JUPITER ENERGY LIMITED

ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

CORPORATE INFORMATION

Jupiter Energy Limited
ABN 65 084 918 481

Directors
Geoffrey Gander (Executive Chairman/Chief Executive Officer)
Alastair Beardsall (Non-Executive Director)
Baltabek Kuandykov (Non-Executive Director)
Scott Mison (Executive Director)

Company Secretary
Scott Mison

Registered Office & Principal Place of Business
Level 2, 28 Kings Park Road
West Perth WA 6005
PO Box 1282
Western Australia 6872

Telephone	+61 8 9322 8222
Facsimile	+61 8 9322 8244
Email	info@jupiterenergy.com
Website	www.jupiterenergy.com

Solicitors
Steinepreis Paganin
Level 4,
16 Milligan Street
Perth WA 6000

Auditors
Ernst & Young
11 Mount Street
Perth WA 6000

Bankers
National Australia Bank Limited
Perth Central Business Banking Centre
UB13.03, 100 St Georges Terrace
Perth WA 6000

Share Registry
Computershare Investor Services Pty Ltd
Level 2, 45 St George's Terrace
Perth WA 6000

Telephone	1300 557 010 (within Australia)
	+61 8 9323 2000
Facsimile	+61 8 9323 2033
Website	www.computershare.com

Stock Exchange Listing
The Company is listed on the Australian Securities Exchange Limited
ASX Code: JPR

Contents of Financial Report

CHAIRMAN'S LETTER

Dear Shareholder,

I am pleased to present the 2011 Annual Report for Jupiter Energy Limited.

The past 12 months have continued to see Jupiter Energy Limited (JPR) progress with its transformation from being a successful explorer to also becoming an oil producer. The key operational event for the year was the drilling, completion and production testing of JPR's second operated well (J-52) on its Block 31 permit. Details of the results of the J-52 well are contained in the Operations Review.

Coupled with this was the ongoing development and strengthening of the in country management team, now based entirely in the port city of Aktau, located some 80km from Block 31. A stable and experienced in country presence will be a critical component to the successful growth of JPR in Kazakhstan over the coming years.

The prospectivity of our 100% owned Block 31 permit continued to improve and this was confirmed by an a second independent review carried out by internationally recognised oil & gas consulting company Senergy Oil & Gas (Senergy). In May 2011, Senergy provided a formal report advising the Company of an increase in 2P recoverable reserves in the Triassic structure from 8.6 million barrels of oil to 24.2 million barrels of oil. Field activity continued with the testing of the Jurassic structure of the J-52 well and the spudding of our 2011 commitment well, J-51 in July 2011. Whilst there is still more understanding of the Jurassic structure required, with both increased production and improved drilling data from these two reservoirs, we expect a further independent review of the permit to be carried out. The Board hopes this in turn will lead to a further upgrade of proven reserves in areas that are currently classified as a prospective resource.

On 13 July 2011 the Company received approval to extend the Block 31 permit by a further 59.29 km^2 bringing the total acreage of the permit to 122.68 km^2. The Company moved quickly to begin the process of acquiring 3D seismic over this new area and this work was completed ahead of schedule in September 2011, Processing of the data will take place during the 4th quarter of 2011 andit is hoped that a suitable drilling location will be identified from the fully interpreted 3D and that this location will be drilled early next year.

JPR raised ~$11 million (before costs) via a placement of new shares in May 2011. These additional funds provided the Company with the necessary working capital to complete the planned 2011 work program. During this raising, our major shareholder, the Waterford Group, increased its stake in the Company to ~30% and our second largest shareholder, Soyuzneftegas Capital Limited, also increased its stake to ~7%.

On 12 August 2011, shareholders approved a consolidation of shares on a 15:1 basis; the shares on issue now number 115,862,316. During the year the Company also completed the necessary legal requirements to enable JPR shares to be held under the UK CREST electronic share-depository system in readiness for the contemplated dual listing of Jupiter shares on the AIM market in London in the coming months; some 50% of the Company's shareholder base is now based in the UK and Europe and an AIM listing should see this grow further and is reflective of the broader interest in Central Asia based investment opportunities within the UK and European investment community.

