

## 1<sup>st</sup> transaction successfully completed in Kazakhstan

17 December 2007

The Board of Jupiter Energy Limited (ASX: JPR) is pleased to provide shareholders with an update on its activities in Kazakhstan and confirm that its first acquisition in Kazakhstan has been successfully completed. The Board is conscious of the time it has taken to make progress with its acquisition strategies but remains committed to ensuring that all transactions in which JPR is involved in Kazakhstan are carried out in a way that meets all government regulations and requirements thus ensuring there is no risk of transactions being later compromised.

### Block 31

Shareholders approved the acquisition of Block 31, a permit in the Mangistau Basin in South West Kazakhstan, at the Annual General Meeting last month. The only requirement post shareholder approval was the current owners of the permit, Zher Munai & K, LLP, receiving the necessary government approvals and waivers from the state owned oil and gas company KazMunaiGas to enable the transfer of the Sub Surface Right to JPR. The waiver from KazMunaiGas has now been received and hence the process now only requires the lodgment of the sub surface rights with JPR's 100% owned Singapore subsidiary, Jupiter Energy Pte Ltd.

JPR has also been in discussion with various oil services companies in Kazakhstan and is close to finalizing a contract with one of these companies to carry out 3D seismic on Block 31, starting as soon as possible in the new year.

Keith Martens, JPR's technical consultant, has already been reviewing a range of 2D and 3D seismic data that he has been able to source from various entities and is confident that there are a number of highly prospective targets on Block 31. As soon as JPR's 3D seismic has been shot and interpreted, the best targets will be further analyzed by Keith and an independent expert and a drilling program commenced. The current view is that there are at least two relatively low risk prospects on the permit that may provide Jupiter with an opportunity to produce 20 million barrels of oil.

It is important to note that the Mangistau basin has already proven to be an extremely successful area for other producers with over 5.2 billion barrels of oil recovered from the

area since oil production records began. As a comparison, this amount equates to approximately the same quantity of oil that has been produced to date in Australia.

## **Another Acquisition**

As indicated in the previous two updates made to shareholders, the Company has also been reviewing a number of other acquisition opportunities. The Board is pleased to advise that a Memorandum of Understanding (MoU) has now been signed with vendors of an existing oil field. The transaction contemplated by the MoU would see JPR take a significant interest in this field. JPR will now place a material deposit into an escrow account in Almaty showing its commitment to the transaction and will work with the vendors of the oil field, JPR's Almaty based lawyers and JPR Director Erkin Svanbayev to complete the transaction as soon as possible. Completion is expected to occur within the next 2 months.

A more detailed description of the oil field and its reserves will be provided once there is absolute confidence that the transaction will be completed but assuming it is, JPR will have completed its first major milestone – to be an oil & gas exploration and production company – within the first 12 months of commencing its activities in Kazakhstan.

## **Other Opportunities**

JPR has also been reviewing a range of other opportunities to acquire interests in existing oil producing assets in Kazakhstan and there are two other transactions that are of particular interest at present. These opportunities will continue to be progressed as quickly as possible and the Company is hopeful of closing at least one of them before the end of March 2008.

Both of these opportunities, if successfully completed, would see JPR invest in permits or areas with existing oil reserves and clearly the focus in 2008 will be to move JPR from explorer to producer and utilize the Company's excellent local contacts, headed by Erkin Svanbayev, to monetize any share of oil production that becomes available to the Company.

Assuming this is achieved, JPR can expect an active 2008 with a concentrated drilling exploration program on Block 31 and revenue generating oil production from its other Kazakhstan asset(s).

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

**ENDS**