

21 April 2023

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

QUARTERLY UPDATE ON ACTIVITIES FOR THE PERIOD TO 31 MARCH 2023

KEY HIGHLIGHTS:

- **Unaudited oil sales revenue (including VAT) for the Quarter ending 31 March 2023 totalled ~\$US682k (~23,000 barrels of oil).**
- **During March, the Company completed the installation of the requisite infrastructure to achieve 100% gas utilisation on its 3 oilfields.**
- **Wells located on the Akkar North (East Block), Akkar East and West Zhetybai oilfields are now producing at a cumulative rate of ~90 tonnes / ~675 barrels per day.**
- **During the Quarter a new Joint Venture was registered to facilitate the sale of oil into the Kazakh domestic market. Jupiter now participates in both upstream and downstream revenues from the sale of its domestic oil, resulting in improved margins.**
- **During April 2023 the Company recorded its first sale of oil into the export market. Domestic and Export quotas are confirmed by the Kazakh Ministry of Energy on a month by month basis. April's quota was apportioned 50/50 between domestic and export oil sales.**

Jupiter Energy Limited (ASX: "JPR") presents the following update on activities for the 3-month period ending 31 March 2023 (the "Quarter"). Also included in this report are details of any subsequent events that have occurred up to the date of this release.

The Quarter in brief:

During the Quarter, wells J-51, J-52 and 19, located on the Akkar East field, continued constrained Commercial Production, as regulated by "Preparatory Period" restrictions. Production from these wells improved once the requisite infrastructure to achieve 100% gas utilisation had been installed on the field. This occurred during March 2023.

The J-50 well, located on the Akkar North (East Block) field, also continued constrained Commercial Production as regulated by "Preparatory Period" restrictions. Production on this well also improved during March 2023, once the requisite infrastructure to achieve 100% gas utilisation had been installed on the field.

In January 2023, the J-58 well, located on the West Zhetybai field, returned to constrained Commercial Production, as regulated by "Preparatory Period" restrictions. Production from this well also improved during March 2023, once the requisite infrastructure to achieve 100% gas utilisation had been installed on the field.

Implementation of Jupiter's 100% Gas Utilisation Plan:

Stage 1 of the 100% Gas Utilisation Plan was completed during the Quarter. Stage 1 is based on a decentralised configuration, with a gas to electricity generator being installed at each producing well head.

Work on Stage 2 of the Company's Gas Utilisation Plan has already commenced and the Company will provide more details on this project as material progress is made.

1Q 2023 Oil Sales:

During the Quarter unaudited oil sales revenue (including VAT) totalled ~\$US682k (~\$A1.02m) based on sales of ~23,000 barrels of oil (average price of ~\$US30/bbl). All oil was sold into the Kazakh domestic market.

Cash receipts for the Quarter were ~\$A0.755m. The variance between revenue recognised and cash receipts is due to the timing of the receipt of oil prepayments that are then amortised over one to two months of oil deliveries.

Approximate production of oil, by well, for the Quarter was as follows:

- J-50: **5,300 barrels** (the flow rate of this well was constrained for much of the Quarter. During March 2023, when 100% gas utilisation was achieved, the rate improved and daily production is now ~135 barrels per day)
- J-51, J-52 and Well 19: **19,200 barrels** (the flow rates of these wells was constrained for much of the Quarter. During March 2023, when 100% gas utilisation was achieved, the rates improved and cumulative daily production from these wells is now ~315 barrels per day)
- J-58: **10,300 barrels** (the well returned to production in January and its flow rate was constrained for much of the Quarter. During March 2023, when 100% gas utilisation was achieved, the rate improved and daily production is now ~225 barrels per day)

It should be noted that there was ~1,575 tonnes (~11,800 barrels) of oil in storage as at 31 March 2023. This oil was sold in April 2023.

Export Oil Sales:

On 11 April 2023 the Company advised that it had received its approved April 2023 export oil quota from the Kazakh Ministry of Energy and had concluded a sales contract with an export oil trader. This meant that the first shipment of export oil took place in April 2023.

Quotas for domestic and export oil sales are approved by the Kazakh Ministry of Energy on a month by month basis.

Export oil pricing is linked with the destination to which the oil is routed. Approved routing is part of the export quota process undertaken each month with the Kazakh Ministry of Energy. Details of approved routes, quotas and oil pricing will form part of Quarterly reporting going forward.

