil density depends upon the oil processing. A single flash and differential liberation are the two extremes to processing. The average surface oil specific gravity is 0.80 or 7.82 stb/tonne.

Table 4-3: Oil PVT Properties

Property	Property value			
	J-19		J-51	
Well	J-19		J-51	
Sample	1.03		1.02	
Depth (m)	1,955		2,985	
Res Temp (deg C)	114.6		114.9	
Res Press (psia)	2,716		3,077	
Pb (psia)	2,580		2,696	
Bo	1.525		1.482	
Uo (cp, res conditions))	0.87		0.98	
Oil processing:	Single flash	Diff Lib	Single flash	Diff Lib
GOR (scf/stb)	787	740	598	598
Oil SG (surface)	0.825	0.779	0.832	0.780
stb/tonne	7.62	8.07	7.56	8.07

4.6.4. Fluid contacts

An oil water contact ('OWC') is not known in the Akkar North, Akkar East or West Zhetybai fields. McDaniel report an expected OWC of 2,960 mTVDSS for Akkar North and Akkar East, and 3,149 mTVDSS for West Zhetybai.

5. Field Development

5.1. Planned activities

Little information was available on the existing facilities and wells. We know 5-wells are on production and that 3 additional wells drilled as producers did not produce oil at commercial rates. The field has produced at rates of up to 1,200 bopd so we presume that at least this much production and process capacity exists in the field.

The short-term initiative is a gas utilisation plan to reduce or eliminate flaring. We are unaware of the details but presume that gas will be used for fuel and/or compressed and exported through a pipeline though no revenue from gas sales is anticipated. Jupiter have advised the gas utilisation plan is underway and will be operational by 2Q 2023. Our production forecasts reflect the assumption that oil production becomes unconstrained from 1/4/2023 when the gas utilisation project becomes operational.

After this, the focus turns to development drilling. Jupiter have advised they intend to drill 12-wells between 2023 and 2030. We have assumed 4-wells are drilled in each year 2024-29. Jupiter have provided the following guidance with respect to contract work program commitments in Block 31:

- Akkar East field, wells 17 to 35 (16 in total) over the period 1 April 2024 to 1 April 2029. Four of these wells are to be injector wells.
- Akkar North (East Block), wells 70 and 71, 1 July 2023 to 1 July 2024
- West Zhetybai field, wells 63 to 68 (6 in total) over the period 1 April 2025 to 1 April 2030.

In total 24 new wells, 20 as production wells and 4 for water injection.

5.2. Capital, operating and abandonment costs

Our approach to cost forecasting has been to review the capital and operating costs in an economic model provided by Jupiter, review it for reasonableness and make changes where necessary. In general, we consider the costs in the model were reasonable and have only made minor adjustments.

All costs are in US dollars, 2022 real terms.

5.2.1. Capital costs

Total capital costs are forecast to be US\$145 million from 2023 to 2044 in the P50 case, summarised in Table 5-1 below. Costs for the high and low cases will differ slightly. Most of the costs are incurred by 2030, cost phasing is shown in Figure 5-1.

The major driver of capital costs is well costs. Jupiter have estimated costs of US\$3 million per well going forward. Assuming the well design remains similar to existing wells we consider this reasonable on the basis that one of the existing production wells cost approximately US\$2.5 million to drill and complete. We would expect some cost increases due to inflationary forces on materials and services.

Table 5-1: Capital cost assumptions

	Cost US\$ million
G&G	6.5
Drill & Complete	72.0
Workover	15.3
Facilities	21.7
HSE	1.0
Other	0.2
Contingency	28.1
Total	144.9

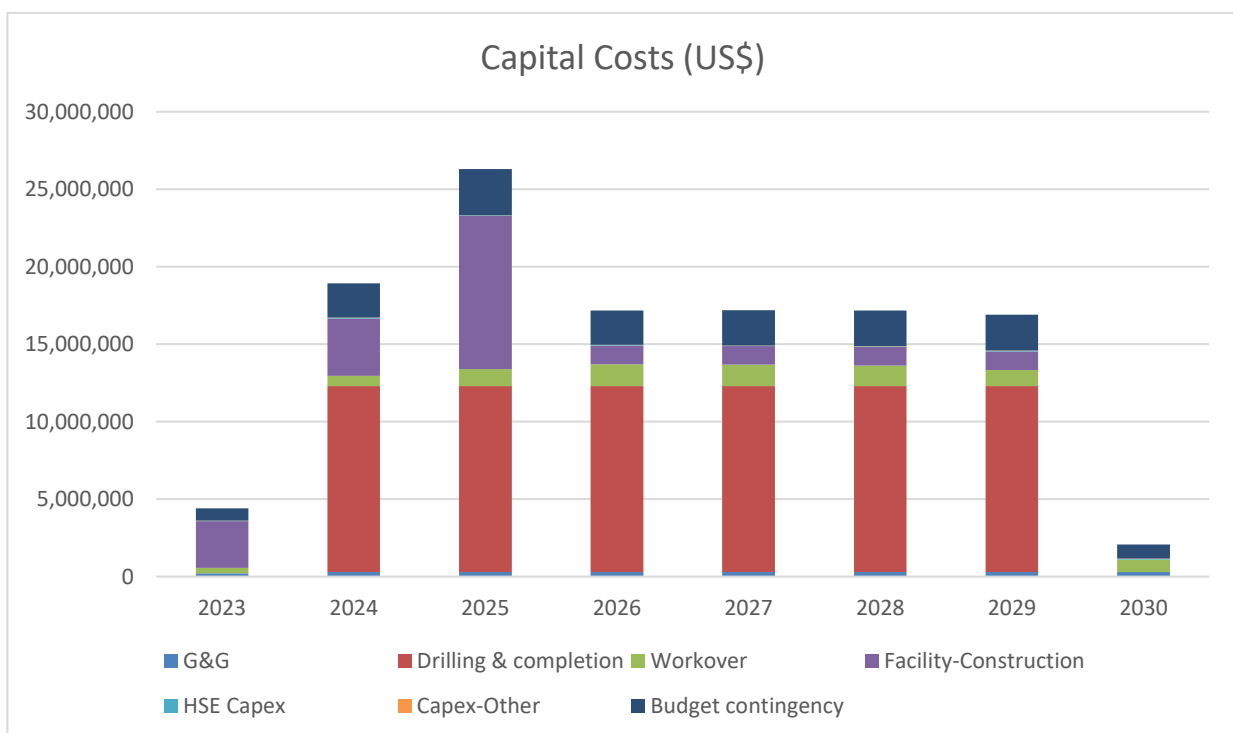


Figure 5-1: Capital cost phasing

The other major cost is for the gas utilisation project and facilities to gather and process the increased production from the new wells. Total facilities costs are forecast to be approximately US\$22 million including procurement, construction and installation.

Additional capital costs are for geological and geophysical ('G&G'), health safety and environment ('HSE') and other costs are estimated on an annual basis. In reality it is unlikely the costs will be same every year but it is not possible to predict the timing of this expenditure. The annual averages seem reasonable.

In addition, workover costs of approximately US\$15 million are forecast. These are estimated based on production referenced to US\$360,000 for 2022 production. This results in costs of over US\$1 million pa at high production rates reducing to approximately US\$200,00 pa when production decreases.

5.2.2. Operating costs

Jupiter advise operating costs were approximately US\$2 million in 2021 and are forecast to be similar this year. Going forward costs are expected to increase as more wells come online and production increases. We would expect a slight reduction in costs as production declines. All costs are in real terms US\$.

It can be seen in Figure 5-2 that Jupiter classify most costs as operating support. This would include personnel in the field and office (staff and contractors), well servicing, maintenance, support services and consumables. Production costs include transportation costs, waste disposal and emissions tax.

Operating costs for the P50 case total US\$137 million, averaging approximately US\$6 million pa. Costs will vary slightly for the high and low cases. Operating costs for the P50 case are shown in Figure 5-2.

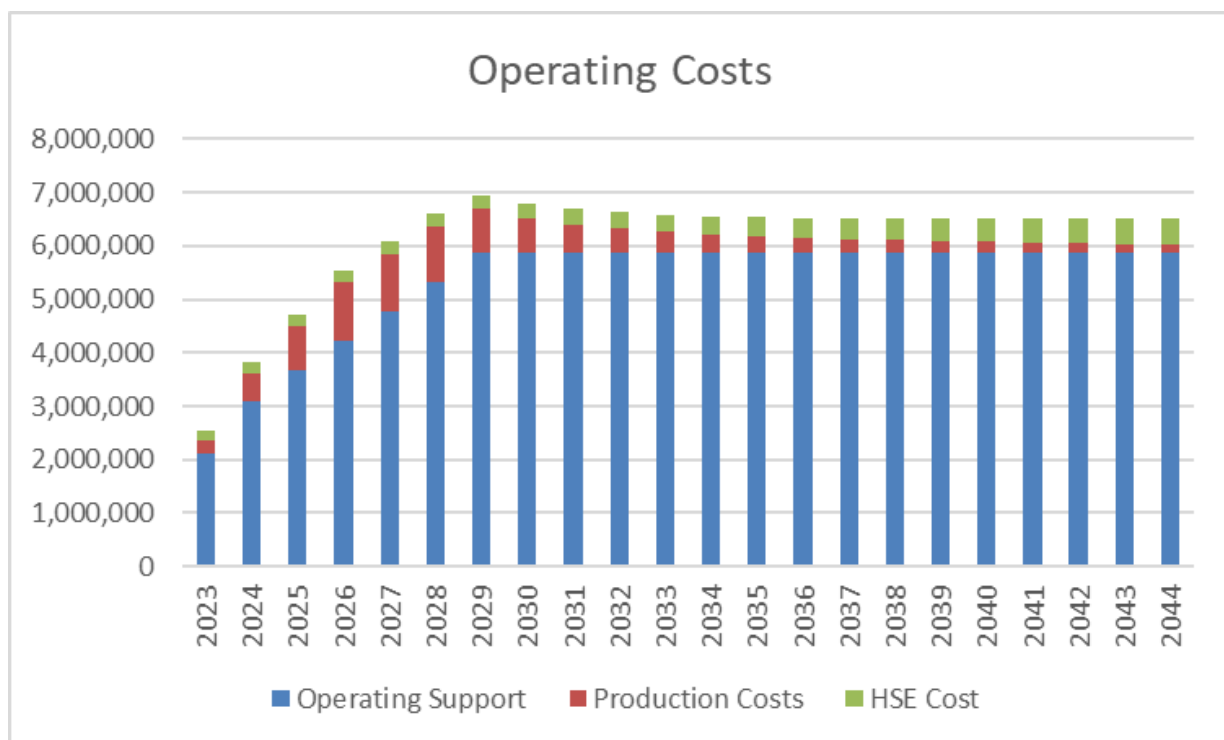


Figure 5-2: Operating costs

5.2.3. General and administrative costs

Jupiter estimate general and administrative ('G&A') costs of US\$1.7 million in 2023. We consider it likely that costs will remain at around this level during the drilling campaign before reducing to approximately US\$1 million pa thereafter, resulting in total G&A costs of US\$28 million to 2044.

