



## Corporate Update – May 2011

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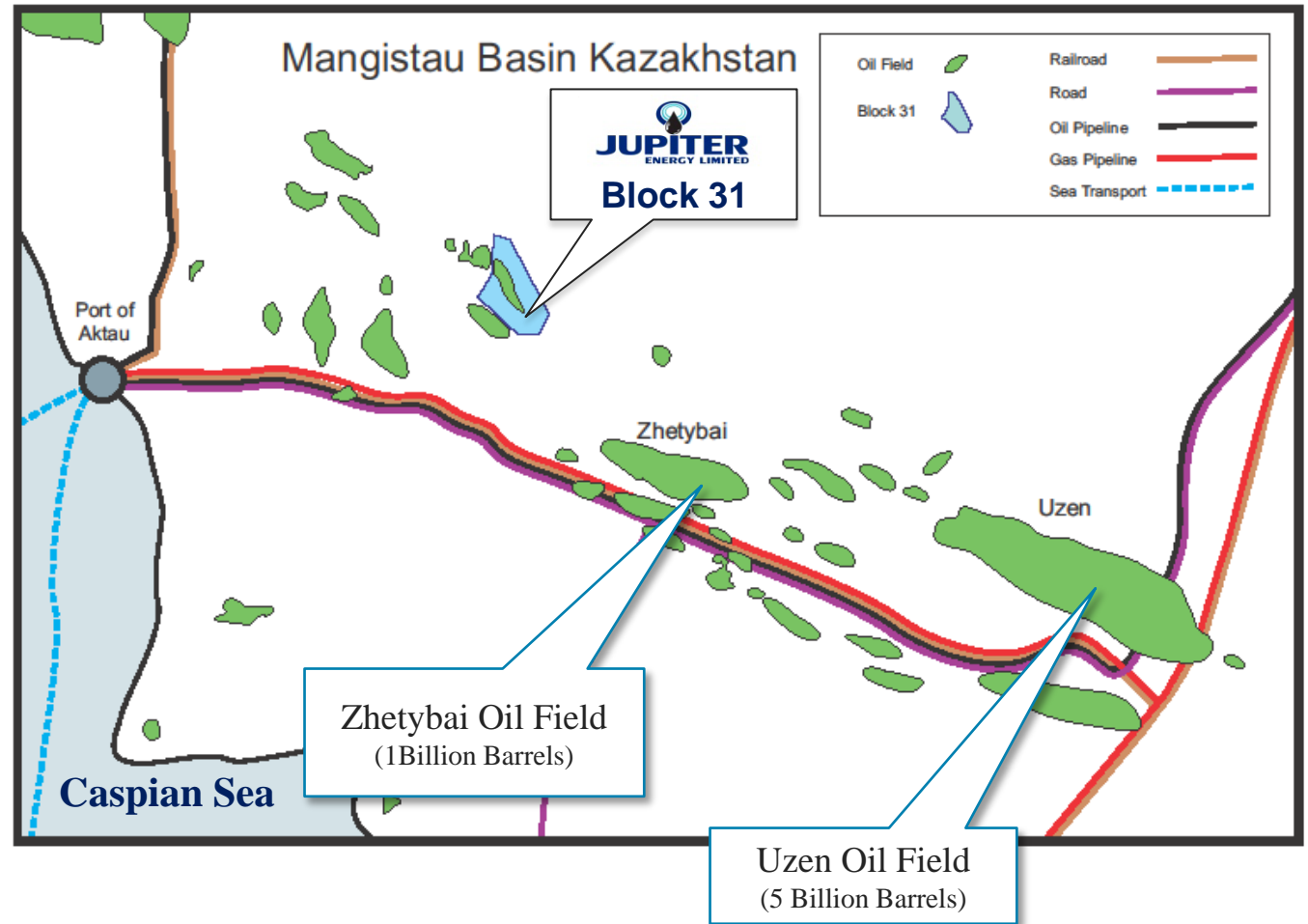
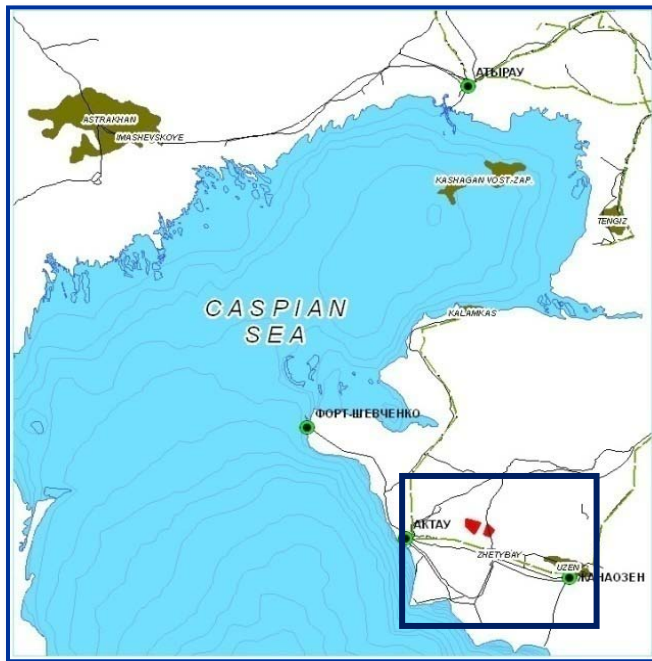
# Disclaimer

