

30 April 2010

UPDATE ON ACTIVITIES FOR THE PERIOD TO 31 MARCH 2010

HIGHLIGHTS:

- **Commercial discovery with J-50 well.**
- **Mid Triassic Reservoir is confirmed as having 55m net pay with initial flow rates to be announced in the 1st week of May.**
- **Expectation is to have J-50 on trial production by early 3Q 2010. Sales into the export market are expected to commence at this time.**
- **Strong UK and Australian institution interest in JPR confirmed with \$A6.5m raised via a placement in April 2010.**

Jupiter Energy Limited (ASX: JPR) presents the following update on activities for the 3 month period ended 31 March 2010. Also included in this report are details of any subsequent events that have occurred up to the date of this announcement.

It has been another quarter of significant milestones with JPR now well into the transition from an exploration company to an oil producer. The Company has made numerous announcements over the period, many of which outline in detail the progress of the J-50 well. These announcements can be found on the Company website - www.jupiterenergy.com.au Shareholders are encouraged to read these announcements as they provide a regular update on Company activities in Kazakhstan.

J-50 Well

On 23 March 2010 JPR announced that the top of the Middle Triassic had been intersected at 2939mRT and over the ensuing weeks further announcements confirmed that the reservoir was 120m thick as per the geological prognosis. A total of 54m of core was taken in the reservoir and wireline logs subsequently confirmed net pay of 55m.

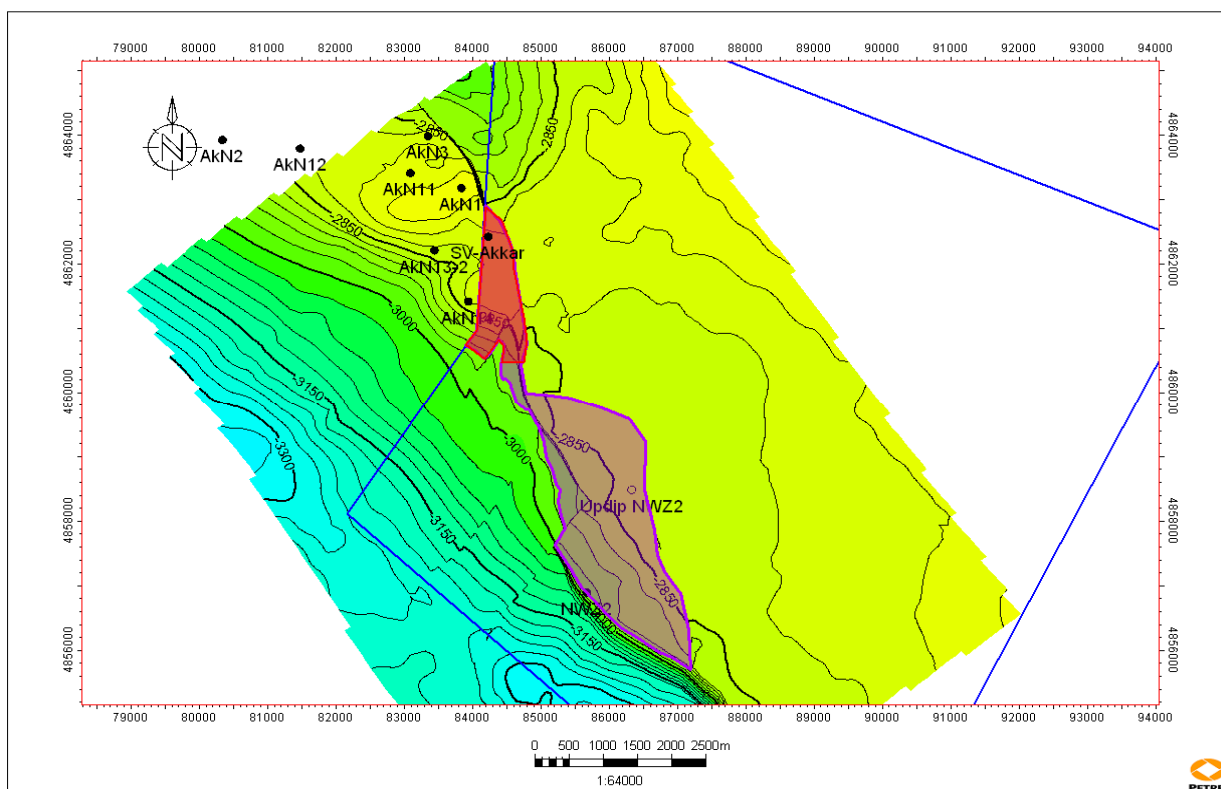
Overall the J-50 well closely followed the geological prognosis the Company had outlined prior to drilling.

The Company entered a Trading Halt before the start of trading this morning (30 April 2010) and it is expected that initial flow rates from the J-50 well will be announced before trading commences on Tuesday 4 May 2010.

These initial flow rates from J-50 will clearly be a major milestone for the Company and should confirm the prospectivity of Block 31.

During the quarter the Company released the results of an independent assessment of Block 31 that was undertaken by Senergy, an international Oil & Gas consulting group, in January 2010. The results of Senergy's review of the Triassic are summarised below with the red figures and graphic area representing proven reserves and the brown figures and graphic area representing probable resources.

Reserves	Oil in Place (mmbbls)	Reserve (mmbbls)
P90 / 1P	21.4	5.5
P50 / 2P	31	8.6
P10 / 3P	43	13.4
Prospective Resource	Oil in Place (mmbbls)	Prospective Resource (mmbbls)
P90	24.6	4.8
P50	52	12.2
P10	92	24.5



Senergy have yet to provide a view of the potential reserves within the Jurassic structure because there is no recent drilling data available for this structure. However, after the Company has drilled the J-52 well, Senergy will be asked to complete a review of both the Jurassic structure as well as the Triassic potential resource. The J-52 well location will be prognosed to intersect both the Jurassic and Triassic structures present on Block 31.

