

06 March 2023

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

**OPERATIONS UPDATE: PROGRESS WITH IMPLEMENTATION OF 100% GAS
UTILISATION INFRASTRUCTURE AND CREATION OF NEW OIL TRADING
JOINT VENTURE**

KEY POINTS:

- Five gas to electricity generators have been delivered to Aktau, are currently being installed, and are expected to be operational during March 2023.
- Akkar East (AE) and West Zhetybai (WZ) fields are expected to return to optimal production levels during March 2023. Cumulative production from the 1 WZ and 3 AE wells will be ~85 tonnes (~640 barrels) per day (up from ~30 tonnes / ~225 barrels per day).
- The J-50 well located on Akkar North (East Block) has returned to constrained production of ~8 tonnes (~60 barrels) per day. Production from this well will increase to ~15 tonnes (~110 barrels) per day once the Akkar North Joint Production Plan has been approved by all the relevant authorities. The approval process should be completed during 2Q 2023.
- Cumulative production, from all 5 wells, will soon reach ~100 tonnes (~750 barrels) per day.
- As required under new Kazakh legislation, Jupiter is now selling its domestic oil through a newly formed Joint Venture vehicle. The new laws allow for Jupiter to participate in both upstream and downstream revenues, leading to improved margins from its domestic oil sales.
- Jupiter has applied to the Kazakh Ministry of Energy for an export oil quota. Contracts have been signed with a local processing plant and with the operator of nearby oil pipelines.

- **Negotiations with export oil traders are in progress.**

The Board of Jupiter Energy Limited (ASX: "JPR") is pleased to provide this update regarding progress with achieving 100% gas utilisation on the Akkar North (East Block), Akkar East and West Zhetybai oilfields and the creation of new Joint Venture vehicles to manage the sale of domestic oil.

The Company has been developing its asset in Kazakhstan for the past fourteen and a half years, moving from the licencing of pure exploration acreage, shooting of 3D seismic, the drilling of exploration wells in different sections of its 123km² acreage and, ultimately, the discovery of 3 oilfields.

The Company has recently transitioned from its Exploration Licence to a Commercial Licence, operating under Preparatory Period restrictions.

The successful installation and commissioning of its 100% gas utilisation infrastructure is integral to its next stage of growth. This infrastructure will enable the Company to operate under its full Commercial Licence, thereby achieving optimal production from its wells and positioning the Company to begin the sale of a portion of its oil into the export market.

Progress with implementation of 100% Gas Utilisation Infrastructure:

The Company is pleased to advise that the five gas to electricity generators have now been delivered to the Company's oilfield(s) and are in the process of being installed.

It is expected that they will be operational during March 2023.

All three oilfields are current producing under Preparatory Period restrictions and constrained cumulative production is ~40 tonnes (300 barrels) per day from the five production wells.

As a result of achieving 100% gas utilisation, the Akkar East and West Zhetybai fields are expected to return to optimal production during March 2023 and cumulative production from the four production wells on these two oilfields will increase to ~85 tonnes (~650 barrels) per day.

Production from the Akkar North (East Block) oilfield (well J-50) will remain at ~8 tonnes (~60 barrels) per day until the Joint Production Plan for Akkar North has been approved by the relevant authorities. This is expected to occur during 2Q 2023, at which time production from the J-50 well will increase to ~15 tonnes (110 barrels) per day.

Once this occurs, the daily production level from all these five wells will be ~100 tonnes (~750 barrels) per day.

Formation of Joint Venture:

Under newly introduced Kazakh legislation, to continue selling oil into the Kazakh domestic market under a full Commercial Licence, a sub soil user (in this case Jupiter Energy) must now sell its oil to a major refinery via a Joint Venture (JV) or Joint Ventures. These JV's must be established with a recognised oil trader and the sub soil user must retain at least a 50% shareholding in the JV.

The JV not only sells oil to a designated major refinery but also shares in the profits of the various downstream products, produced post the completion of the refining process.

This means that the Company will now achieve revenues from both upstream and downstream activities associated with its domestic oil.

All JV's that the Company forms will be run on an "open book" basis and will be audited by Jupiter's auditor, Ernst & Young.

Sale of domestic oil from oilfields that are still operating during the Preparatory Period can still be made to local mini refineries. The Akkar East and Akkar North (East Block) oilfields will complete their Preparatory Period in March 2023.

The West Zhetybai field currently has a Preparatory Period that runs until September 2024. Once 100% gas utilisation has been achieved on the West Zhetybai field, Jupiter can apply to the Kazakh Ministry of Energy to transition the field to operate under its full Commercial Licence.

Jupiter will continue to sell domestic oil from the West Zhetybai field to a local mini refinery whilst the oilfield operates under its Preparatory Period contract. Oil produced

from West Zhetybai cannot be sold into the export market until the field is operating under its full Commercial Licence.

Sale of Export Oil:

The Company has applied to the Kazakh Ministry of Energy for a quota to sell a portion of its eligible oil production into the export market.

Jupiter has already signed agreements with a local processing facility and the operator of local access points to oil pipelines, thus positioning the Company to achieve its first sale of export oil in the near term.

Negotiations with export oil traders are close to completion.

Commenting on the overall progress made in operations, the Company said:

“Jupiter is pleased to be close to achieving optimal production of ~100 tonnes (~750 barrels) per day from its five production wells. The new approach to the sale of domestic oil should see better revenues achieved from this part of our business. The Company is also expecting to soon make its first sales into the export oil market. The Company anticipates that, during 2Q 2023, it will be in a position to provide shareholders with guidance in relation to the outlook for both domestic and export oil sales during 2023/2024.”

If shareholders have any questions regarding this update, they are welcome to contact the Company on +61 3 9592 2357.

Geoff Gander
Chairman/CEO

ENDS

Authorised by the Jupiter Energy Limited Board

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About the Company:

Jupiter Energy Limited is an oil exploration and production company, quoted on the ASX. The Company is focused on developing its onshore asset in Western Kazakhstan. It owns 100 per cent of the Block 31 permit, located in the oil-rich Mangistau Basin, close to the port city of Aktau.

Jupiter has a proven in-country management team, led by an experienced, international Board. The Company has the skills, knowledge, network and attention to detail needed to operate successfully in Kazakhstan.