- *This presentation contains forward looking statements that are subject to risk factors associated with the oil and gas industry. It is believed that the expectations reflected in these statements are reasonable, but they may be effected by a variety of variables which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, commercialisation, development process, operating results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial markets conditions in various countries, approvals and cost estimates.*
- *All references to dollars, cents or \$ in the presentation are in the currency specified.*

# Corporate Overview

- **Listed E&P company trading on Australian Stock Exchange (ASX) as “JPR”**
- **Geographic focus on proven onshore oil basin in Kazakhstan**
- **Corporate structure**
  - ~1,738m shares on issue post May 18 2011 placement
    - 23m unlisted options (expiry 2011-2012 @ between \$A0.08 - \$A0.185)
    - 20m Performance Rights (only vest on achievement of approved targets set for 2011 and 2012)
  - Market Capitalisation: ~\$A94m
  - Cash: \$A15.5m (post May 18 2011 placement)
  - No debt
- **Major shareholders (post May 18 2011 placement):**
  - **Waterford Group: 30%**
  - **Soyuzneftegas Capital: 6.5%**
  - **Management: 3%**
- **Research coverage in Australia, UK and Kazakhstan**

# Mangistau Basin Overview



Good location in a prolific oil basin with developed infrastructure in place

# Permit Details for Block 31 (100% owned)

- Issued in Dec 2006 and acquired by JPR in June 2008
- **Work Program:**
  - 10 year Exploration licence (6 years to 2013 with 2 x 2-year extensions available on application)
  - 25-year Production Licence
  - Contracted Working Program:

Year	Commitment	Status
2008	3D seismic	Completed
2009	1 Exploration Well	Completed
2010	1 Exploration Well	Completed
2011	1 Exploration Well	Planned spud 3Q 2011 (funded)
2012	2 Exploration Wells	Planned spud 4Q 2011 (funded) and 1Q 2012

# Forward looking plan



## Reserves and Production Growth

- Reserves Growth: Independent report confirms 2P Reserves 24 mmbbls (April 2011)
- Production Growth: expect to begin production from J-50 and J-52 in 2011.