The J-52 well is a 2011 commitment well and may be spudded in 4Q 2010 if funding allows and assuming that the Kazakh authorities agree to recognise the J-52 well as the Company's 2011 commitment well albeit that it will be drilled in 2010 - the year prior to commitment.

NWZ 2 Well

The North West Zhetybai 2 (NWZ 2) well will be put onto production test as soon as the J-50 product testing process is bedded down and all the key paperwork has been completed. Initial flow rates from NWZ 2 are expected to be announced in June 2010.

It is the intention of the Company to have the NWZ 2 well to commence production testing during 2Q 2010 and to be on trial production as soon as possible during 2H 2010.

At this stage it is expected the trial production process for NWZ 2 will be completed by September 2010 meaning that during 4Q 2010, JPR will earn export revenues from both the J-50 and NWZ 2 wells.

J-51 Well

The tender documentation for drilling services for the J-51 well was released for open tender on 24 April 2010. An announcement regarding the successful tenderer is expected on or around 17 June 2010 and the Company expects the well to spud in July 2010.

The J-51 well will be a step out well from the current J-50 location and will aim to produce from the same Middle Triassic reservoir as J-50.

Capital Structure and Finances

As at 31 March 2010, the Company had 783,220,391 listed shares trading as JPR. The Company also has 300,000,000 listed options trading as JPROA. The JPROA options have an exercise price of \$0.08 and expire on 30 June 2010.

Shareholders approved the issue of a further 3m shares (@ \$0.045 per share) at a General Meeting of shareholders held on 9 April 2010 bringing the total number of shares on issue to 786,220,391.

At the same meeting, shareholders approved the issue of 15m Performance Rights to David Thorpe as part of his remuneration package. This means there are a total of 45m Performance Rights now on issue and they are broken into 3 categories with 15m expiring on 31/12/2010, 15m expiring on 31/12/2011 and 15m expiring on 31/12/2012. The vesting milestones for the Performance Rights are as follows:

- 31/12/2010 Performance Rights: The Company achieving either cumulative production of 150,000 barrels of oil or a market capitalisation of \$A100m (whichever is the sooner);
- 31/12/2011 Performance Rights: The Company achieving either cumulative production of 300,000 barrels of oil or a market capitalisation of \$A200m (whichever is the sooner);
- 31/12/2012 Performance Rights: The Company achieving either cumulative production of 500,000 barrels of oil or a market capitalisation of \$A300m (whichever is the sooner).

The Performance Rights are part of the remuneration packages of executives Gander, Thorpe and Svanbayev.

Shareholders also approved at the 9 April 2010 General Meeting the issue of an additional 5m unlisted options, bringing the total number of listed options on issue to:

- 3,000,000 expiring on 31/12/2012 and having a strike price of \$0.185
- 20,000,000 expiring 30/06/2011 and having a strike price of \$0.08
- 9,000,000 expiring on 31/12/2012 and having a strike price of \$0.10 *

- 6,000,000 expiring on 31/12/2012 and having a strike price of \$0.15 *

* Some of these options are subject to a vesting period of 12 months (6,000,000 - \$0.10 options) and 24 months (4,000,000 - \$0.15 options)

Cash reserves of the Company as at 31 March 2010 stood at approximately \$A1.873m and these funds will be increased by \$A6.5m (before costs) after the placement of 100m shares @ \$0.065 per share which was announced on 20 April 2010. This placement was carried out under the Company's 15% provision and therefore will not require shareholder approval prior to allotment.

The 20 April 2010 placement shares were issued almost exclusively to UK and Australian institutional investors and confirmed the continued interest that is developing in JPR in both the UK and Australian markets.

Cash reserves will now be sufficient to complete the J-50 well, bring the J-50 and NWZ 2 onto Trial Production, enable ordering of long lead time items for the J-51 well which is expected to spud in July 2010 and also provide working capital to the Company prior to booking export oil sales from the J-50 well early in 3Q 2010. Funds will also be available for any additional acreage opportunities that may arise in the near term.

Summary

Ultimately any oil explorer will be judged by the success of its exploration and drilling activities and the quantity of oil it is able to bring to surface for sale into the world market. As of today, JPR is on the crest of moving from explorer to producer and the next few months will be pivotal for the Company.

The Board is extremely optimistic about the future and expects to see the Company in a positive cashflow position during 1H 2011 when export revenues are being achieved from the J-50, J-51 and NWZ 2 wells.

If anyone has any questions regarding this update report they are welcome to contact the Company on +61 8 9322 8222.

Geoff Gander
Executive Chairman

ENDS

The information in this document which relates to Triassic oil reserves (2P) and prospective resource (P50) is based on information compiled by Senergy Limited, an international oil & gas consulting company that specialises in oil & gas reserve estimations. Senergy Limited has sufficient experience which is relevant to reserve estimations and to the specific exploration permit in Kazakhstan to qualify as competent to verify information pertaining to the Triassic oil reserves (2P) and prospective resource (P50). Senergy Limited has given and not withdrawn its written consent to the inclusion of its name and the Triassic 2P reserves and prospective resource (P50) figures in the form and context in which they appear. Senergy Limited has no material interest in the Company.

The information in this document which relates to Jurassic prospective resources (P50) 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 & gas reserve estimation and to the specific permit in Kazakhstan to qualify as competent to verify the information pertaining to the Jurassic prospective resource (P50). Mr. Keith Martens has given and not withdrawn his written consent to the inclusion of the Jurassic prospective resource (P50) figure in the form and context in which it appears. Keith Martens has no material interest in the Company.