On 22 September 2011 the Company announced that after 50 days of drilling the J-51 well reached target depth and was being prepared for completion and production testing. Operational progress and geological results were consistent with the Company's drilling plans and well prognosis.

I believe the Company has another very exciting 12 months ahead of it and success with its next 3 commitments wells, J-51, J-53 and J-54, will continue to lay the foundation for Jupiter Energy Limited to grow into a significant oil producer in what is one of the most prospective oil producing countries in the world today.

I thank shareholders for their enduring support and look forward to meeting as many of you as possible in person at the Annual General Meeting scheduled to be held on 28 November 2011.

Sincerely

Geoff Gander
Chairman/CEO

Some Background on Kazakhstan

Despite being the ninth largest country in the world by area, Kazakhstan remains, for many people, an unknown quantity. Its territory is over 2.7 million km^2 which equates to a land mass equivalent to that of Western Australia. The population of the country is estimated at around 16 million people who are predominantly ethnic Kazakhs. Interestingly, however, there are around 130 nationalities representing 46 religious denominations also living in Kazakhstan.

The modern capital of Kazakhstan, Astana, is one of the youngest and quickest growing capitals of the world. The city was established in 1997 and the President of Kazakhstan, Nursultan Nazarbaev, has set an ambitious goal for Astana to become one of the world's top-30 most beautiful, competitive and business-favourable cities by 2030.

Kazakhstan is strategically located in Central Asia between Russia and China, and its status as one of the most politically stable and economically developed states in the Central Asian region means that it is well situated to develop its rich natural resources as well as to sell these resources into the growing Chinese market.

Kazakhstan has one of the most successfully developing economies in the world. It has enjoyed a steady growth in its Gross Domestic Product for the last five years with year-on-year increases of over 9%. This is principally due to the systematic reforms (including privatisation and liberalisation of trade and prices), foreign investment, and the increases in both agricultural production and commodities prices over the past few years.

Since 1993, Kazakhstan has attracted more than $US118 billion of foreign direct investment into its economy with significant investors including Shell, Exxon Mobil, Chevron and BG Group as well as a range of large Russian and Chinese corporations. By way of example, China currently owns assets that produce 20% of Kazakhstan's oil production and 73 million barrels of oil were exported to China from Kazakhstan in 2010.

Kazakhstan has the 6th largest reserves of natural resources in the world; oil and gas reserves (excluding the Caspian Shelf) total 21 billion barrels of oil and gas condensate and the Caspian oilfields of Kazakhstan are estimated to hold an additional 100 billion barrels of recoverable oil. The oil and gas sector of the country accounts for 58 percent of all foreign investments and the industry provides more than 30 percent of all tax proceeds and over 40 percent of the available funds of the country. According to the estimates of international experts, the resource potential of Kazakhstan equates to $US9 trillion with $US500 billion of investment still required to unlock this potential.

Industry analysts believe that planned expansion of oil production, together with the development of new fields, will enable the country to produce as much as 2 million barrels per day by 2015 making the country one of the world's top 10 oil producers

More information about Kazakhstan is available from the website www.government.kz, the official website of the Government of Kazakhstan.

DIRECTORS' REPORT

Your Directors submit their report for the year ended 30 June 2011.

DIRECTORS

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications experience and special responsibilities

Geoffrey Anthony Gander (48)

B.COM
Executive Chairman/CEO
Appointed 27 January 2005

Mr Gander graduated from the University of Western Australia in 1984 where he completed a Bachelor of Commerce Degree.

Mr Gander is currently responsible for Group Corporate Development, Group Investor Relations and overall Operational Leadership.

Other Current Directorships of Listed Companies

None

Former Directorships of Listed Companies in last three years

Equatorial Resources Ltd, Vector Resources Limited and Queensland Bauxite Limited.

