

31 October 2008

Jupiter Energy gains government approval for Block 31 extension

KEY HIGHLIGHTS

- **Jupiter secures additional 25 square kilometres of exploration acreage adjacent to existing Block 31 permit (the area known within JPR as Block 32)**
- **Historical drilling data confirms presence of oil within the extension area**
- **Estimation of 22 mmbbls of oil within the extended Block 31**
- **3D seismic program that is already underway will include covering this new extension area**
- **Processing and interpretation of 3D to be completed during 1Q 2009 with drilling recommendations to follow**
- **Expectation is to drill discovery well before June 2009**

The Board of Jupiter Energy Limited (ASX: JPR) is pleased to advise shareholders that the Company has received all the necessary government approvals from the Ministry of Energy and Mineral Resources of the Republic of Kazakhstan (MEMR) granting the 25 square kilometre extension of additional exploration acreage in the Mangistau basin.

The extension, known internally as Block 32, is an area situated between JPR's initial exploration permit, Block 31, and the existing North West Zhetybai oil field. The area was originally identified as a result of reviews by the Company of historic Soviet seismic data and it was the review of this data that indicated that the recently approved extension acreage has similar characteristics to that of the Akkar North oil field. Akkar North borders Block 31 and is already in production, with output of c 4,500 barrels of oil per day and with 2P (proven and probable) reserves now estimated at 23 mmbbls.

JPR's initial review of the mapping on the 2D seismic data over Block 31 highlighted a possible eastern extension of Akkar North into Block 31. Two potential targets (shown as Lead A and Lead B in Figure 1 below) were identified in the eastern part of the permit. A large 4 way dip closer was also mapped, with the closure straddling the border between Blocks 31 and 32. It was this closure that JPR found encompassed the North West Zhetybai #2 well (NWZ 2) drilled by the Soviets in the early 1980's and JPR has recently gained access to the logs from this drilling program. Follow on investigations have shown that NWZ 2 sits down the south western slope of the North West Zhetybai structure and the data from the drilling program shows that NWZ 2 was clearly an oil discovery.

During the drilling on NWZ 2, a 30 metre sand (correlated as Ju-XIII) and situated at the base of the structure, flowed oil to surface at 17.2 barrels of oil per day (bopd) without acid or pump. Interestingly, initial Soviet drilling at Akkar North showed that the Triassic A sand flowed gas/oil/water from a 40 m sand and may sit near an oil/water contact. When you contrast this information with the now proven prospectivity of the Akkar North oil field, this data in itself clearly shows evidence of the potential upside of the Block 31 permit.

Conservative volumetrics reviewed by JPR's technical team place 8 million barrels (mmbbls) of potential oil reserves in the updip NWZ 2 structure and a further 14 mmbbls of potential in the other 3 structures, meaning that Block 31 now has the potential to deliver some 22 mmbbls of oil, once the permit is taken into production. These reserve estimates are consistent with the expected production of Akkar North (23 mmbbls) and the probable reserves of North West Zhetybai (21 mmbbls), the two oil fields that border Block 31.

As already announced, JPR commenced shooting 3D seismic over Block 31 in September 2008 and, as shown in Figure 2 below, the 3D contract will now include the additional acreage covered by this new extension area. Clearly, the Company is confident that within Block 31 and the new extension there are a range of highly prospective targets similar to the two existing oil fields (Akkar North and North West Zhetybai), both of which are already known to have proven reserves.