## Transformation from Explorer to Producer

- Expect to be granted Trial Production Licences for J-50 and J-52 during 2011
- Further drilling of 3 new wells in 2011/12 should increase production to **2000 +** bopd
- Target of over **5000** bopd production by Q4 2014

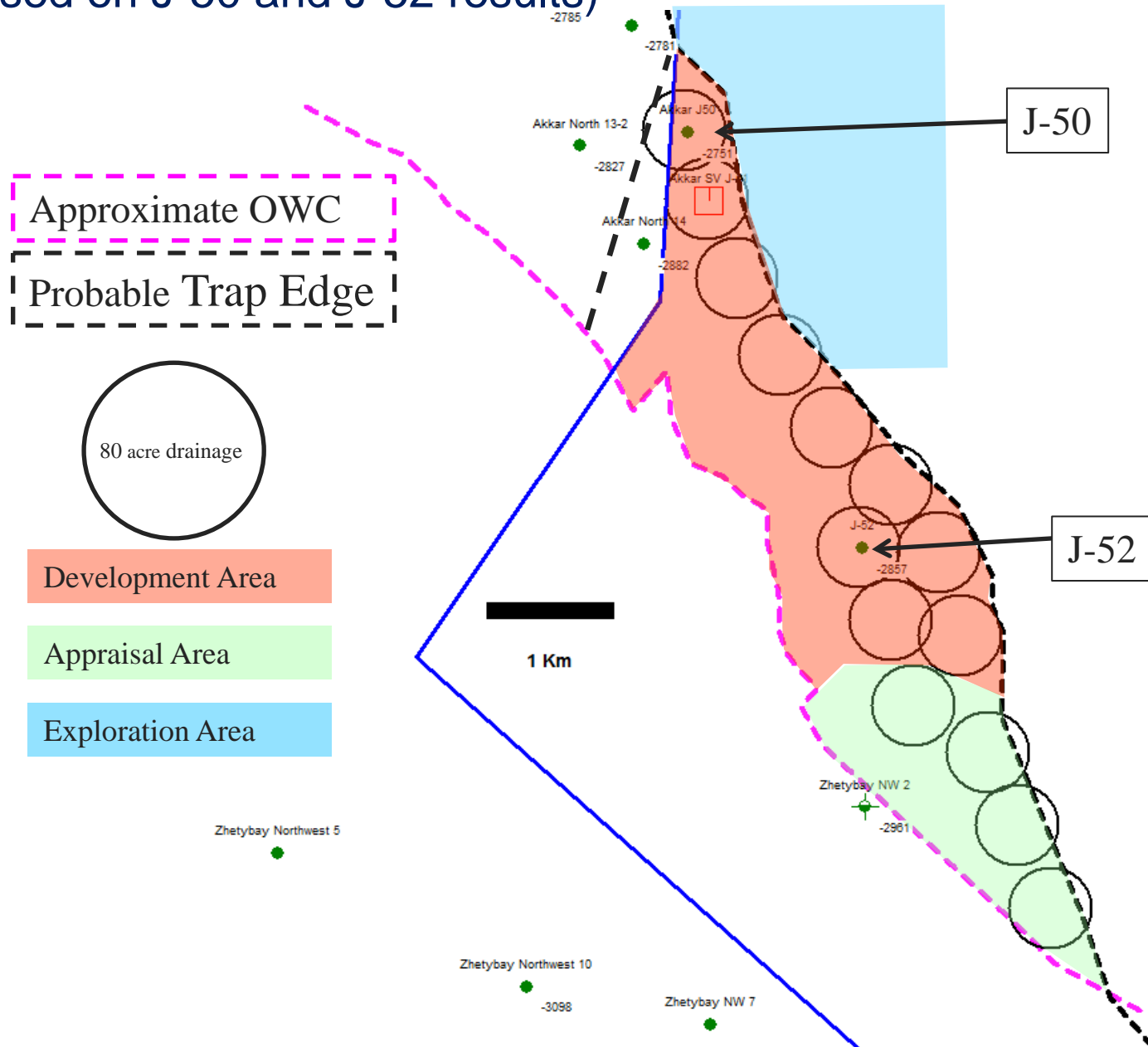


## 2011-2014 Growth Upside

- 4 year Development Plan contemplates 5 exploration and 9 development/production wells.