5.2.4. Abandonment costs

No abandonment costs appear explicitly in the model. As unit operating costs are forecast to be approximately US\$50/bbl in 2044 the field will be cashflow positive at current oil prices and therefore abandonment would not be required.

6. Production Analysis

6.1. Production history and decline analysis

RISC has reviewed the production history and conducted well by well decline analysis.

RISC interprets the drive mechanism to be depletion drive supplemented by solution gas drive as the reservoir pressure depletes below the bubble point. The produced GOR has largely been steady in early time with modest increases later in well life. The wells have not gassed-out when the pressure has depleted below the bubble point. Therefore, we expect a high initial oil decline rate followed by a slowing in decline as solution gas comes out of solution. Such a drive mechanism typically results in hyperbolic to harmonic decline.

For decline curve analysis we have used:

- Hyperbolic ($b=0.4$) for 1P reserves estimates
- A conservative harmonic fit for 2P reserves estimates
- An optimistic harmonic fit for 3P reserves estimates

Well by well oil, water and gas production data were available to 6/10/2022. Other operational data such as THP, BHP or pump settings were not available to RISC. Figure 6-1 shows the field production history.

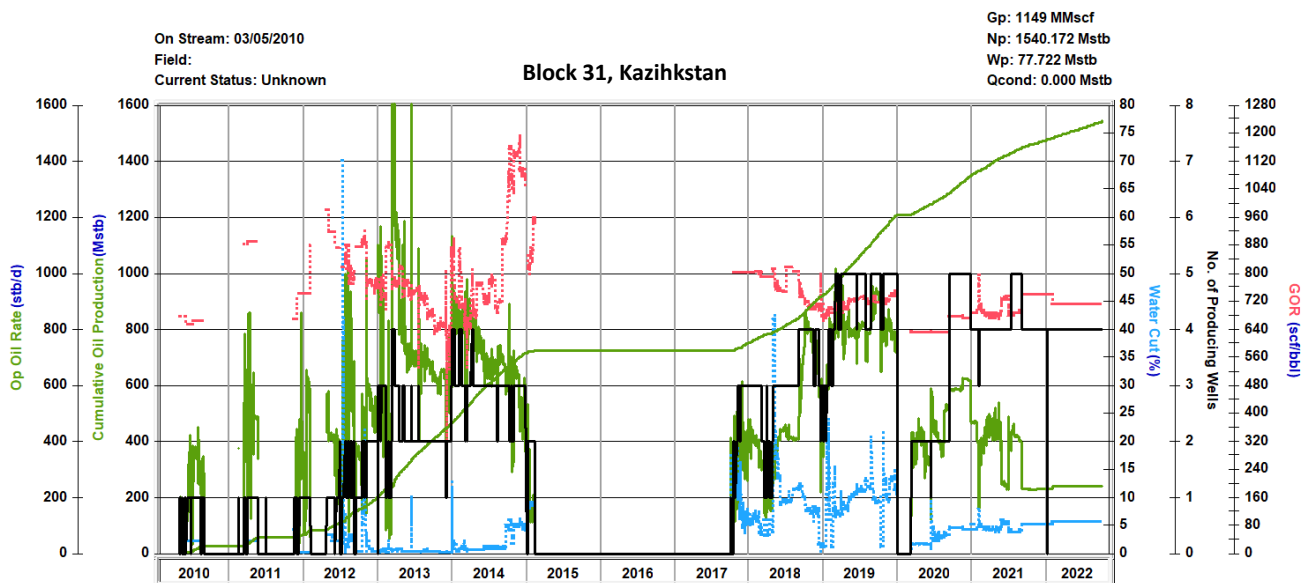


Figure 6-1: Production History

- Up to 5-wells have produced
- Oil production rate has been constrained at about 240 stb/d since September 2021 due to gas flaring rate constraints, so we have conducted decline analysis on the history prior to September 2021
- There has been minor water production with water cut currently less than 10%
- The GOR has generally been around the solution GOR with occasional periods of increased GOR

The individual well decline analysis are include in Appendix A, with results summarized in Table 6-1.

Table 6-1: Decline analysis results as at 6/10/2022

Well	Np Mstb	1P			2P			3P		
		Qo	EUR	Resources	Qo	EUR	Resources	Qo	EUR	Resources
J-19	135	117	290	155	117	483	349	117	886	751
J-50	226	119	292	66	107	500	274	115	624	398
J-51	374	144	530	156	148	704	330	139	1,141	767
J-52	501	192	887	386	185	1,444	943	181	1,813	1,313
J-53	2	-	2	0	-	2	0	-	2	0
J-58	302	222	449	147	246	621	318	270	1,034	731
Total	1,540	794	2,450	910	803	3,754	2,214	822	5,498	3,960

Notes to the table:

1. EUR is estimated to a final oil rate of 10 stb/d per well. Economic cut-off may need to be applied.
2. Np, EUR and Reserves are in Mstb. Qo in the estimated current unconstrained oil rate (stb/d)

The cumulative oil to date per well varies from 0.02 to 0.5 MMstb, Figure 6-2. Well J-53 has barely produced, been shut since 2017 and is assigned no reserves.

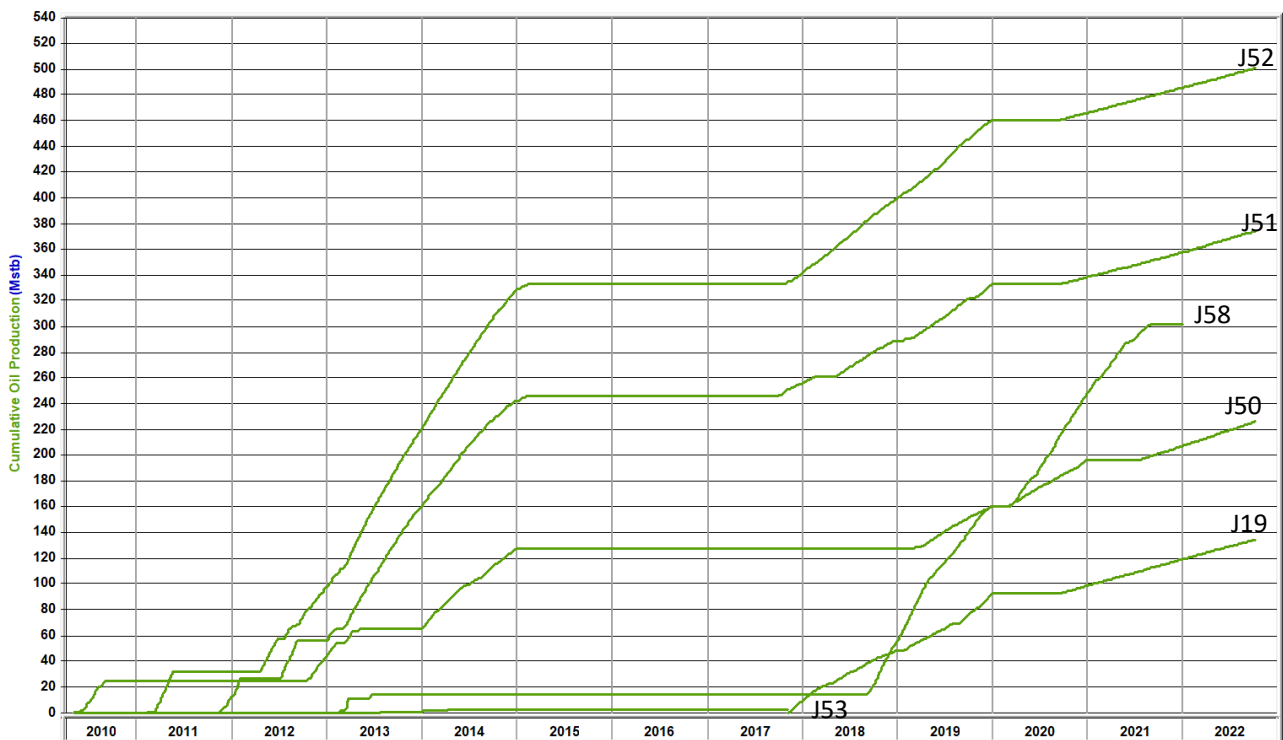


Figure 6-2: Cumulative oil per well

There is no obvious degradation in well performance with time which indicates that the later wells are developing new oil. The peak oil rate of the six producers varies from 70 (J-53) to 600 bpd (J-51, J-52) with an average of 400 bopd.

6.2. Undeveloped reserves

There are plans to drill 24 addition wells, although RISC has seen no details and well locations are not yet available.

Senergy (May 2011) and McDaniel (30 June 2013) conducted field evaluations estimating STOIIP and ultimate recovery. Senergy divided the East Akkar Field into three segments and estimated a P90, P50, P10 STOIIP and EUR for each area based on 2 existing wells plus 12 additional wells from March 2011 (7 additional wells in 1P case), Table 6-2. Their corresponding oil recovery factor estimates range from 18% to 27%. They did not analyse the West Zhetybai field. Zero P90 resources were assigned to the then undrilled MG segment.

Table 6-2: East Akkar STOIIP and EUR (Senergy, May 2011)

Area	STOIIP (MMstb)			EUR (MMstb)		
	P90	P50	P10	P90	P50	P10
NJ50	23.4	27.1	31.3	4.3	6.4	8.5
SJ50	30.3	36.1	40.4	5.6	8.2	10.8
MG	35.5	41.4	47.9	0	9.6	12.8
Total	89.2	104.6	119.5	9.8	24.2	32.1

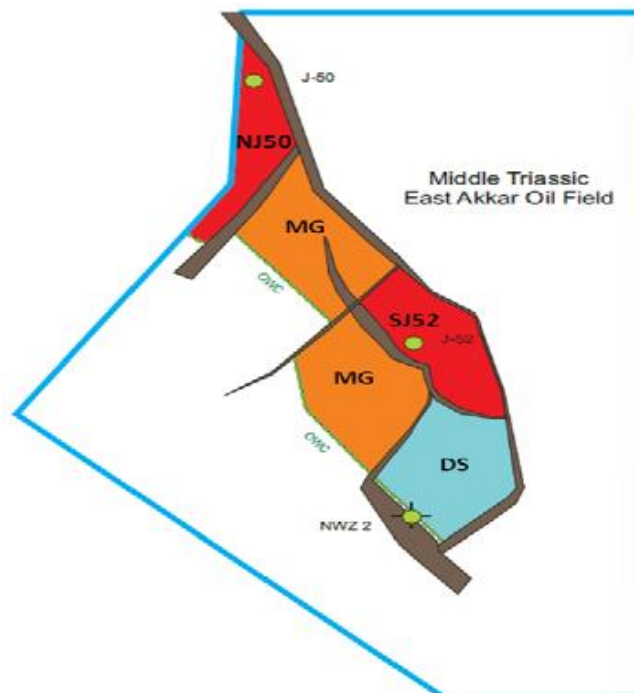


Figure 6-3: East Akkar Areas (Senergy)

McDaniel analysed both fields and estimated developed and undeveloped reserves, Table 6-3. The ultimate recovery estimate was based on the 4 existing wells and 11 new wells drilled 2015 to 2017.

