

ASX Announcement

6 May 2020

Response to Irregular Trading Activity

Jupiter Energy Limited (**Jupiter** or the **Company**) provides the following update to the market regarding the irregular trading activity in the Company's shares on 22 April 2020 and 23 April 2020 that led to the suspension of trading in Jupiter's securities on 23 April 2020.

Background

Shares in Jupiter have had a history of sporadic trading on slim volumes for some time.

The market closed on 21 April 2020 with Jupiter shares having last traded at \$0.004. On the commencement of trading on 22 April 2020 the share price spiked dramatically (to a high of \$0.055) on much higher than normal trading volume.

This significant movement led to the ASX issuing a "Pause in Trading" notice at 2.45pm (EST) on 22 April 2020 at which point trading in Jupiter shares was paused while the Company responded to the ASX Price Query issued. The reply from the Company was lodged at 4.02pm (EST) and in that reply the Company stated that it was not aware of any explanation for the recent trading and made reference to recent Operations Updates lodged with the ASX on 27 March 2020 and 14 April 2020.

The Company lodged its 31 March 2020 Quarterly Activities Report and associated Cashflow Report before the commencement of trading on 23 April 2020 to ensure that the market had access to all available information before shares traded again. This occurred at 8.20am EST (Cashflow Report) and 8.21am EST (Quarterly) on 23 April 2020.

The 31 March 2020 Quarterly provided a summary of announcements already disclosed during the 3-month period from 1 January 2020 to 22 April 2020 which included the Half Year Accounts and two important Operations Updates. These announcements, summarised in the March Quarterly, gave what, in the Company's view, was a balanced and pragmatic update on the state of operations in Kazakhstan and the impact of the COVID-19 pandemic on the stability of the business.

The Company had expected that the release of the March Quarterly would give market participants the opportunity to become fully informed on the status of Jupiter's business including the state of the Company's operations in Kazakhstan before trading commenced on 23 April 2020.

Trading commenced on 23 April 2020 and again the volume of shares traded were significant and the share price continued to rise.

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This led to the ASX issuing another "Pause in Trading" notice at 11.49am at which point Jupiter shares were again paused from trading and a second ASX Price Query was issued. This pause was not lifted for the remainder of the trading day, during which time the Company, in discussions with the ASX, issued a response to the ASX Price Query notice as well as issuing a Request for Trading Halt. The response to the ASX Price Query and the Request for a Trading Halt were lodged at 4.58pm EST and 4.59pm EST respectively and again confirmed that the Company was not aware of any explanation for the recent trading activity.

In the Request for a Trading Halt, the Company stated that it "requests that the trading halt remain in place until the earlier of commencement of trading on Tuesday, 28 April 2020 or the time that the Company is able to make an informed announcement to better explain this recent trading activity."

The Company was not in a position to make an informed announcement by 28 April 2020 and at 9.32am (EST) the Company lodged a Request for a Voluntary Suspension which was granted by the ASX.

Summary of Findings made by the Company

The Company has been working to build a better understanding of what trading took place on 22 April 2020 and 23 April 2020 and what might have led to the trading of approximately 12.5 million shares and the share price reaching a high of \$0.345 per share.

A review of the Significant Movement Reports for 22 April 2020 and 23 April 2020 has indicated that the buying was not carried out by any particular investor that might have been perhaps building a strategic stake in the Company via an on-market bid.

Instead it appears that the buying was carried out by a diverse group of individuals with approximately 250 investors acquired parcels of 10,000 shares or less. Approximately 10 investors acquired between 100,000 and 300,000 shares and approximately 80 investors acquired between 10,000 and 100,000. In summary there were approximately 340 new Jupiter shareholders registered from the trading activity on 22 April 2020 and 23 April 2020.

It is important to note from the Significant Movement Reports, that the total number of shares settled over the two day period was approximately 6 million shares against a total trading volume of approximately 12.5 million shares. This would appear to indicate that 6.5 million shares were bought and then sold within 3 business days which is generally an indicator that this buying activity was "day trader" driven.

What created this interest in Jupiter Shares?

The question that the Company then looked to examine was why Jupiter had suddenly become of interest to investors. The Company reviewed certain social media platforms and this revealed that Jupiter has been amongst a number of companies that have attracted the interest of a number of share commentators.

The Company believes that its share price increased as a result of a recommendation or recommendations in relation to Jupiter lodged via social media. The Company made it clear on 22 April 2020 that it had no knowledge of any reason for the sharp price increase and by lodging its March 2020 Quarterly and Cashflow Report before trading commenced on 23 April 2020, the Company tried to ensure any potential trader that had not taken the time to read recent

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announcements, had them in a summarised form to review prior to trading commencing on 23 April 2020.

Trading Activity

As outlined in the Appendix 3Y lodged with ASX on 28 April 2020, one of the sellers of Jupiter shares on 23 April 2020 was its Chairman/CEO, Geoff Gander who sold his holding in his Superannuation Fund (769,445 shares) and his trading account Vitoria P/L (41,667 shares). Mr Gander had held these shares for 10 years and was not in a “Black Out” period or aware of any information concerning the Company that was not already in the public domain.

Conclusion

The Company believes that it has met all its obligations in terms of full disclosure and that the trading in Jupiter shares appears to have been related to day trading activity.

Authorised by the Board of Jupiter Energy Limited

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