Block 31 – Prospects and Leads

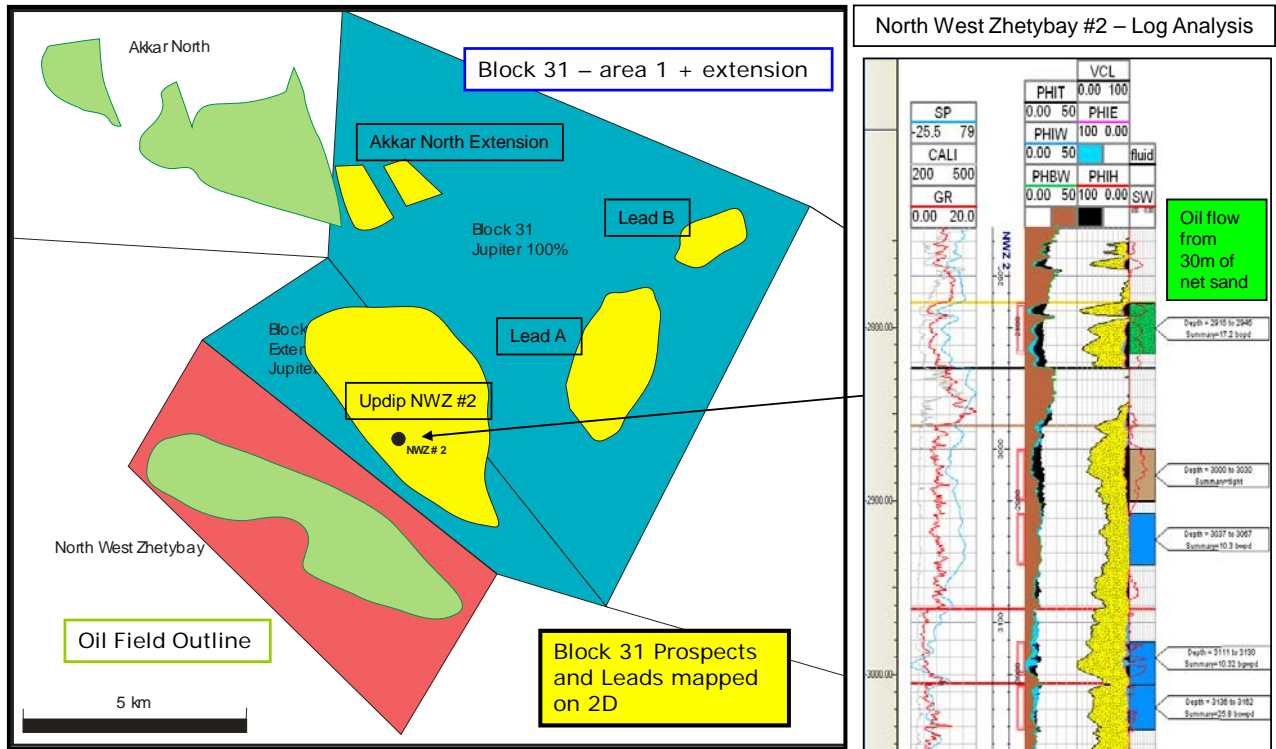


Figure 1: Outline of potential targets on Block 31 and logs from the NW2 well

Commenting on the successful extension application, JPR Chairman Geoff Gander said, " We are delighted to have been able to get access to this area. The historical drilling results from North West Zhetybai well #2 indicate what we believe could be a significant oil reserve and it is highly likely that this structure will be one of our primary drilling targets during 2009."

Any questions relating to this announcement should be directed to Geoff Gander on 0417 914 137.

ENDS

Footnote: The information in this document that relates to oil exploration results and reserves is based on information compiled by Mr. Keith Martens who is a Director of Martens Petroleum Consulting Pty Ltd. Mr Keith Martens has sufficient experience which is relevant to oil exploration and to the specific activity in Kazakhstan to qualify as competent to verify the above statements . Mr Keith Martens consents to the inclusion of the reserves and production outlook in the form and context in which they appear in this announcement.

Block 31 Seismic Program

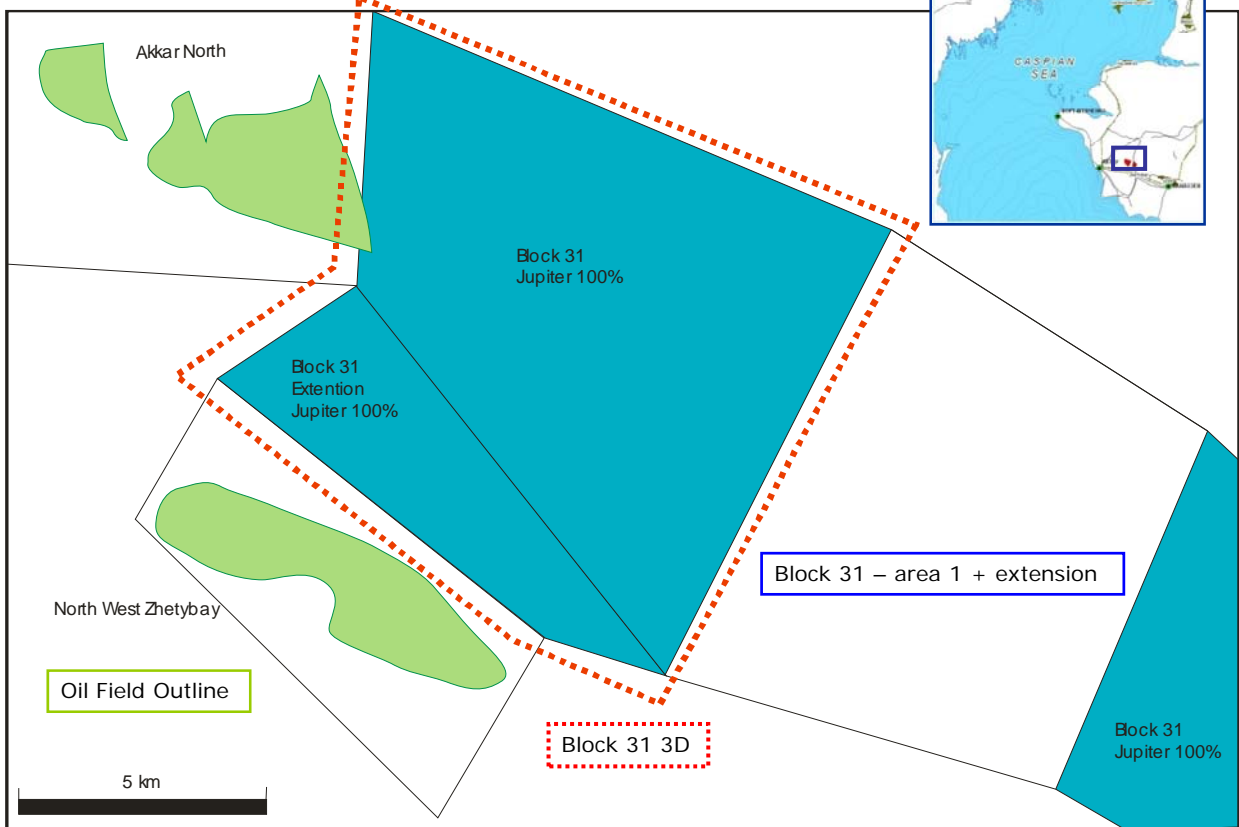


Figure 2: 3D seismic program currently underway and due to be completed by late November 2008