- Only 1 of these additional wells (J-19) has since started production in 2017.
- Three additional wells J-55, J-57 and J-59 have been drilled but failed to produce.

Table 6-3: Block 31 STOIP and EUR (McDaniel 2013)

Field	STOIP (MMstb)			Dev + Undev EUR (MMstb)		
	P90	P50	P10	P90	P50	P10
East Akkar	60.1	75.3	77.5	6.0	10.5	14.5
West Zhetybai	32.1	60.1	72.6	4.0	9.0	14.5
Total	92.2	135.4	150.1	10.1	19.5	29.0

McDaniel’s estimated field recovery factors are 10 to 20% which RISC supports as feasible for a primary depletion plus solution gas drive mechanism. However, the number of wells required to achieve this recovery is unclear.

Jupiter plan to drill a total of 24 infill wells with 4 wells per year 2024 to 2028, two in 2029 and 2 in 2030. Six producers will be in West Zhetybai, two in Akkas North and 16 in Akkar East. In Akkar East 4 wells are planned to be water injectors and 12 producers. RISC estimate that water injectors may initially be used as producers if they find oil bearing productive reservoir.

Effective water injection in tight vuggy carbonates is difficult as it requires adequate connectivity between injectors and producers without high permeability conduits that would result in early water breakthrough and poor sweep. RISC has not assigned any incremental to water injection until it’s benefit has been demonstrated in this challenging reservoir.

Table 6-4 shows the range of performance of the 6 existing productive wells.

Table 6-4: Existing successful well performance uncertainty

	Low	Average	High
Initial oil rate (bpd)	200	400	600
EUR Oil (MMstb)	0.408	0.626	0.916

Key questions are:

- Will infill wells will provide 100% incremental oil, accelerate oil from existing wells or a combination of both?
- Will infill wells perform as well as historic wells? There is no clear reduction in the performance between initial wells and wells drilled several years after start-up. However, at some point, further infill drilling is

not worthwhile as the field is fully developed and infill wells encounter depleted reservoir and only accelerate production.

6.3. Production forecasts

Jupiter has informed RISC that the current gas flaring restriction will be removed from 1/4/2023 with commissioning of the gas utilisation project.

The developed producing reserves has been estimated from summing the well-by-well decline analysis and assuming:

- Field oil production is constrained to 240 bopd due to gas flaring restriction up to 31/3/2023 when the gas utilization project is commissioned.
- The full field potential is used from 1/4/2023

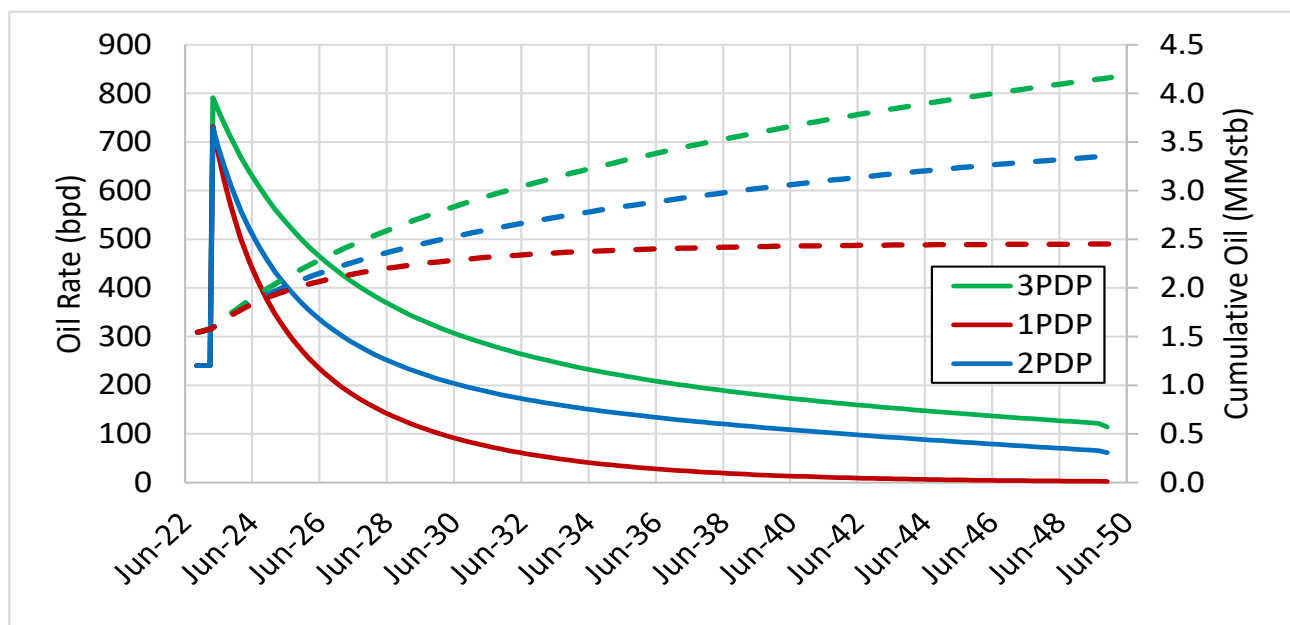


Figure 6-4: Developed producing oil reserve forecast

Figure 6-5 shows the associated gas production forecast that is based on the produced GOR which has stabilised at approximately 720 scf/stb.

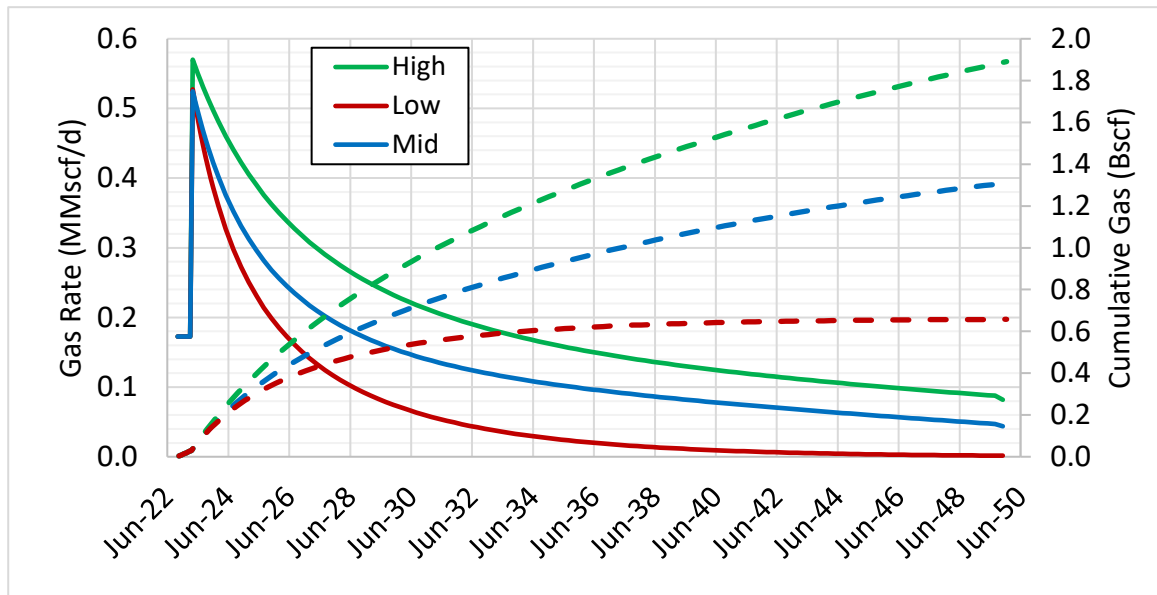


Figure 6-5: Developed producing gas forecast

The contribution from future infill wells is estimated from the existing well performance although the EUR is discounted for three reasons:

- Infill wells target less attractive locations in the reservoir as the best locations have already been drilled. Therefore, it is expected reduced performance in later wells
- Production from infill wells is a combination of new incremental oil and oil that would have been produced from existing wells (acceleration)
- Only six of the nine wells drilled to date have produced, the others having found tight or water productive reservoir. Therefore, 2/3 or 16 of the 24 infill wells planned are assumed to be productive.

The infill well parameters in Table 6-4 were used for the first 25% of infill wells. RISC estimate the EUR from subsequent 25% batches on infill wells to be reduced by 17.7%, 33.3% and 50%. A mid case hyperbolic decline ($b=0.7$) with 95% uptime is assumed. Figure 6-6 shows the estimated production from existing plus 16 successful infill wells.

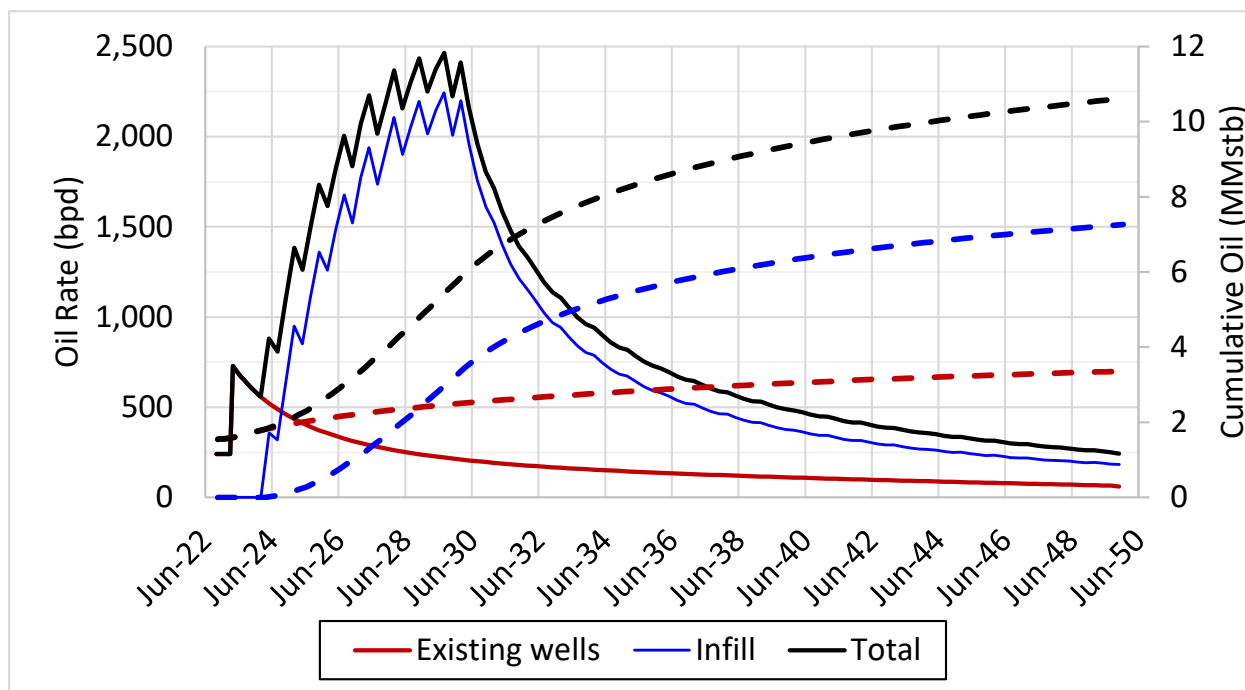


Figure 6-6: Mid Case developed plus undeveloped oil forecast

For input to the economic model:

- RISC’s oil production forecasts have been converted to tonnes using 7.82 stb/tonne (Section 4.6.3)
- 2022 production was for 4Q 2022 only (1/10/2022 to 31/12/2022)

This P50 production forecast results in the EUR of 9.2 MMstb by end 2049, which still represents modest oil recovery factor based on previous STOIP estimates. Therefore, further infill drilling may be worthwhile, subject to the results of these wells.