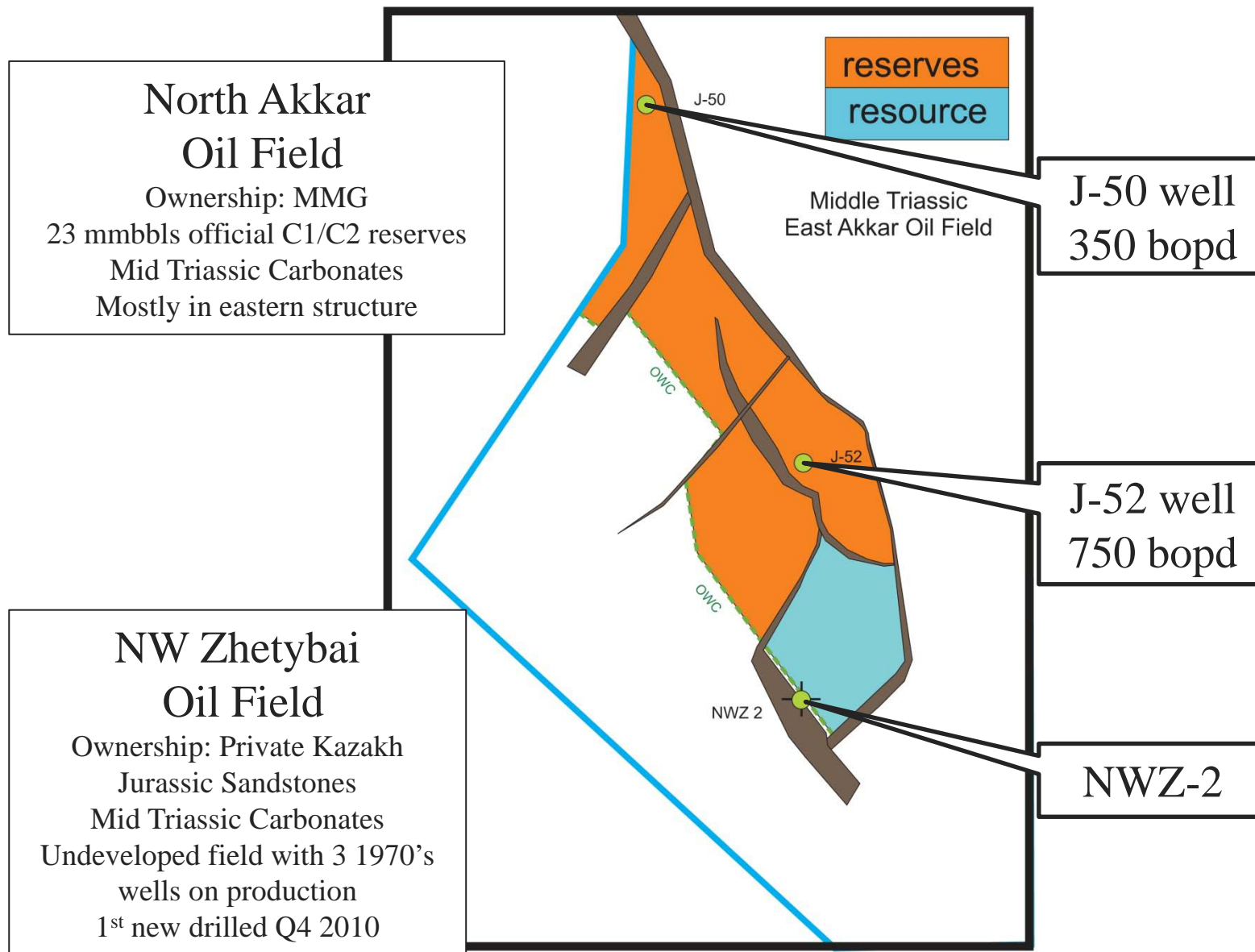
# Block 31 – Development Concept

(based on J-50 and J-52 results)



