

Jupiter finalises purchase of initial permit in Kazakhstan

8 October 2007

The Board of Jupiter Energy Limited (ASX: JPR) is pleased to advise that a binding Sale Purchase Agreement has been signed between JPR and vendors of the Sub Surface Rights on a permit in the Mangistau Basin in South West Kazakhstan.

The transaction was detailed in the Company Update released to shareholders on 3 July 2007 and JPR management have now successfully completed all the negotiations surrounding the permit and both parties have signed the agreement.

The Permit

The permit is located in the Zhetybai-Uzen step where government records indicate reserves are 6 Billion barrels of oil equivalent (BOE) of which 80% is oil. The two biggest oil fields are Uzen and Zhetybai which produce from both the Jurassic and the Triassic.

The permit, consisting of two blocks, covers an area of over 100 sq km and is located on trend with three existing producing oil fields which have potential reserves of 21-56 million barrels of oil (mmbbls). The Contract with the Ministry of Energy and Mineral Resources (MEMR) is for exploration to begin on the permit in 2007.

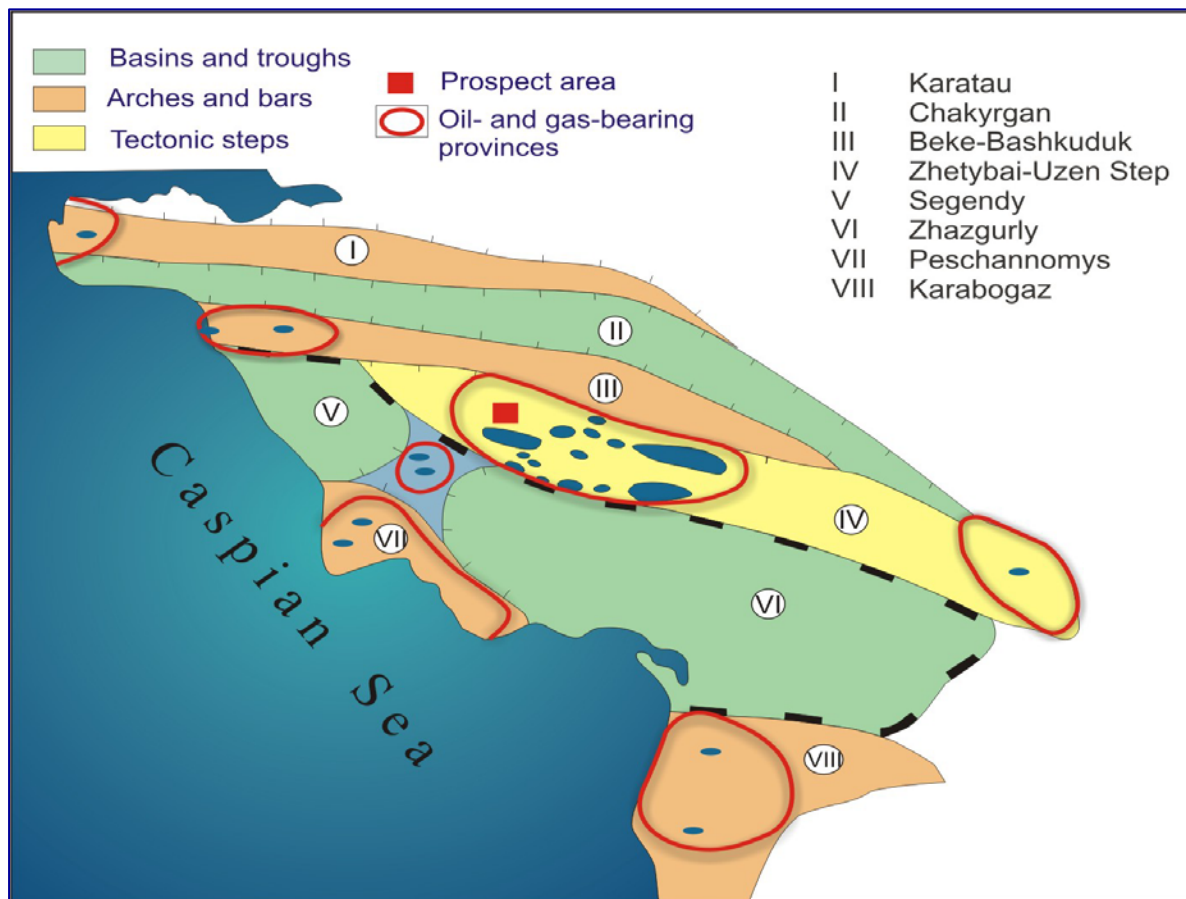


Figure 1: Position of permit (red square) in relation to other oil fields in the Mangistau Basin

The Permit has a six (6) year exploration period with the right to extend it twice for two (2) years for a total period of ten (10) years.

The permit has been lightly explored with a regional 2D grid of 1970's and 1980's vintage seismic carried out when Kazakhstan was part of the old USSR. Mapping of the top Triassic map suggests Middle Triassic tilted fault blocks traps similar to the Akkar N and NW Zhetybai oil fields. These traps include a potential field extension to Akkar N and at least two other substantial structures. Recent 3D along this same trend has revealed Middle Triassic traps which have already resulted in new field discoveries. The plan is to acquire 3D Seismic as soon as the transaction is completed with the view to drill the best prospects on the permit as soon as the seismic has been interpreted, which will probably be in the 2nd quarter of 2008.

The Transaction

The underlying terms of the transaction are as follows:

JPR will pay the vendors of the permit, Zher Munai & K, LLP, an initial deposit of \$US 500,000 within 15 days from today. The Vendors will seek MEMR approval to assign the Sub Surface Rights to JPR and receive a waiver from the Government of Kazakhstan to refuse to exercise its pre emptive right to also acquire an interest in these Sub Surface Rights. The waiver process is followed in Kazakhstan whenever there is a sale of rights

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of oil & gas permits from one party to another and it is expected to take up to 2 months to complete. If this process is not completed within 3 months, the Agreement will be terminated and the deposit of \$US500,000 refunded, in full, to JPR.

On completion, JRP will conclude the purchase of the Sub Surface Rights from Zher Munai & K, LLP by way of:

- The issue of 16 million fully paid ordinary shares in JPR.
- The payment of \$US 5,500,000 which, when combined with the initial deposit, makes the total consideration paid \$US 6,000,000 plus the 16 million JPR shares.

The transaction is subject to certain conditions precedent and these are:

- JPR receiving the necessary government approvals and waivers from MEMR to enable the transfer of the Sub Surface Rights;
- completion of due diligence by JPR on the Sub Surface Rights, to the satisfaction of the Board of Jupiter Energy Limited;
- the removal of any encumbrances on or in respect of any of the Sub Surface Rights;
- the approval of the issue of the 16 million fully paid ordinary shares to Zher Munai & K, LLP by the shareholders of JPR at the Annual General Meeting (AGM) scheduled for 15 November 2007; and
- the approval by JPR shareholders at the AGM to raise any additional capital required to complete the transaction.

The JPR Board believes that this initial exploration project is an excellent opportunity on which to begin the development of JPR into a substantial oil producer in Kazakhstan.

In addition to the above acquisition, excellent progress was made during the visit to Kazakhstan last week in relation to the purchase of an interest in an oilfield with registered reserves. The Company expects to progress these discussions over the coming weeks with a view to growing its portfolio of oil assets in the near term.

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

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