

28 April 2017

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

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QUARTERLY UPDATE ON ACTIVITIES FOR THE PERIOD TO 31 MARCH **2017**

KEY POINTS:

- **Solid progress made during the Quarter with the Kazakh Regulatory Authorities in relation to the approval of the 3 year Work Program (2017-2019) and Trial Production Licences for the Akkar East and West Zhetybai oilfields.**
- **Additional funding package under discussion with major shareholder Waterford Petroleum Limited to enable the recommencement of oil production from wells J-51, J-52 and Well 19 once Trial Production Licences approved.**
- **Signing of an Oil Sales Framework Agreement with local Aktau trader for the sale of oil into the Kazakh domestic market as soon as production recommences.**
- **Resolution of the Akkar North division of Reserves.**
- **The Company continues to work on various options to provide long term funding for the ongoing development of Block 31.**

Jupiter Energy Limited (ASX: "JPR", AIM: "JPRL" and KASE: "AU_JPRL") presents the following update on activities for the 3 month period ending 31 March 2017 (the "Quarter"). Also included in this report are details of subsequent events that have occurred up to the date of this release.

The Quarter in brief:

There were no oil sales made during the Quarter. All producing wells were shut in during February 2015, and remain shut in, due to low domestic oil prices.

The current expectation is that oil production will recommence as soon as the Kazakh Regulatory Authorities have approved Trial Production licences for the Akkar East and West Zhetybai oilfields and funding is in place to support the cost structure required to recommence production.

Approval of the 2017 – 2019 Work Program:

The Company made good progress during the Quarter with regards finalising all the necessary paperwork to enable the Kazakh Ministry of Energy to sign Addendum 8 to Contract 2275. The signing of Addendum 8 will approve Jupiter's three year Work Program (2017-2019) that supports the three year Exploration Licence Extension that was granted by the Ministry of Energy during the 4th quarter of 2016.

As part of the signing of Addendum 8, the Ministry of Energy will also approve Trial Production Licences extensions for the Akkar East and West Zhetybai oilfields for the period to 29 December 2019. The approval of the Trial Production Licences will enable the Company to recommence oil production as soon as is practical. It is planned that initial production will be from wells J-51, J-52 and Well 19, all of which are located on the Akkar East oilfield.

The Company will keep shareholders updated on progress with the signing of Addendum 8 and its plans to recommence domestic oil production.

Forward Plan – Operations:

The Company has signed a non exclusive Oil Sales Framework Agreement with a local Aktau oil trader which provides a pricing formula that is driven by two key variables – the world price of oil (Brent) and the level of water cut of oil collected from the field. Depending on these two variables at a given point in time, an oil price based on \$US/tonne, will be determined. For example, at \$US55/barrel (Brent), the oil price received by the Company at the well head could range from \$US145/tonne (0-3% Water Cut) to \$US120/tonne (7% Water Cut).

The Company continues discussions with its major shareholder Waterford Petroleum Limited ("Waterford") with respect to the additional funding that will be required to enable the infrastructure and staffing to be put in place to recommence domestic oil production from wells J-51, J-52 and Well 19. It is expected that the additional funding will be provided by an increase in the current Funding Framework Agreement in place with Waterford.

The Company will keep shareholders updated on progress with the additional funding package.

Resolution of Akkar North Reserves Dispute:

The Company advised shareholders on 28 November 2014 that the application to extend the Trial Production Licence for well J-50 was being held by the Kazakh Committee of Geology pending resolution of the allocation of reserves associated with the well.

The J-50 well has been shut in since 29 December 2014 (the date at which the last Trial Production licence expired).

The underlying issue delaying the Trial Production Licence renewal was the request by the Committee of Geology that Jupiter Energy reach agreement with its neighbour MangistauMunaiGas (MMG) over the division of reserves associated with both companies' share of the Akkar North accumulation.

The Company is pleased to advise shareholders that the division of the Akkar North reserves has now been formally resolved. Jupiter was successful with its ownership claim over the Akkar North (East Block) reserves and will now work to complete the required paperwork and gain the requisite approvals to return the J-50 well to production, subject to the requisite funding being in place. This will require submission of Addendum 9 to its Contract and approval by the relevant authorities of a Trial Production Licence for the Akkar North (East Block) permit area.

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 2016	Interest acquired / disposed of during the Quarter	Interest held as at 31 March 2017
Kazakhstan	Block 31	100%	Nil	100%

Capital Structure and Finances:

As at 31 March 2017, the Company has 153,377,693 listed shares trading under the ASX ticker "JPR", the AIM ticker "JPRL" and the KASE ticker "AU_JPRL".

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

As at 31 March 2017, total Company debt outstanding was \$US37,736,416 through a total of five (5) Promissory Notes, with the following holders:

- Waterford Petroleum Limited: \$US14,286,372
- Waterford Petroleum Limited: \$US9,884,665
- Mobile Energy Limited: \$US10,546,249
- Midocean Holdings Limited: \$US2,274,704
- Other Private Investors: \$US744,427

As at 31 March 2017, the Company has drawn down \$US3,125,587 (including accrued interest) under the current \$US5m Funding Agreement with Waterford , as announced on 29 July 2016, and therefore has a further \$US1,874,413 (including accrued interest) available to it under this Agreement.

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

As detailed earlier in this announcement, the current intention is to increase the funding available under the 2016 Waterford Funding Agreement, thereby enabling a return to production from the Akkar East oilfield and, in so doing, revert to operating under an "Operations Budget". The amount of additional funding required will be based on a revised budget that takes into account the cost structure required to support a return to production offset by the revenues derived from budgeted oil sales.

Unaudited net cash reserves as at 31 March 2017 stood at approximately \$A495,000.

The Directors of the Company continue to defer their Directors' Fees until such time that the Company has an improved cashflow.

Summary:

Progress during the Quarter was positive and the Company is now close to getting final approval of the 2017-2019 Work Program and Trial Production Licences for the Akkar East and West Zhetybai oilfields from the Kazakh Regulatory Authorities.

The Company signed an Oil Sales Framework Agreement in April 2017 with a local Aktau oil trader, thus positioning Jupiter for a return to domestic oil production as soon as the necessary Kazakh Regulatory Approvals have been granted and the requisite funding to support a return to production is in place.

Another positive outcome during the Quarter was the resolution of the long running dispute over the allocation of the Akkar North reserves. Jupiter was successful with its ownership claim over the Akkar North (East Block) reserves and will now work to complete the required paperwork and gain the requisite approvals to return the J-50 well to production, subject to the requisite funding being in place.

If shareholders have any questions regarding this Quarterly report they are welcome to contact the Company on +61 89 322 8222.

Geoff Gander
Chairman/CEO

ENDS

Competent Persons Statement:

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

About the Company:

Jupiter Energy Limited is an oil exploration and production company, quoted on the AIM, ASX and KASE markets. The Company is focused on developing its onshore assets in western Kazakhstan. In 2008 the Company acquired 100 per cent of the Block 31 permit, located in the oil-rich Mangistau Basin, close to the port city of Aktau.

Jupiter has a proven in-country management team, led by an experienced, international Board, together possessing the skills, knowledge, network and attention to detail needed to operate successfully in Kazakhstan. The forward plan will see Jupiter develop a group production facility on Block 31 to process, store and export oil. This topside infrastructure is a key element in moving to long-term production and the achievement of self-funding for further development of Block 31.