6.3.1. Low and high forecasts

The low and high forecasts for existing wells are based on conservative and optimistic decline analysis shown in Figure 6-4, discussed in Section 6.1 and Appendix A. However, the production forecasts are dominated by production from the 24 planned infill wells and infill well performance is the main uncertainty.

Table 6-4 showed the range in well performance determined from the analysis of existing wells. The P90 and P10 estimates are for a single well, so if only one infill well is planned these are valid low and high estimates. However, if multiple wells are drilled, the probability of all wells performing at the low level is extremely low and the probability of all wells performing at the high is equally low. As more infill wells are drilled the average infill well performance will approach the mid estimate. RISC has estimated the average low and high case well performance for a 24 well campaign with 16 successful producers using probabilistic addition, Table 6-5.

Table 6-5: Existing successful well performance uncertainty (16-well campaign)

	Low	Mid	High
Initial rate (bpd)	350	400	450
EUR (MMstb)	0.57	0.626	0.70

Other key uncertainties are how many of the new infill wells find productive reservoir and much of the infill well production is addition oil and how much is acceleration of oil that would have been produced from existing wells. RISC has estimated these from our extensive experience in oil field evaluation.

Table 6-6: Proportion of EUR that is new oil, remainder accelerated

	1 st four wells	2 nd four wells	3 rd four wells	4 th four wells	Productive wells
Low forecast	100%	73.3%	46.7%	20%	10
Mid Forecast	100%	83.3%	66.7%	50%	16
High Forecast	100%	90%	80%	70%	22

Figure 6-7 shows the resulting Block 31 low, mid and high case oil forecasts.

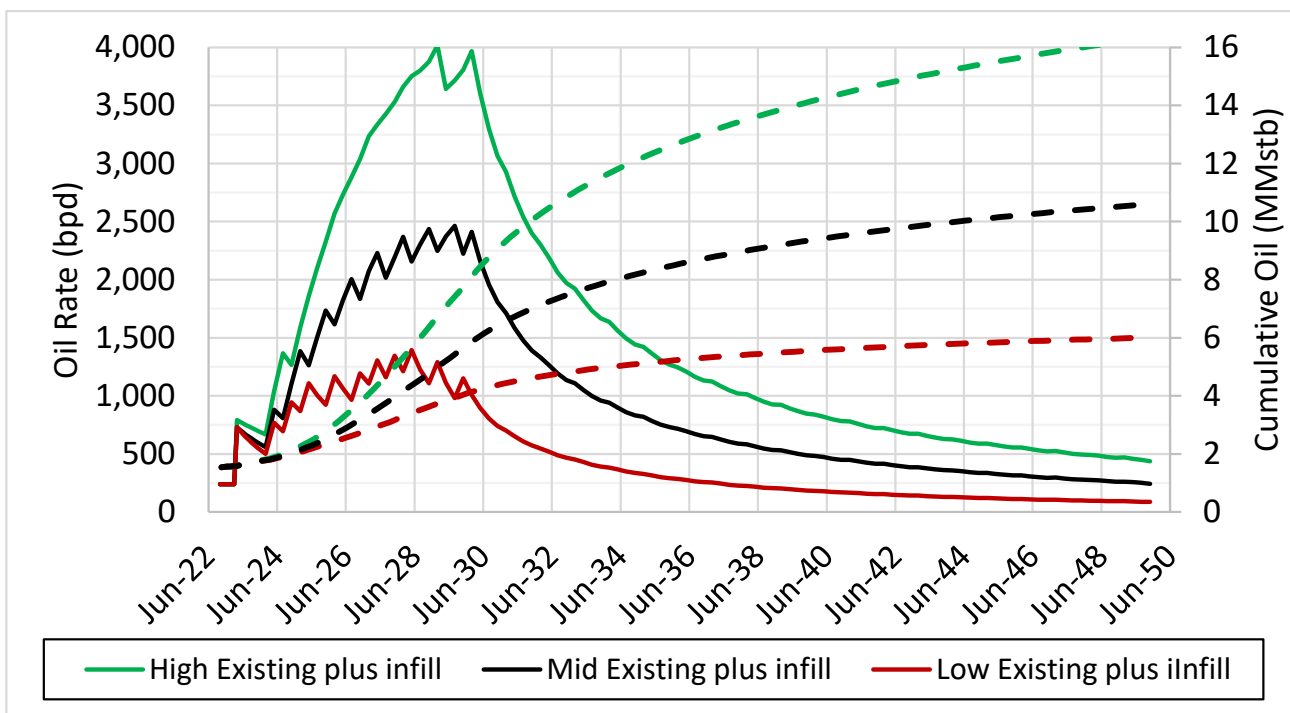


Figure 6-7: Developed plus undeveloped oil forecast

Figure 6-8 shows the associated gas production forecast that is based on the produced GOR which has stabilized at approximately 720 scf/stb.

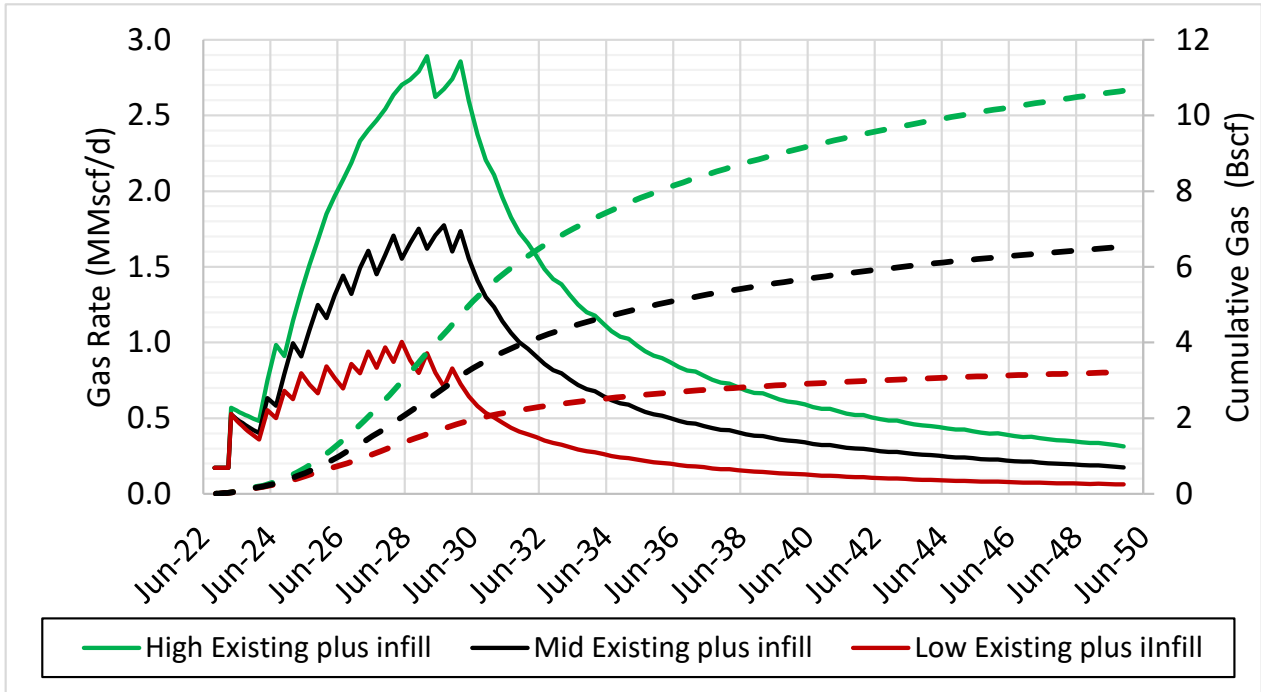


Figure 6-8: Developed plus undeveloped gas forecast

7. Resources

There have been a number of resource estimates for the asset performed over the years. Senergy conducted its initial Independent Resources Assessment of the asset in 2010 (subsequently updated in 2011) and a “Preliminary Review of Factors Affecting HIIP and UR” in 2014. McDaniel & Associates conducted its Competent Person’s Report in 2013. These three reports use the PRMS system which differentiates resources into Proven, Probable and Possible.

In addition, RES has prepared preliminary and final resource estimates. RES uses the RF 2013 system which differentiates between commercial inflows of hydrocarbons in wells and positive results of geological and geophysical studies of untested wells (category C1), and reserves of hydrocarbons whose presence is justified by the data of geological and geophysical studies with consideration of a more known part of the reservoirs or via analogy with an explored field (category C2). Both categories are independent of an economic assessment, and thus cannot be directly compared to the PRMS system.

7.1. In-place resource estimates

Different wells, well testing data and production data was available for the various historical reserves and resources reports:

- Senergy had access to data from wells J-50, J-52 with well J-53 untested. Their estimates are based on a data quality control of the 2010 top structure map and on J-50 and J-52 well logs.
- The area labelled “MG” (middle graben) in the 2011 Senergy report refers to the area between wells J-50 (south thereof) and J-52 (to the west of J-52). The area labelled “DS (J-52-downthrow)” refers to the area immediately to the south-west of J-52.
- McDaniel (2013) had wells J-50 to J-59 with J-53 untested and J-59 partially tested.
- Well J-19 was drilled in 2014 and is not reported in any of the earlier CPRs. Likewise, the J-57 well result has not been incorporated.
- It is important to note that the different assessments of in-place volumes are based on different maps and on different block boundaries.

Table 7-1 shows the reported in-place volumes from the Senergy and McDaniel reports. RISC has not undertaken an independent assessment of in-place to verify these estimates. RISC notes the variation in in-place estimates which is due in part to differences in the mapping assumptions, but also the reservoir parameter assumptions for the highly variable nature of the Block 31 reservoir.

Table 7-1: Block 31 STOIP from Senergy (2011) and McDaniel (2013)

Source	Field	Area	STOIP (MMstb)		
			P90	P50	P10
Senergy	East Akkar	NJ50	23.4	27.1	31.3
		SJ50	30.3	36.1	40.4
		MG	35.5	41.4	47.9
		Total East Akkar	89.2	104.6	119.5
McDaniel	East Akkar		60.1	75.3	77.5
	West Zhetybai		32.1	60.1	72.6
	Total Block 31		92.2	135.4	150.1

7.2. Reserves

RISC classify production from existing wells as producing developed reserves. The remaining oil resources to end 2044 (end of contract term) are shown in Table 7-2. An economic cut-off may need to be applied to these forecasts.

Table 7-2: Block 31 producing developed volumes to end 2044 as of 1 October 2022

Remaining oil to end 2044	1P	2P	3P
MMstb	0.906	1.683	2.385
tonnes	115,847	215,190	304,924
An economic cut-off may need to be applied to these volumes			

The producing developed reserves plus 1.54 MMstb cumulative production 1 October 2022 result in modest oil recovery factors and indicate that further development drilling is justified.