Alastair Beardsall (57)

Non-Executive Director
Appointed 5 October 2010

Alastair has been involved in the oil industry for more than 30 years. In 1980 Alastair started work with Schlumberger, the oil-field services company. From 1992 he began working for a series of independent oil companies, with increasing responsibility for specific exploration, development and production ventures. Between September 2003 and October 2009, Alastair was Executive Chairman of Emerald Energy plc; Emerald grew, from a market capitalisation of less than £8 million, until in October 2009 Emerald was acquired by Sinochem Resources UK Limited, for £7.50 per share in a transaction that valued Emerald at £532 million.

Other Current Directorships of Listed Companies
Sterling Energy Plc – (AIM)

Former Directorships of Listed Companies in last three years
Emerald Energy Plc – (LSE)

Baltabek Kuandykov (63)

Non-Executive Director
Appointed 5 October 2010

Mr Kuandykov has considerable experience in the oil and gas industry in the region, having served as President of Kazakhoil (predecessor of the Kazakh State oil company KazMunaiGas) and is a well respected consultant to Chevron Overseas Petroleum on CIS projects. He also worked in a senior capacity for Kazneftegazrazvedka and was president of Kazakhstancaspishelf. Mr Kuandykov also has extensive government experience in Kazakhstan, having served as Deputy Minister of Geology, Head of the Oil and Gas Directorate at the Ministry of Geology, and was Deputy Minister of Energy and Fuel Resources

Other Current Directorships of Listed Companies
Chagala Group Limited (LSE)

Former Directorships of Listed Companies in last three years
Nelson Resources Limited
Kazakhoil (predecessor of KazMunaiGas)
Kazakhstancaspishelf

Scott Adrian Mison (35)
B.Bus, CA, ACIS

Executive Director
Company Secretary

Appointed 31 January 2011

Mr Mison holds a Bachelor of Business degree majoring in Accounting and Business Law, is a Member of the Institute of Chartered Accountants in Australia and Chartered Secretaries Australia.

Mr Mison is also Company Secretary of Industrial Minerals Corporation Limited.

Other Current Directorships of Listed Companies

None.

Former Directorships of Listed Companies in last three years

Equatorial Resources Limited

Mr David Thorpe
(resigned 31 January 2011)

Mr Andrew Childs
(resigned 5 October 2010)

Mr Erkin Svanbayev
(resigned 5 October 2010)

Interests in the shares and options of the company and related bodies corporate

At the date of this report, the interest of the Directors in the shares and options of Jupiter Energy Limited, post the August 2011 consolidation, were:

Director	Number of ordinary shares	Performance Rights	Number of unlisted options
G Gander	2,551,112	666,667	-
A Beardsall	666,667	666,667	-
B Kuandykov	-	666,667	-
S Mison	312,987	133,334	66,667

Corporate Structure

Jupiter Energy Limited is a company limited by shares that is incorporated and domiciled in Australia. Jupiter Energy Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year, which are outlined in note 25 of the financial statements.

Principal Activities

The principal activities of the consolidated entity during the course of the financial year included:

- Exploration for oil and gas in Kazakhstan: and
- Appraisal, development and production of oil and gas properties in Kazakhstan

Employees

The consolidated entity employed 29 employees as at 30 June 2011 (2010: 23 employees).

DIVIDENDS

No dividends in respect of the current or previous financial year have been paid, declared or recommended for payment.

FINANCIAL REVIEW

Operating Results

The consolidated loss for the year after income tax was $ 4,889,671 (2010:$ 5,512,070).

Review of Financial Condition

At the end of the 2011 financial year, cash resources were $13,968,248 (2010:$ 1,327,806). Assets increased to $41,747,462 (2010: $25,123,251) and equity increased to $40,920,376 (2010: $23,396,805).

CAPITAL RAISING / CAPITAL STRUCTURE

During the year the following capital raisings were completed prior to the share consolidation in August 2011:

- In August 2010 a placement of 132,933,059 shares at 2.70 cents raising $3,589,193 (before costs) was completed
- Two Converting Loan Agreements were entered into to raise a further $3,910,807, convertible into 144,844,719 shares at 2.70 cents, subject to shareholder approval. Shareholder approval was obtained in September 2010.
- A 1 for 3 non renounceable Rights Issue was announced in August 2010. This offer was priced at 2.70 cents per share and raised approximately $9,172,380. The issue was fully underwritten by Waterford.
- In May 2011 a placement of 226,500,061 shares at 4.9 cents raising $11,098,592 (before costs) was completed.