# Producing oilfields adjacent to Block 31

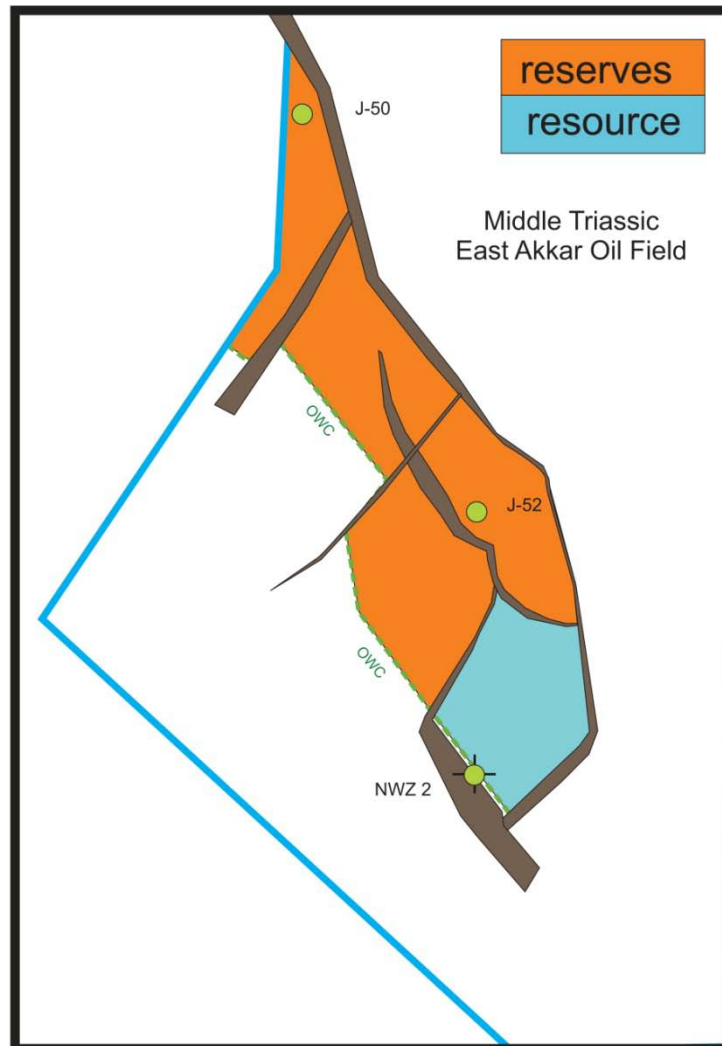
Production from adjoining fields





# Block 31 Triassic Age Independent Reserves and Resources

34 MMStb Triassic Reserves + Resource (100% owned)



TRIASSIC RESERVES		
Reserves	STOIIP (MMStb)	Reserve (MMStb)
P90 / 1P	53.69	9.82
<b>P50 / 2P</b>	<b>104.55</b>	<b>24.21</b>
P10 / 3P	119.54	32.05

TRIASSIC RESOURCE		
Prospective Resource	STOIIP (MMStb)	Prospective Resource (MMStb)
P90	31.81	6.25
<b>P50</b>	<b>42.75</b>	<b>9.92</b>
P10	61.07	15.31

(Prepared by Senergy in April 2011)

# Asset Summary

## ▪ Reserves & Resource

- Senergy independently estimated 2P reserves of 24.2 mmbbls (April 2011)
- Extension of permit should provide further upside when approved. Expected Q2 2011

## ▪ Production Target

- 4 year target to have 14 wells producing over **5000** bopd (5 exploration + 9 development/production)
- J-52 well has been tested on 8mm -12mm choke and flows between 516 and 849 bopd

## ▪ Strategy

- To maintain 100% equity position to maximise value options
- Explore potential resource identified on block
- Develop material reserves into production
- Apply cost effective drilling and stimulation techniques to optimise production
- Continue to build in-country operating capability in line with expected growth of asset base
- Continue to expand territory in proven oil trend

# Directors



**Geoff Gander**  
***Chairman/CEO***

- Focused on Business Development, Investor Relations and Funding.
- Involved in numerous IPO's and re capitalisations of ASX listed companies
- Based in London and coordinating 2011 AIM dual listing