Creation of new Joint Venture for the sale of Kazakh Domestic Oil:

In early January 2023 the Kazakh Government announced a range of amendments to Kazakh Law. These amendments included the introduction of a new concept of an approved "oil supplier". Under the new legislation, the role of the local trader acting as

the middleman between oil producer and an approved refinery changed and sub soil users like Jupiter were given the opportunity to form a Joint Venture (JV) with a trading company as part of the new oil sales process that was introduced.

A JV was established during the Quarter. 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 now derives revenues from both upstream and downstream activities associated with its domestic oil, leading to improved margins from this part of its business.

Forward Drilling Plan:

The Company is currently reviewing its work program/drilling plan for 2023.

Mid Year Accounts:

On 16 March 2023, the Company lodged its mid year Accounts.

Change of Registered Office:

On 3 April 2023, the Company lodged details of a change to the address of its Registered Office. Shareholders should note that the Jupiter Energy main telephone number has also changed.

Licence Information:

As is required under ASX disclosure rules, the Company confirms that it currently holds the following licence:

Country	Block / Licence	Interest held as at 31 December 2022	Interest acquired / disposed of during the Quarter	Interest held as at 31 March 2023
Kazakhstan	Contract 2275	100%	Nil	100%

Payments to Related Parties:

Payments made to related parties and their associates during the Quarter are normally fees paid to Geoff Gander, Baltabek Kuandykov and Alexander Kuzev for Consulting Services provided to the Company. These fees were accrued during the Quarter and will be paid during 2Q 2023.

Capital Structure and Finances:

As at 31 March 2023, the Company had 1,229,850,121 listed shares trading under the ASX ticker "JPR".

The Company has no Options or Performance Shares, listed or unlisted, on issue.

As at 31 March 2023, the Company's total debt outstanding stood at ~\$US16.57m. This outstanding debt will now be carried interest free until 31 December 2024. The Company expects to repay this debt, using \$US generated from oil sales, over the coming years.

In terms of available short-term funding: as at 31 March 2023, the Company had ~\$US6.4m available to it under its 2017 Funding Agreement with Waterford Finance & Investment Limited (Waterford). The Company has not drawn down on this funding facility since January 2022 and intends to remain self funded going forward.

Waterford has agreed that this funding facility can still be accessed as long as any amount drawn down is repaid in priority to the existing ~\$US16.57m of balance sheet debt.

Operations Budget:

The Company continues to operate under an approved Operations Budget using the net revenues from prepaid oil sales. The Company expects to remain funded at an operational level based on current and forecasted oil production, under differing well production scenarios, for the foreseeable future.

Future drilling work will require access to additional working capital and/or securing deferred payment terms with a local turnkey drilling operator and/or prepayment of additional oil sales by an oil trader.

Unaudited net cash reserves as at 31 March 2023 stood at approximately \$A0.45m.

Summary:

Progress during the Quarter continued to be positive.

Unaudited revenue from oil sales (including VAT) for the Quarter amounted to ~\$US682k (~\$A1.02m) which was secured via prepayments from a local oil trader.

Cash receipts for the Quarter were ~\$A0.755m. The variance between revenue recognised and cash receipts is due to the timing of the receipt of oil prepayments that are then amortised over one to two months of oil deliveries.

The Company completed the implementation of its Stage 1 100% gas utilisation infrastructure. Production wells on the Akkar North (East Block), Akkar East and West Zhetybai oilfields returned to near optimal production during March 2023.

Amendments in Kazakh legislation made during the Quarter led to changes in the way that Jupiter now sells its oil into the domestic market, resulting in improved margins from domestic oil sales.

First sales of oil into the export market were achieved in April 2023.

If there are any questions regarding this Quarterly report, shareholders are welcome to contact the Company on +61 3 9863 9779.

Geoff Gander
Chairman/CEO

ENDS

Authorised by the Board of Jupiter Energy Limited

Enquiries:

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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.

Competent Persons Statement:

Alexey Glebov, PhD, with over 35 years' oil & gas industry experience, is the qualified person who has reviewed and approved the technical information contained in this report. Alexey PhD's in technical science (1992) and geology science (2006), an Honors Degree in Geology and Geophysics (1984) from Novosibirsk State University and a Gold Medal (1985) from USSR Academy of Sciences. He is a member since 2001 of the European Association of Geoscientists & Engineers (EAGE #M2001-097) and was made an Honorary Oilman in 2011 by the Ministry of Energy of the Russian Federation. Alexey Glebov is qualified in accordance with ASX Listing Rule 5.41.