On 12 August shareholders approved a share consolidation on a 15 to 1 basis.

On 12 August 2011, 2,133,334 performance rights were approved by shareholders.

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Post the issue of shares from the May 2011 share issue, the Company had 1,737,934,742 listed shares on issue. These were then consolidated on a 15:1 basis after approval by shareholders at a General Meeting held on 12 August 2011. Post the consolidation, shares on issue numbered 115,863,487 as at the reporting date.

Summary of share and share options on issue

At the date of this report, the unissued ordinary shares of Jupiter Energy Limited under Option and Performance Rights are as follows:

Date of Expiry	Exercise Price $	Number under Option
31 Dec 2012	2.775	200,001
31 Dec 2012	1.50	400,000
31 Dec 2012	2.25	266,668
		866,669

Date of Vesting	Vesting Conditions	Number under Performance Rights
25 Aug 2012	Share Price Performance from a base level of $0.735	2,133,334

Summary of Conditions relating to the vesting of the Performance Rights:

Subject to a minimum increase of 25%, the Performance Rights for each holder shall vest in proportion to the % increase in the Share price of the Company above 4.9 cents on a pre-Consolidation basis or 73.5 cents on a post-Consolidation basis (Vesting Condition). In respect of the Vesting Condition, the % increase in the Share price of the Company will be calculated by reference to the volume weighted average price of Shares in the 20 consecutive trading days immediately prior to the Vesting Date.

OPERATING REVIEW

This section provides details on the operations of the past 12 months. The key operational event for the year was the drilling, completion and production testing of JPR's second operated well (J-52) on its Block 31 permit. Details on the other wells are also outlined below as are details on other work carried out over the course of the year.

Well Operations

J-52

The J-52 well was the Company's 2010 commitment well in Block 31 and is located 3.8 km southeast of the J-50 well and 2 km north of NWZ#2 well. J-52 reached a total depth of 3152m on Monday 27 December 2010 after 54 days of drilling activity. Operational progress and geological results were consistent with the Company's drilling plans and well prognosis.

Hydrocarbon shows while drilling and subsequent wireline logging both indicated possible movable hydrocarbons in two intervals in the well. Each reservoir formation was successfully cored and each 9m core contained free, movable oil.

Triassic Reservoir

After a successful completion program, including an acid stimulation of the productive zones of the Triassic reservoir, the J-52 well was cleaned up and achieved flow rates in a range from 849 barrels of oil per day (bopd) on a 12mm choke to 516 bopd on an 8mm choke from the Middle Triassic reservoir. All these rates were a substantial improvement over the stabilised flow rate from the 2009 commitment well, J-50, and the Company believes, more representative of the flow rates achievable by the Company from the Triassic reservoir in the Mangistau.

The Company also completed an analysis of the production logging surveys and pressure build-up test and this data all formed part of the Trial Production Licence (TPL) application for the J-52 Middle Triassic well. The TPL application has proceeded without any significant delays and it is expected it should be approved during the 4th quarter of 2011

Jurassic Reservoir

Testing, including fracture stimulation of the secondary Jurassic reservoir in J-52 commenced in July 2011. The results indicated that whilst there is the presence of oil, the Jurassic reservoir in J-52 may not be viable for commercial production. The Company has reviewed the data and will attempt further tests in future wells that encounter the Jurassic formation.

J-50

The J-50 well completed the 3 month maximum production test period permitted under the regulations on 31 August 2010 and the well was shut in at this time. The Company then began the process of applying for a Trial Production Licence (TPL) for J-50. The process has been more complex for J-50 than for J-52 because of the need to allocate the reserves for the single accumulation (on which J-50 has been drilled) that is present in both Jupiter's Block 31 and the adjacent North Akkar field.

The TPL application process for J-50 is also expected to be completed during the 4th quarter of 2011

NWZ 2

Following the completion of the testing of the J-52 Jurassic formation, further work on the NWZ 2 well has been deferred until a better understanding of the Jurassic structure is gained from testing on future wells that encounter the Jurassic formation.