7.3. Contingent resources

Jupiter propose 24 infill wells from 2024 coming on stream at a rate of one per quarter. Resources associated with further drilling were included in previous independent resource assessments by Senergy in 2011 and McDaniel in 2013. However, these additional wells were not drilled.

RISC has not seen detailed plans for the infill drilling, the proposed well locations or confirmation well approval or drilling contracts. Therefore, RISC classify the resources associated with infill wells as contingent resources (development pending), contingent upon being confirmed with drilling contracts and approvals.

Table 7-3 summaries the contingent resources to end 2044 (end of contract term) associated with drilling the 24 wells proposed. An economic cut-off may need to be applied to these forecasts.

Table 7-3: Block 31 undeveloped infill volumes to end 2044 as of 1 October 2022

Contingent Resources to end 2044 (MMstb)	1C	2C	3C
MMstb	3.379	6.871	11.500
tonnes	432,152	878,680	1,470,615
An economic cut-off may need to be applied to these volumes			

The developed reserves and undeveloped contingent resources still result in modest oil recovery factors, based on estimated STOIIP. This indicates that subject to the performance of planned infill drilling, further infill drilling may be justified.

7.4. Prospective resources

Jupiter recognises prospective drilling target in Block 31 (Figure 7-1). No details or prospective resource assessments have been provided to RISC to review and they do not form part of the valuation.

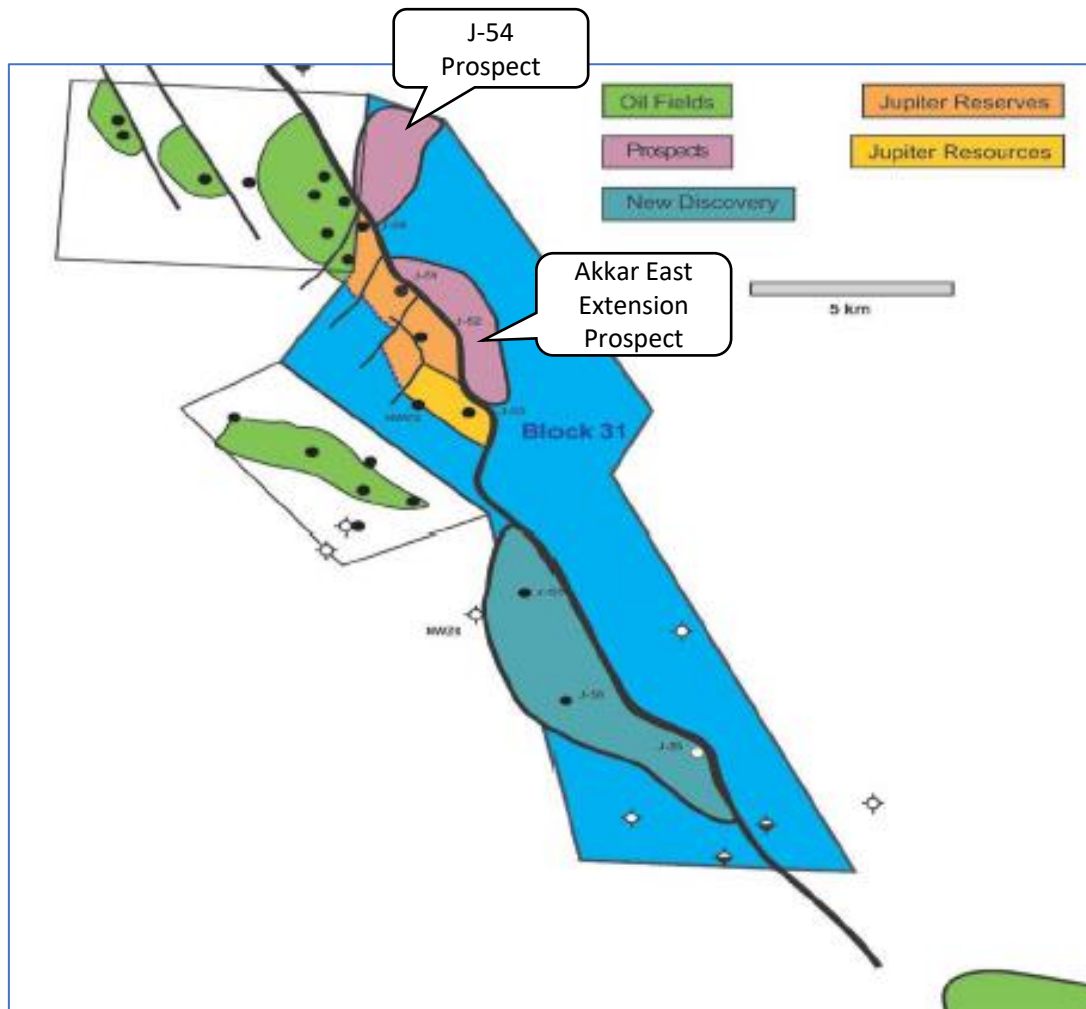


Figure 7-1: Block 31 prospects (Jupiter, 2013)

8. RISC opinion on economic model assumptions

RISC was provided a cashflow model and was requested by BDO to comment on the following. Costs are in US dollars, 2022 real terms.

Technical input	RISC to opine on	RISC Comment
Conversion factor from tonnes to barrels	The appropriateness of the conversion factor of 7.4 used to convert tonnes into barrels of oil.	RISC verified conversion factor based on available PVT data and based on the available data the average conversion factor is 7.82 barrels/tonne.
Drilling and completion CAPEX	Timing and quantum	RISC can accept drill and complete cost of US\$3 million per well. We have assumed 4 wells are drilled per year 2024-2029. This is considered technically achievable though we have not seen a drilling schedule or firm plan
Working days in year	Assumed number of days oil wells can operate in a year (360 days)	Downtime of ~1.5% (360 days/year) represents excellent operational performance. We consider prudent to adopt 2.5% downtime ~355 operational days pa
Average annual well production decline	Assumed rate (7.76%)	RISC generated production forecasts based on production history and available technical information, this included an independent assessment of initial rate per well and appropriate decline rate
New well's production rate (t/d)	Assumed rate (25 tpd)	
Production from wells	Timing, quantum and confirmation that Jupiter has the reserves/resources to support this level of production.	We support increase in production in 2023 given the gas utilisation project is due to be completed in early 2023. We assume the gas utilisation project will allow the current oil production constraint, due to gas handling (flaring) limitation, to be lifted.

<p>27% discount embedded within export oil price</p>	<p>As applied a 27% discount to the global (Brent) oil price explaining that this represents a net price: - 22% of this is allocated for transport costs, export duties, insurance and other costs associated with the sale of oil. - 5% of this relates to the mineral extraction tax in Kazakhstan</p>	<p>22% does seem high based on global experience. Jupiter has confirmed it includes all export duties, rent tax, transportation costs via pipeline to the Black Sea, insurance/ hedging costs, pipeline losses and downtime tanker costs. It may also include a quality discount</p>
<p>OPEX</p>	<p>Timing and quantum.</p>	<p>General methodology of ~US\$2.5 million pa + US\$140 thousand per well onstream seems reasonable. We will make slight modifications to reflect trucking costs of US\$5/t advised by Jupiter</p>
<p>G&A - Aktau Cost and Training Cost</p>	<p>Please assess quantum of the annual costs.</p>	<p>We do not think it is realistic to reduce G&A expenditure from 2024 when the development drilling programme is underway. We recommend maintaining G&A levels of ~US\$1.5 million experienced in 2022 throughout the drilling programme (to 2030)</p>
<p>CAPEX and contingency</p>	<p>Timing and quantum of capex figures.</p>	<p>CAPEX generally seems reasonable other than contingency. We recommend 10% contingency instead of 3% in the model provided.</p>

9. Declarations

9.1. Qualifications

RISC is an independent oil and gas advisory firm. All of the RISC staff engaged in this assignment are professionally qualified engineers, geoscientists or analysts, each with many years of relevant experience and most have in excess of 20 years.

RISC was founded in 1994 to provide independent advice to companies associated with the oil and gas industry. Today the company has approximately 40 highly experienced professional staff at offices in Perth, Brisbane, Jakarta and London. We have completed over 2,000 assignments in 70+ countries for nearly 500 clients. Our services cover the entire range of the oil and gas business lifecycle and include:

- Oil and gas asset valuations, expert advice to banks for debt or equity finance;
- Exploration/portfolio management;
- Field development studies and operations planning;
- Reserves assessment and certification, peer reviews;
- Gas market advice;
- Independent Expert/Expert Witness;
- Strategy and corporate planning.

The preparation of this report has been managed by Mr Adam Craig who is an employee of RISC. Mr Craig is a highly experienced Geoscientist and Manager, with over 30 years' experience in the upstream oil & gas sector working for small and mid-size independents, as well as NOC related entities. He is a member and Certified Practising Geologist (#6446) of the AAPG. Adam is also a member of PESA (2021-22 WA Branch President) and a Fellow of the Geological Society. He holds BSc in Geology from Curtin University, Western Australia and is a qualified petroleum reserves and resources evaluator (QPRRE) as defined by ASX listing rules.

9.2. Terms of engagement

This report, any advice, opinions or other deliverables are provided pursuant to the Engagement Contract agreed to and executed by the Client and RISC.

9.3. Standard

Reserves and resources are reported in accordance with the definitions of reserves, contingent resources and prospective resources and guidelines set out in the Petroleum Resources Management System (PRMS) prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the American Association of Petroleum Geologists (AAPG), World Petroleum Council (WPC), Society of Petroleum Evaluation Engineers (SPEE), Society of Exploration Geophysicists (SEG), Society of Petrophysicists and Well Log Analysts (SPWLA) and European Association of Geoscientists and Engineers (EAGE), revised June 2018.

This Report has been prepared in accordance with the Australian Securities and Investment Commission (ASIC) Regulatory Guides 111 and 112.

9.4. Limitations

The assessment of petroleum assets is subject to uncertainty because it involves judgments on many variables that cannot be precisely assessed, including reserves/resources, future oil and gas production rates, the costs associated with producing these volumes, access to product markets, product prices and the potential impact of fiscal/regulatory changes.

The statements and opinions attributable to RISC are given in good faith and in the belief that such statements are neither false nor misleading. While every effort has been made to verify data and resolve apparent inconsistencies, neither RISC nor its servants accept any liability, except any liability which cannot be excluded by law, for its accuracy, nor do we warrant that our enquiries have revealed all of the matters, which an extensive examination may disclose. In particular, we have not independently verified property title, encumbrances or regulations that apply to these assets.

Our review was carried out only for the purpose referred to above and may not have relevance in other contexts.

9.5. Independence

RISC makes the following disclosures:

- RISC is independent with respect to Jupiter and confirms that there is no conflict of interest with any party involved in the assignment.
- Under the terms of engagement between RISC and Jupiter, RISC will receive a time-based fee, with no part of the fee contingent on the conclusions reached, or the content or future use of this report. Except for these fees, RISC has not received and will not receive any pecuniary or other benefit whether direct or indirect for or in connection with the preparation of this report.
- Neither RISC Directors nor any staff involved in the preparation of this report have any material interest in Jupiter or in any of the properties described herein.