**Alastair Beardsall**  
***NED***

- 30 years oil & gas experience including 12 years with Schlumberger . He has been involved in a number of listed and private companies
- These include successful sales of First Calgary and Emerald Energy
- Based in London and currently Exec Chairman of AIM listed Sterling Energy



**Baltabek Kuandykov**  
***NED***

- Based in Almaty, Kazakhstan
- 40 years experience in local and international oil & gas companies
- Former President of TSX listed Nelson Resources before its purchase by Lukoil



**Scott Mison**  
***NED / Co.Sec***

- Based in Australia and responsible for global treasury, global audit and corporate compliance
- Over 10 years experience with ASX listed companies

# Management/Operations Team

- In-country operations, G&G and administrative functions centralised in Aktau (80kms from the asset).
- Key positions:
  - *Vice President Production Operations*
    - Fluent in Russian
    - 20 years experience in CIS/KZ O&G operations
  - *Chief Financial Manager*
    - Kazakh with over 15 years experience working with international O&G companies
  - *Head Contracts and Legal*
    - Kazakh with strong legal background in O&G
  - *Chief Geologist*
    - Kazakh with 30 years experience in the Mangistau region



# Potential Economic Development Proposal

Base line assumptions.

- **Drilling Schedule**

- 5 exploration wells: 2009, 2010, 2011, 2012 (2)
- 9 development wells in 2013/2014

- **Well Design**

- Simple vertical wells with fracture stimulation only.

- **Production Decline Rate**

- Assumed 5% pa (1% per qtr incl production increase from workovers).

- **Well Cost**

- Exploration wells: J-50 & J-52 (inc. testing and acid stimulation) actual cost was \$US6m each
- Further exploration wells expected to cost \$US5m each
- Development/Production wells estimated at \$US3.5m each.

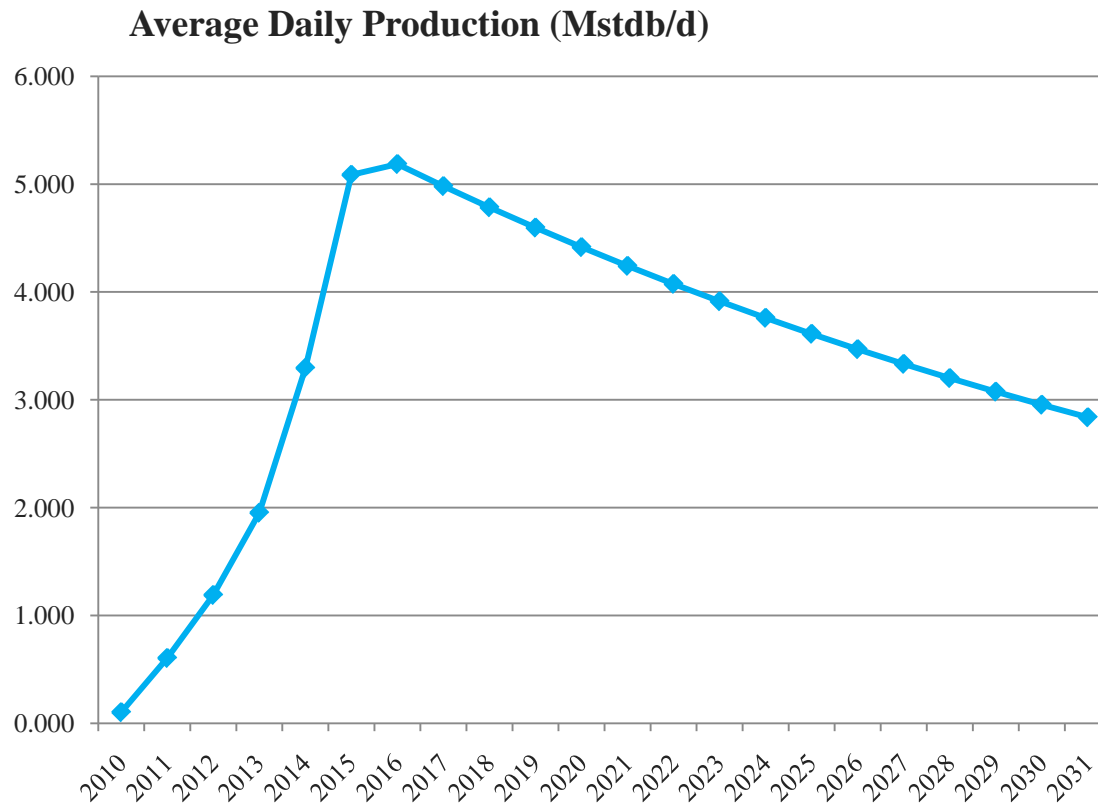
- **Pipeline and Production Facilities**