J-51

The J-51 well reached target depth on 18 September 2011 and as at the day of this report the well was being prepared for production casing and cement. The well will be stimulated and flow tested for up to a maximum of 3 months during which time flow rates will be measured for various choke sizes and fluid samples collected for analysis.

Reserve and Resource Upgrades

In January 2011, the Company commissioned Senergy Oil and Gas (Senergy) to complete a review of the Middle Triassic reserves and resources in Block 31. Senergy released an initial Reserves Report in May 2011 that concluded the block contained some 24.2mmbo of 2P recoverable reserves and a potential 9.9mmbo of P50 recoverable resource in the Middle Triassic reservoirs.

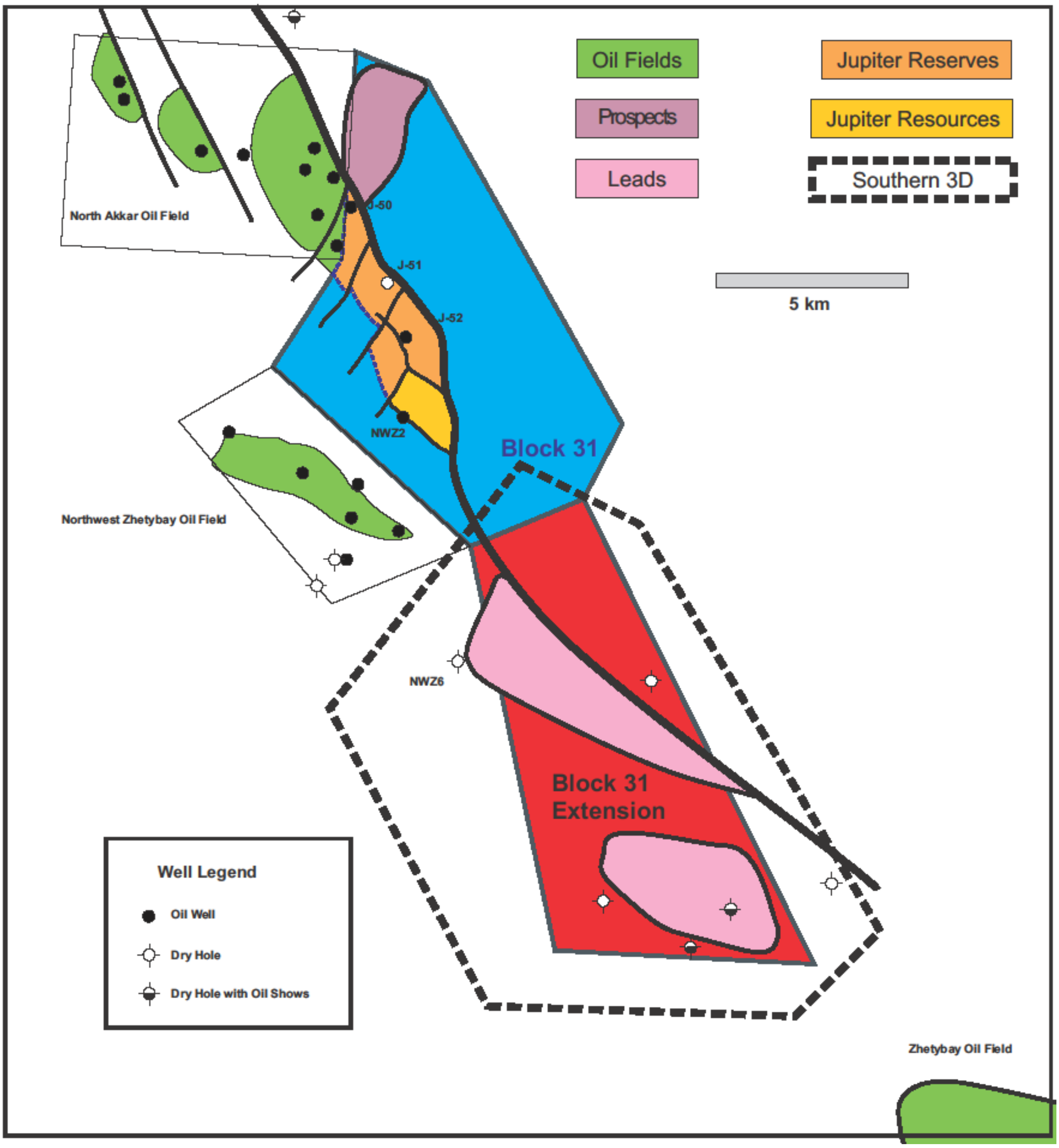
Successful drilling of the Company's 2011 commitment well (J-51) will only increase the confidence in this 2P reserves number and in fact may see some of the current 3P reserves move into 2P and some of the 2P reserves move into 1P. Upon completion of J-51 the Company will review the possibility of Senergy carrying out another Reserves Report.