9.6. Copyright

This document is protected by copyright laws. Any unauthorised reproduction or distribution of the document or any portion of it may entitle a claim for damages. Neither the whole nor any part of this report nor any reference to it may be included in or attached to any prospectus, document, circular, resolution, letter or statement without the prior consent of RISC.

9.7. Consent

RISC has consented to this report, in the form and context in which it appears, being included, in its entirety, in the Notice of Meeting. Neither the whole nor any part of this report nor any reference to it may be included or attached to any other document, circular, resolution, letter or statement without the prior consent of RISC.

10. List of terms

10.1. Abbreviations

The following table lists abbreviations commonly used in the oil and gas industry and which may be used in this report.

Abbreviation	Full Term
1P	Proved
2P	Proved plus Probable
3P	Proved plus Probable plus Possible
A\$	Australian dollars
API	American Petroleum Industry
Bbl(/d)	US barrels (per day)
bcf	Billion (10 ⁹) cubic feet
bwpd	Barrels of water per day
CBM	Coal Bed Methane (see also CSG)
CCUS	Carbon Capture and Underground Storage
CO ₂	Carbon dioxide
CSG	Coal Seam Gas (see also CBM)
DAF	Dry Ash Free
DCF	Discounted Cash Flow
DST	Drill Stem Test
EMV	Expected Monetary Value
ER	Exploration Right
EUR	Expected ultimate recovery
EV	Enterprise Value
FBHP	Flowing Bottom Hole Pressure
FDP	Field Development Plan
FTHP	Flowing Tubing Head Pressure
GIIP	Gas Initially In Place
GJ	Gigajoules (10 ⁹ J)
JV(P)	Joint Venture (Parties)
km ²	Square kilometres
kPa	Kilopascal
LNG	Liquefied Natural Gas
m	Metres
mD	Millidarcies
MDT	Modular Dynamic Tester
mKB	Metres below Kelly Bushing
mGL	Metres below Ground Level
MGP	Mpumalanga Gas Project
MJ	Megajoules (10 ⁶ J)
MI (/d)	Megalitres (per day)
MMscf(/d)	Million standard cubic feet (per day)
MPa	Megapascal
Mscf(/d)	Thousand standard cubic feet (per day)
mSS	Metres subsea
MW(-h)	Megawatt (hour)
NPV	Net Present Value
OIIP	Oil initially In Place

Abbreviation	Full Term
PJ	Petajoules (10^{15} J)
PL	Production Lease
psi (a or g)	Pounds per square inch pressure (absolute or gauge)
RISC	Resource Investment Strategy Consultants
RT	Rotary Table or Real Terms, depending on context
scf	Standard cubic feet (measured at 60 F and 14.696 psia)
scm	Standard cubic metres (measured at 15 C and 101.325 kPa)
SPE	Society of Petroleum Engineers
SPE-PRMS	Society of Petroleum Engineers Petroleum Resources Management System
SUG	System Use Gas (fuel and flare)
Tcf	Trillion (10^{12}) cubic feet
TJ	Terajoules (10^{12} J)
UR	Ultimate Recovery
US\$	United States dollars
ZAR	South African rand

10.2. Definitions

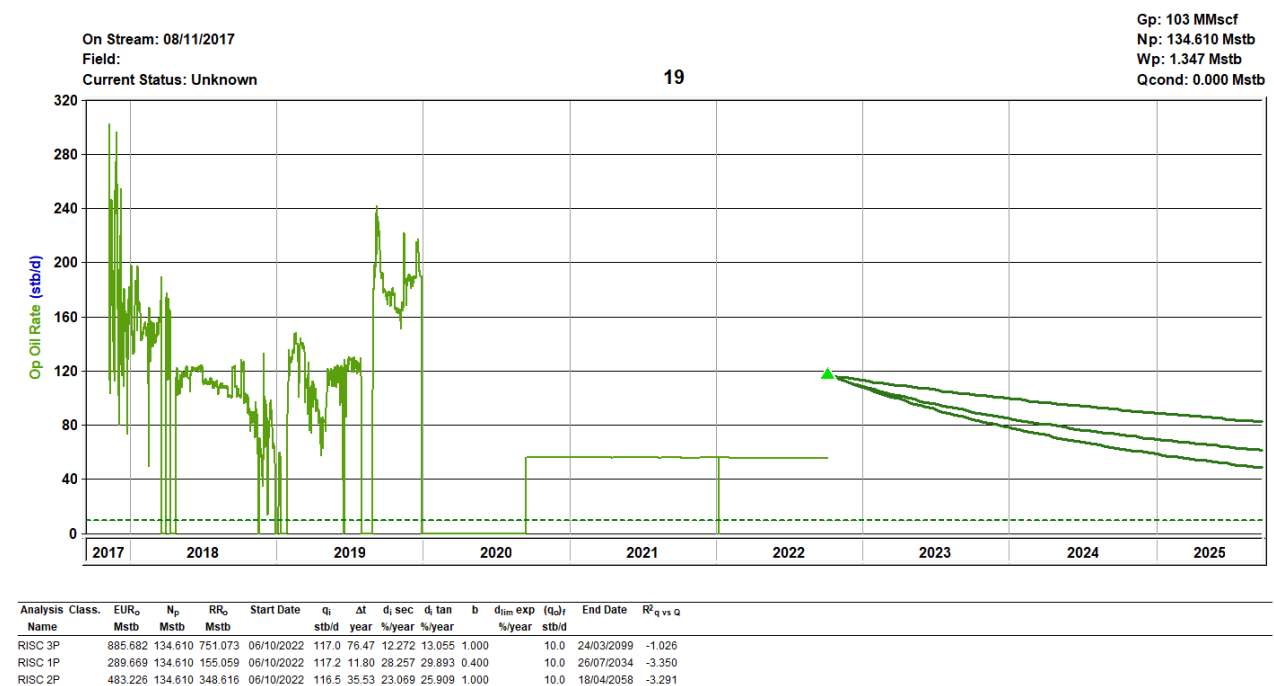
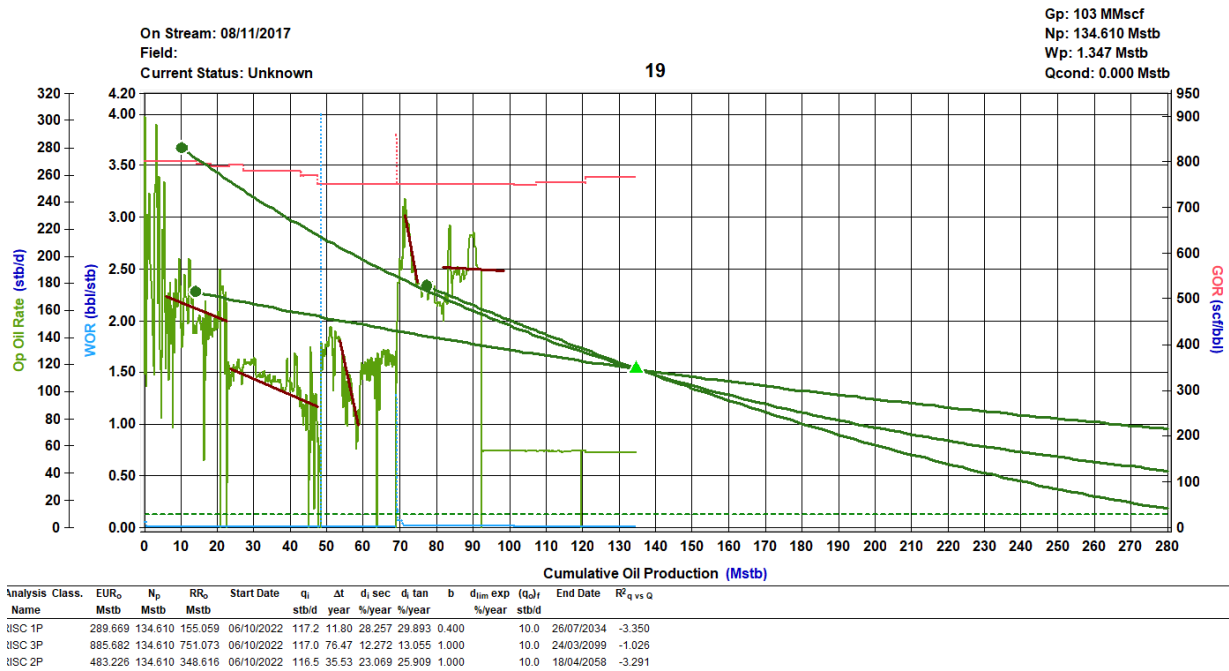
The following table lists some definitions for terms commonly used in the oil and gas industry and which may be used in this report.

Term	Definition
Contingent Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingent Resources are a class of discovered recoverable resources as defined in the SPE-PRMS.
Expectation	The mean of a probability distribution.
P90, P50, P10	90%, 50% & 10% probabilities respectively that the stated quantities will be equalled or exceeded. The P90, P50 and P10 quantities correspond to the Proved (1P), Proved + Probable (2P) and Proved + Probable + Possible (3P) confidence levels respectively if probabilistic techniques are used.
Possible Reserves	As defined in the SPE-PRMS, an incremental category of estimated recoverable volumes associated with a defined degree of uncertainty. Possible Reserves are those additional reserves which analysis of geoscience and engineering data suggest are less likely to be recoverable than Probable Reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P) which is equivalent to the high estimate scenario. When probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate.
Probable Reserves	As defined in the SPE-PRMS, an incremental category of estimated recoverable volumes associated with a defined degree of uncertainty. Probable Reserves are those additional Reserves that are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.
Prospective Resources	Those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations as defined in the SPE-PRMS.

11. APPENDIX A: Decline Curve Analysis

Figures below show the decline curve analysis and forecast potential well oil rate (assuming no gas rate constraint) for each of the 5 producing wells. Available data was limited to allocated daily oil water and gas rates. Wellhead or downhole pressure data and artificial lift details were not available. It is understood that pumps are used to assist production.