- Outlook is for installation of pipeline or processing facilities on site.
- JPR also reviewing infrastructure sharing alliance with nearby producers.

# Potential Economic Development Proposal

4 year development of Block 31

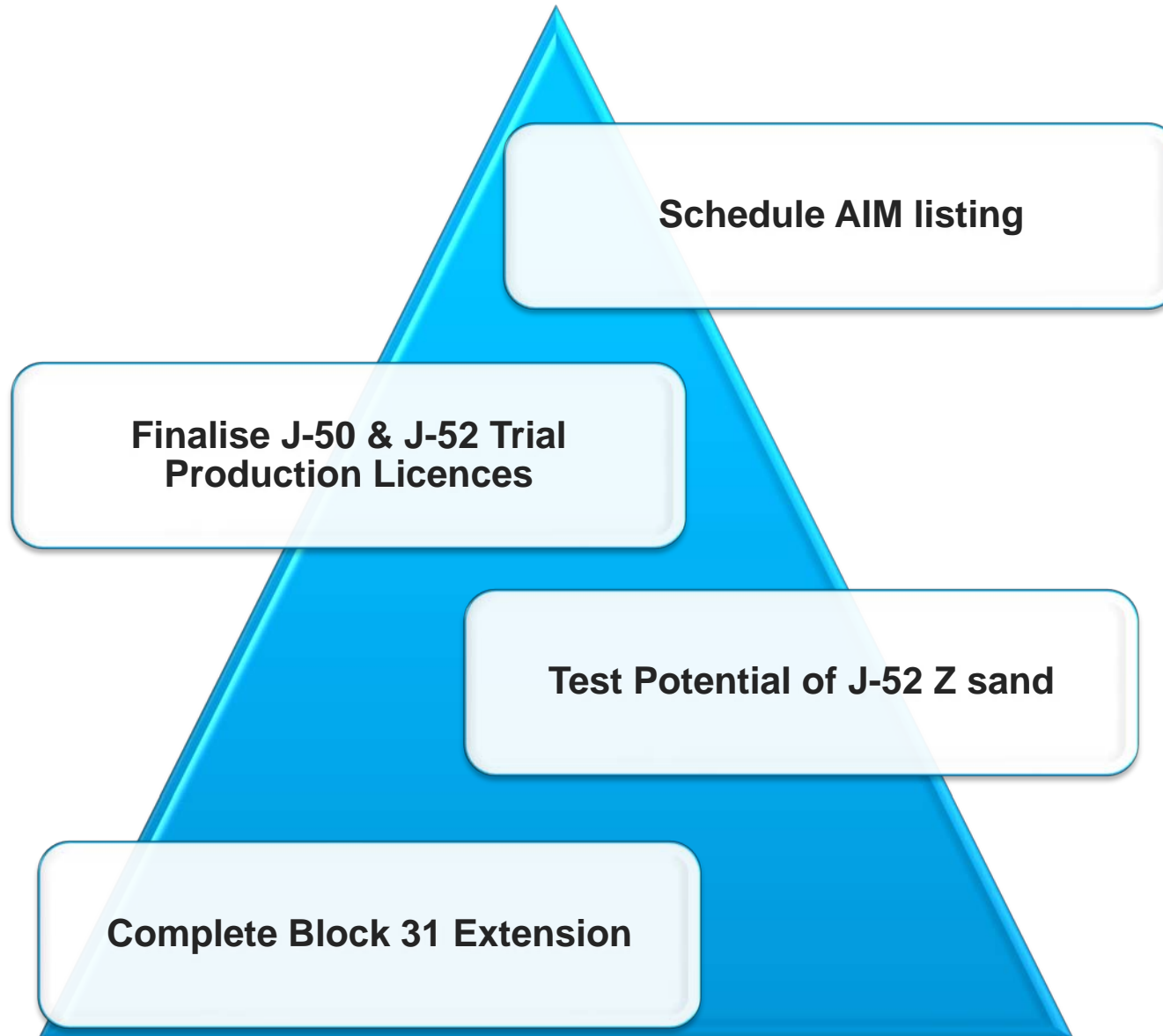
- 14 wells to develop the currently identified 24 mmbbls 2P
- Assumed Production rate of 500 bopd per well.
- 5% annual decline rate including workover improvements.
- Anticipated 2015 peak production ~5000 bopd.