Forward Plan for Drilling Activity

The Company will complete the J-51 well and then move to drill its two 2012 commitment wells. The first of these will be J-53, located at the southeastern section of the Akkar East accumulation; if successful, J-53 may prove up the P50 resource potential of 10mmbo as independently estimated by Senergy in May 2011..

The second commitment well for 2012 is currently expected to be in an area that forms part of the new acreage acquired by the Company via the extension of Block 31 that is outlined below. 3D seismic is currently being acquired over this area and what is currently identified as a lead is expected to mature into a drill ready prospect of potentially 20mmbo based on internal company analysis.

In addition, a third exploration well is expected to be drilled during 2012 in the northern part of Block 31. This area already has 3D seismic acquired over it and independent analysis has identified a prospect of between 20-40mmbo. It should however be noted that this prospect is of higher risk than the current drilling program due to its position in relation to the regional fault that runs through the entire Block 31 permit area.



Extension

On 13 July 2011 the Company announced that the Kazakh Ministry of Oil & Gas (MOG) had given its approval to an application made by JPR to extend the existing Block 31 acreage of 63.39 km^2 by an additional 59.29 km^2 for a total of 122.68 km^2.

One material addition was made to the Block 31 working program, namely a commitment by the Company to acquire 3D seismic over the new extension area. Whilst the 3D seismic had to be completed before 31 December 2012 the Company in fact began acquiring the 3D seismic during the 3rd quarter of 2011 and completed this acquisition ahead of schedule on 21 September 2011. The Company will therefore meet this work commitment well in advance of the required date.

Prospectivity

With the results of the drilling and testing of the Triassic and Jurassic formations and the additional acreage provided through the extension of the Block 31 permit by another 59.29 km^2 (to a total of 122.68 km^2), the Company believes the prospectivity of Jupiter's Block 31 continues to improve and the Board are confident that further additions to the reserves and resources is achievable. As outline in the Future Drilling Program section of this report, the drilling of J-51, J-53 and J-54 wells has to potential for an independent upgrade of reserves, from what are currently classed as resources, as well as increased production.

Production

Initial performance tests from the J-52 well of 750 barrels of oil per day (bopd) on 10mm choke were carried out before the well was stimulated and during the 3 month production testing phase The J-52 well was then produced at rates ranging from 516 bopd (8mm choke) to 849 bopd (12mm choke). The produced oil was sold into the domestic market at approximately USD32/bbl with the trader collecting the oil from the well site via truck.

The production flow rates achieved from the J-52 Triassic reservoir were more in line with Company expectations and showed significant improvement over the flow rates achieved during the 3 month production testing of the J-50 well which were, on average, at 350 bopd. The Company hopes that the improvements made in its completion methodology post the J-50 well will continue to be demonstrated via the flow rates achieved from future exploration wells.

Staffing

An integrated operating team that has proven in country experience as well as the capacity to operate major assets is a critical component to success in Kazakhstan. The building of such a team has been a majority priority over the course of 2011 and recruitment of local staff in Kazakhstan has continued throughout the year under the new Aktau based management team.