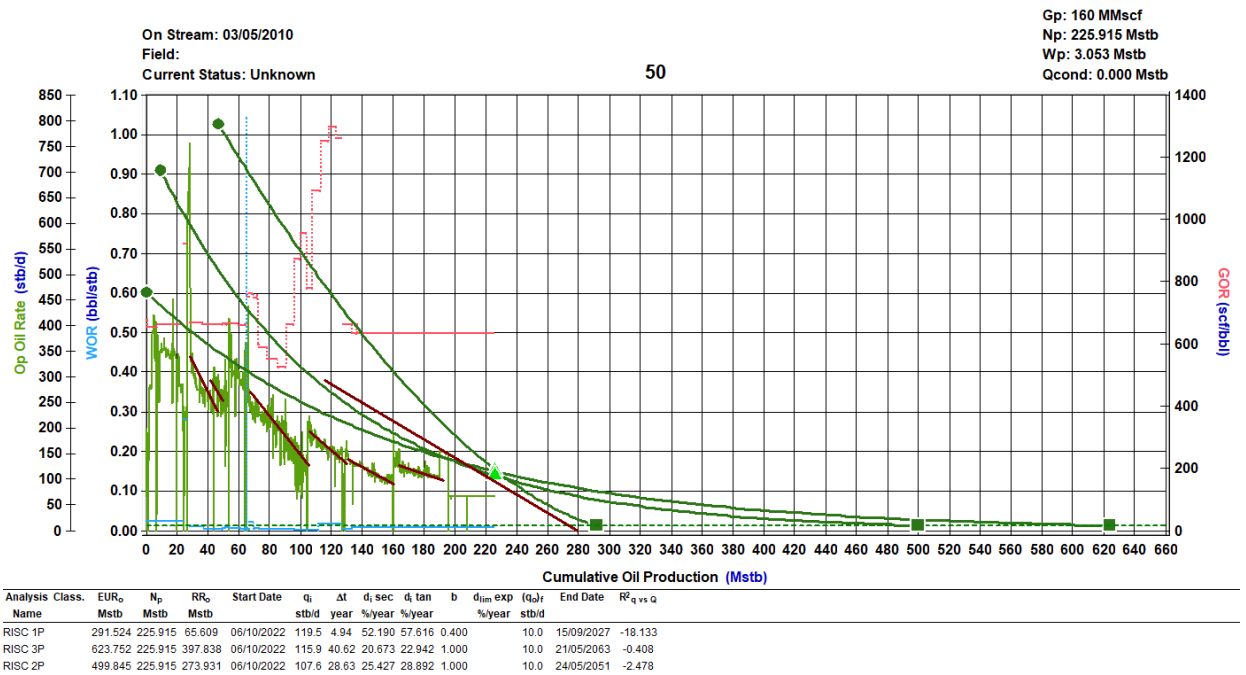
11.1. Well J-19



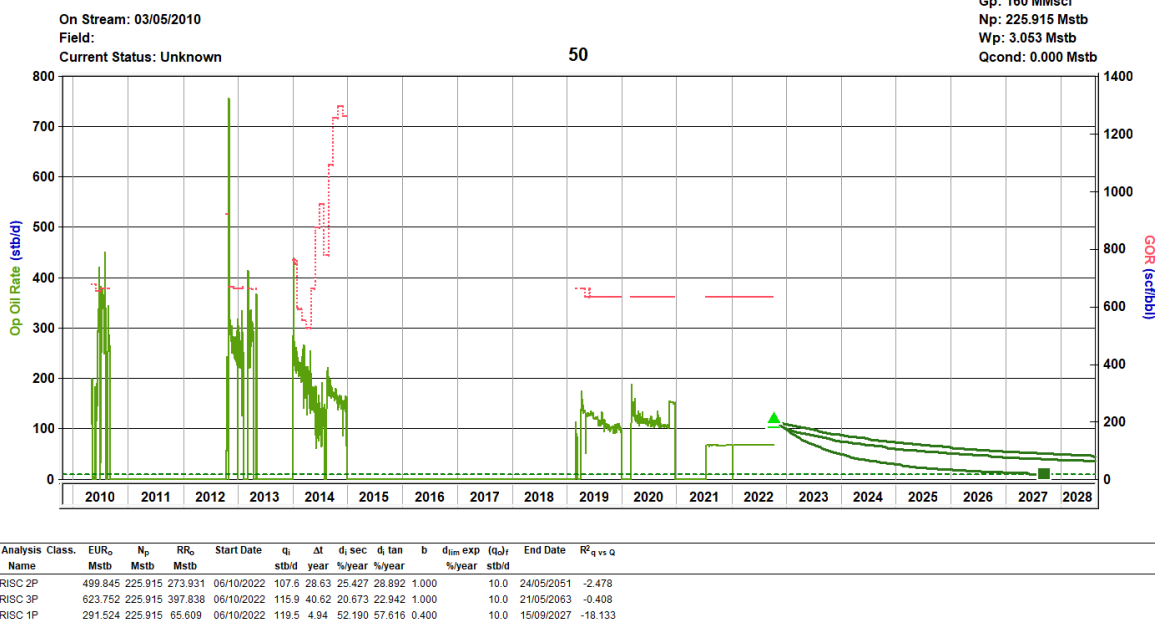
Note that production has been constrained since mid-2020 due to gas flaring constraints that are expected to remain until 31/3/2023. This constrained data is ignored in the decline curve analysis and low, mid and high unconstrained well potential is estimated assuming:

- RISC 1P case hyperbolic (b=0.4) decline
- RISC 2P conservative harmonic decline
- RISC 3P optimistic harmonic decline

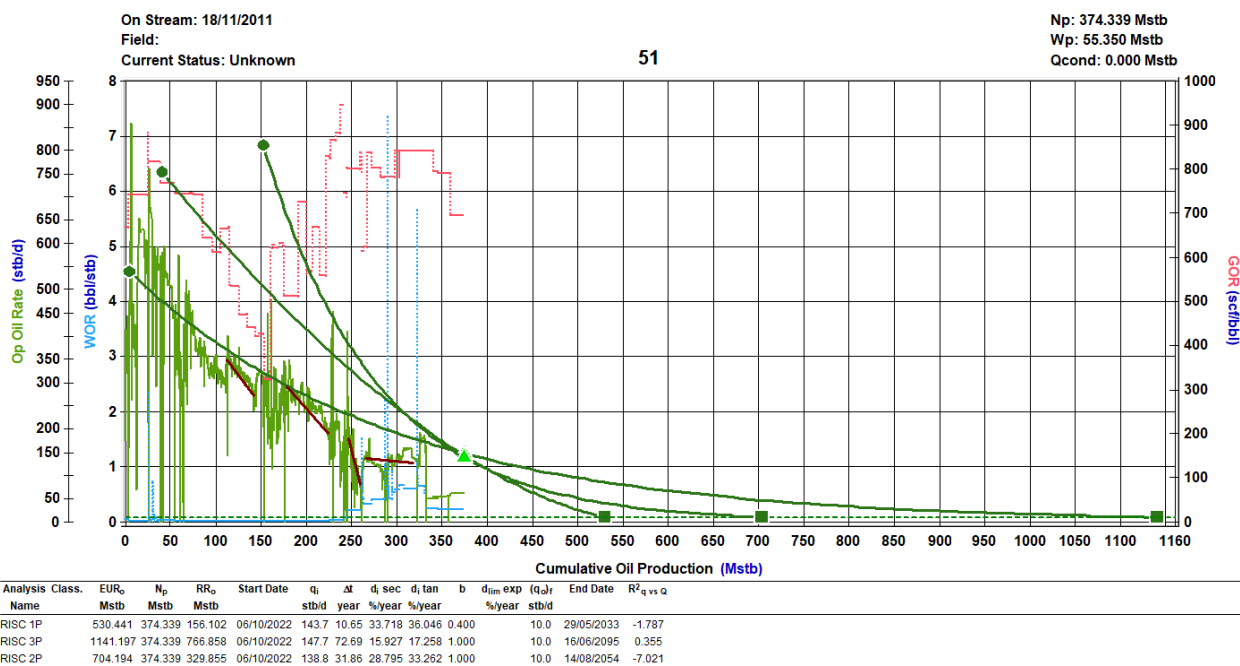
11.2. Well J-50



Decline in J50 above shows that exponential decline (straight line) is not appropriate as production shows a continued tail more like harmonic decline. The extended production may be due to the reservoir pressure declining to the bubble point and secondary gas creating additional pressure support. However, GOR data is scattered and not conclusive.



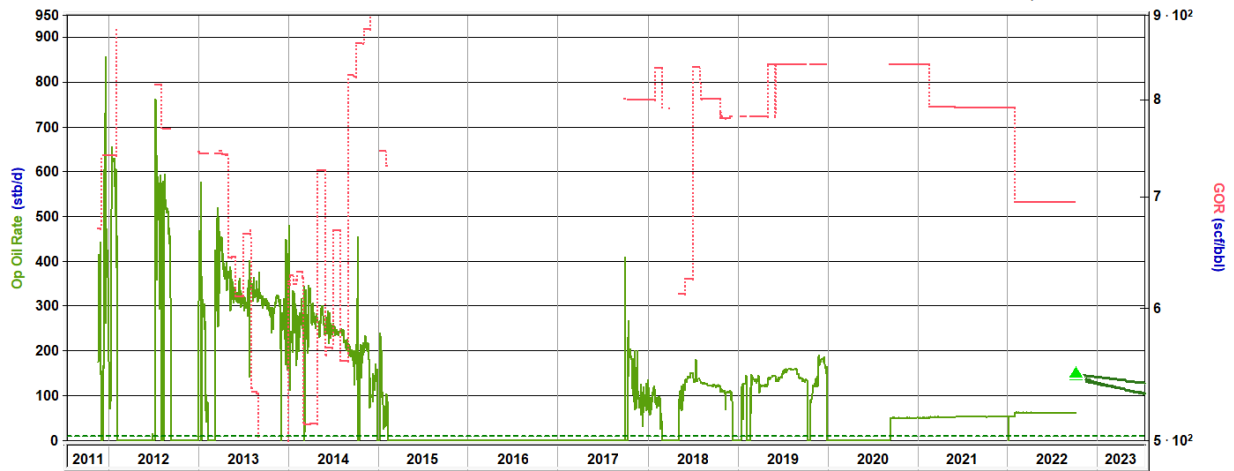
11.3. Well J-51



On Stream: 18/11/2011
Field:
Current Status: Unknown

51

Gp: 263 MMscf
Np: 374.339 Mstb
Wp: 55.350 Mstb
Qcond: 0.000 Mstb



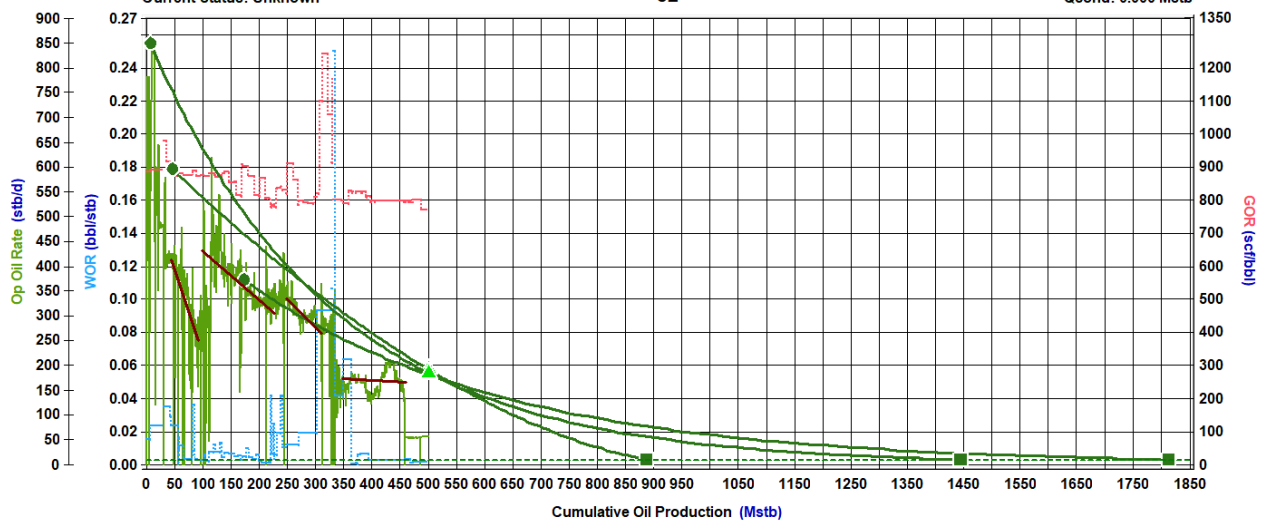
Analysis Class.	EUR ₀	N _p	RR ₀	Start Date	q _i	Δt	d _i sec	d _i tan	b	d _{lim} exp	(q ₀) _r	End Date	R ² _{q vs Q}
Name	Mstb	Mstb	Mstb		stbid	year	%/year	%/year	%/year	%/year	stbid		
RISC 2P	704.194	374.339	329.855	06/10/2022	138.8	31.86	28.795	33.262	1.000	10.0	14/08/2054	-7.021	
RISC 1P	530.441	374.339	156.102	06/10/2022	143.7	10.65	33.718	36.046	0.400	10.0	29/05/2033	-1.787	
RISC 3P	1141.197	374.339	766.858	06/10/2022	147.7	72.69	15.927	17.258	1.000	10.0	16/06/2095	0.355	