# Value Proposition

- Following independent reserves upgrade:
  - 2P reserves: 24.2 mmbbls
  - EV of \$US78m (based on share price of \$A0.054)
  - Multiple is ~\$US3.25/bbl compared to ASX average of ~\$US15/bbl (Source: SCE)
- Future drilling plans has potential to establish meaningful production
- Manage transition to Producer over the next 3-4 years
- Potential reserves growth through exploration program on trend with existing fields
- Further growth opportunities available through acquisition
- Already established with a proven in country team in one of the fastest growing oil producing countries in the world

# Key milestones – next 6 months





# Future Upside

JPR will deliver superior shareholder returns via:



- Block 31 success with both the J-50 and J-52 wells as commercial discoveries..



- Extend Block 31 on trend with an already proven oil structure.



- Further acquisitions as value accretive opportunities become available in country.

# Contact

## Further Questions?

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# Expert Statements

- **Triassic Structure (Senergy evaluation)**

*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.*

- **Triassic Structure (AGR/RES evaluation)**

*The information in this document which relates to Triassic prospective resources (P50) is based on information compiled by Reservoir Evaluation Services LLP (RES), a division of the AGR Group, an international oil & gas consulting company that specialises in oil & gas reserve estimations. RES 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 Triassic prospective resource (P50). RES has given and not withdrawn its written consent to the inclusion of the Triassic prospective resource (P50) figure in the form and context in which it appears. RES has no material interest in the Company.*

- **Triassic/Z-sand Structures (JPR evaluation)**

*The information in this document which relates to Triassic and Z-sand 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 Triassic and Z-sand prospective resource (P50). Mr. Keith Martens has given and not withdrawn his written consent to the inclusion of the Triassic and Z-sand prospective resource (P50) figure in the form and context in which they appear. Keith Martens has no material interest in the Company.*

# Key Definitions

## General:

MMstb: Million barrels at stock tank conditions of 14.7 psi and 60 degrees Fahrenheit

STOIIP: Stock Take Oil Initially In Place

Recoverable Oil: The oil-in-place value multiplied by a value called “the recovery factor”

bopd: barrels of oil per day

## Reserves:

1P: Proven

2P: Proven & Probable

3P: Proven, Probable & Possible

**Proven:** Reserves which on the available evidence are virtually certain to be technically and commercially producible, i.e. have a better than 90% chance of being produced.

**Probable:** Reserves which are not yet proven, but which are estimated to have a better than 50% chance of being technically and commercially producible.

**Possible:** Reserves which at present cannot be regarded as probable, but which are estimated to have a significant but less than 50% chance of being technically and commercially producible.

## Prospective Resource:

Px is defined as a number such that there is a x% likelihood that the true reserves exceed Px.

A P10 figure means that there is a 10% probability that the actual size of the field reserves are greater than the figure currently attributed. P50 means that there is a 50% probability and P90 means that there is a 90% probability. (A high Px is therefore better than a low Px in terms of statistical probabilities).