11.4. Well J-52

On Stream: 13/02/2011
Field:
Current Status: Unknown

52

Gp: 427 MMscf
Np: 500.813 Mstb
Wp: 9.151 Mstb
Qcond: 0.000 Mstb

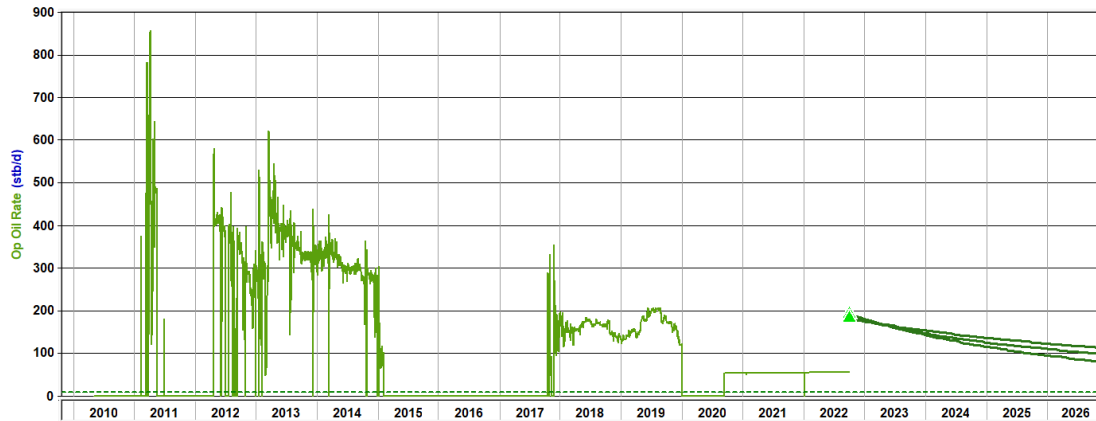


Analysis Class.	EUR ₀	N _p	RR ₀	Start Date	q _i	Δt	d _i sec	d _i tan	b	d _{lim} exp	(q ₀) _r	End Date	R ² _{q vs Q}
Name	Mstb	Mstb	Mstb		stbid	year	%/year	%/year	%/year	%/year	stbid		
RISC 1P	887.241	500.813	386.428	06/10/2022	191.7	22.53	21.248	22.170	0.400	10.0	16/04/2045	-0.565	
RISC 3P	1813.410	500.813	1312.597	06/10/2022	181.1	117.22	12.739	13.583	1.000	10.0	25/12/2139	0.081	
RISC 2P	1443.570	500.813	942.758	06/10/2022	184.8	83.71	17.271	18.841	1.000	10.0	23/06/2106	-0.951	

On Stream: 13/02/2011
Field:
Current Status: Unknown

52

Gp: 427 MMscf
Np: 500.813 Mstb
Wp: 9.151 Mstb
Qcond: 0.000 Mstb



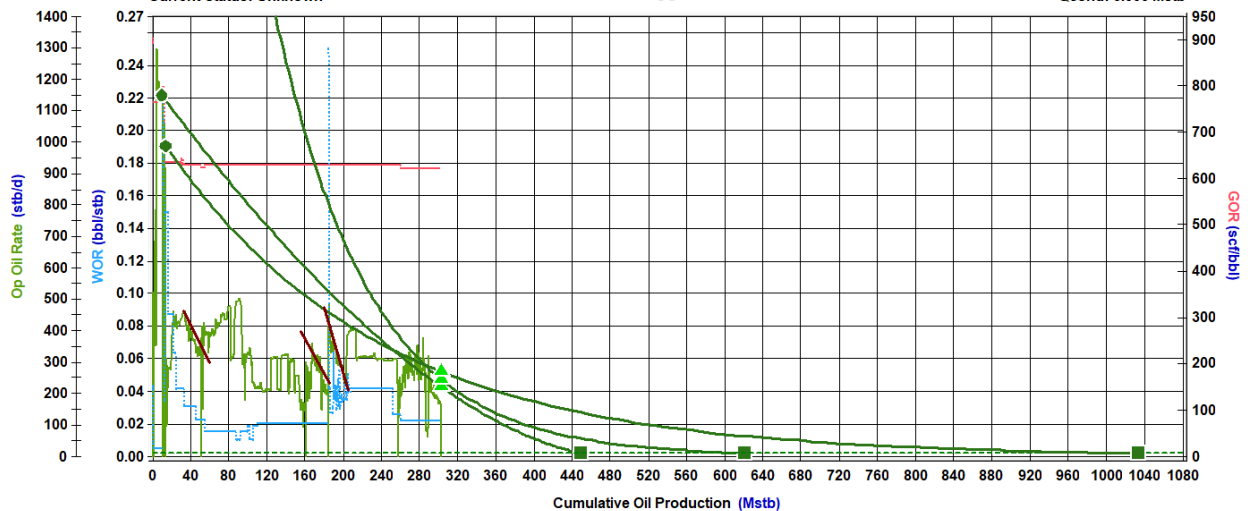
Analysis Class.	EUR ₀ Mstb	N _p Mstb	RR ₀ Mstb	Start Date	q _i stb/d	Δt year	d _i sec %/year	d _i tan %/year	b	d _{lim} exp %/year	(q ₀) stb/d	End Date	R ² _{q vs q}
RISC 2P	1443.570	500.813	842.758	06/10/2022	184.8	83.71	17.271	18.841	1.000	10.0	23/08/2106	-0.951	
RISC 1P	887.241	500.813	385.428	06/10/2022	181.7	22.53	21.248	22.170	0.400	10.0	16/04/2045	-0.565	
RISC 3P	1813.410	500.813	1312.597	06/10/2022	181.1	117.22	12.739	13.583	1.000	10.0	25/12/2139	0.081	

11.5. Well J-58

On Stream: 17/02/2013
Field:
Current Status: Unknown

58

Gp: 192 MMscf
Np: 302.467 Mstb
Wp: 8.821 Mstb
Qcond: 0.000 Mstb

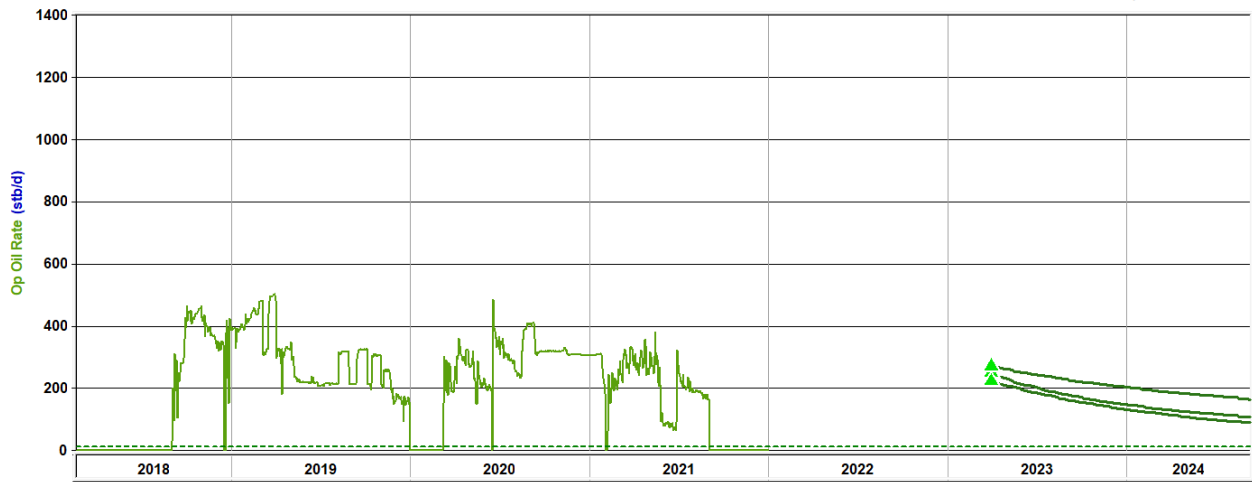


Analysis Class.	EUR ₀ Mstb	N _p Mstb	RR ₀ Mstb	Start Date	q _i stb/d	Δt year	d _i sec %/year	d _i tan %/year	b	d _{lim} exp %/year	(q ₀) stb/d	End Date	R ² _{q vs q}
RISC 1P	449.242	302.467	146.774	31/03/2023	222.2	7.89	49.205	54.068	0.400	10.0	20/02/2031	-14.870	
RISC 2P	620.950	302.467	318.482	31/03/2023	246.0	26.12	47.468	59.489	1.000	10.0	12/05/2049	-111.903	
RISC 3P	1033.945	302.467	731.477	31/03/2023	269.9	58.52	30.750	35.856	1.000	10.0	06/10/2081	-10.484	

On Stream: 17/02/2013
 Field:
 Current Status: Unknown

58

Gp: 192 MMscf
 Np: 302.467 Mstb
 Wp: 8.821 Mstb
 Qcond: 0.000 Mstb



Analysis Class.	EUR _o	N _p	RR _o	Start Date	q _i	Δt	d _i sec	d _i tan	b	d _{lim} exp	(q _o) _i	End Date	R ² _{q vs q}
Name	Mstb	Mstb	Mstb		stbid	year	%/year	%/year		%/year	stbid		
RISC 2P	620.950	302.467	318.482	31/03/2023	246.0	26.12	47.468	59.489	1.000	10.0	12/05/2049	-111.903	
RISC 1P	449.242	302.467	146.774	31/03/2023	222.2	7.89	49.205	54.068	0.400	10.0	20/02/2031	-14.870	
RISC 3P	1033.945	302.467	731.477	31/03/2023	269.9	58.52	30.750	35.856	1.000	10.0	06/10/2081	-10.484	