Expansion of the operation prior to having this team in place would have been potentially damaging to the overall operation and as a result the Board has remained, to date, focussed purely on Block 31. With staff members now numbering 31 and covering exploration, drilling and operations, finance, legal and administration the coming 12 months will see more attention given to expansion of acreage as has already been demonstrated via the successful 59km^2 extension to Block 31.

The re-location of all staff in the Kazak operations to Aktau has seen a more closely integrated team develop resulting in more efficient operations and a greater sharing of technical expertise. With the recent appointment of a Managing Director to the Aktau operation, the Board is confident that Jupiter is now well prepared for continued growth over the coming years.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Except as otherwise set out in this report, the Directors are unaware of any significant changes in the state of affairs or principal activities of the consolidated entity that occurred during the period under review.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

- On 30 July 2011, the J-51 exploration well spudded. The Company announced on 22 September 2011 that the well had reached target depth and was being prepared for completion and production testing. Operational progress and geological results were consistent with the Company's drilling plans.

- On 8 August 2011, Gamal Kulumbetov was appointed Managing Director of the Branch of Jupiter Energy Pte. Ltd

- On 12 August shareholders approved a share consolidation on a 15 to 1 basis. The Company had 1,737,934,742 listed shares on issue, post the consolidation, shares on issue numbered 115,863,487.

- On 12 August 2011, 2,133,334 performance rights were approved by shareholders. Subject to a minimum increase of 25%, the Performance Rights for each holder shall vest in proportion to the % increase in the Share price of the Company above 4.9 cents on a pre-Consolidation basis or 73.5 cents on a post-Consolidation basis (Vesting Condition). In respect of the Vesting Condition, the % increase in the Share price of the Company will be calculated by reference to the volume weighted average price of Shares in the 20 consecutive trading days immediately prior to the Vesting Date.

- On 30 August 2011, the Company announced that the acquisition of 3D seismic over the new extension to Block 31 acreage had commenced. The Company confirmed that the acquisition process had been completed ahead of schedule of 21 September 2011.

- On 22 September 2011, the Company announced that J-51 reached a total depth of 3100m on Sunday 18 September 2011 after 50 days of drilling activity since spudding. Open hole logs were run and the well is being prepared to run production casing and cement. Operational progress and geological results were consistent with the Company's drilling plans and well prognosis. Hydrocarbon shows while drilling and subsequent open hole wireline logging both indicated hydrocarbons in the Triassic reservoir; the open hole logs indicate good levels of oil saturation and porosity.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Directors will continue to pursue oil and gas exploration and production opportunities in the Republic of Kazakhstan.

Further information on likely developments in the operations of the consolidated entity has not been included in this report because at this stage the Directors believe it would be likely to result in unreasonable prejudice to the consolidated entity. As Jupiter Energy Limited is listed on the Australian Stock Exchange, it is subject to the continuous disclosure requirements of the ASX Listing Rules which require immediate disclosure to the market of information that is likely to have a material effect on the price or value of Jupiter Energy Limited's securities.

ENVIRONMENTAL REGULATION

The consolidated entity is committed to achieving the highest standards of environmental performance. Standards set by the Government of Kazakhstan are comprehensive and highly regulated. The consolidated entity strives to comply not only with all Kazakh government regulations, but also maintain industry standards.

To maintain these high standards the Company is committed to a locally developed environmental monitoring programme. This monitoring programme will continue to expand as and when new regulations are implemented and adopted in Kazakhstan.

HEALTH & SAFETY

The Company has developed a comprehensive Health and Safety policy for its operations in Kazakhstan and has the appropriate personnel in place to monitor the performance of the Company against this policy. The Company outsources many of its key drilling functions and as part of any contract entered into with 3rd parties, a commitment to Health & Safety and a demonstrated track record of success in this area is a key performance indicator in terms of deciding on which companies will be contracted.

MEETINGS OF DIRECTORS

The number of meetings of the Directors held during the year and the number of meetings attended by each Director was as follows:

	Board of Directors	
	Number attended	Number eligible to attend
Current Directors		
G A Gander	11	11
A Beardsall	7	7
B Kuandyukov	7	7
S Mison	5	5
Retired Directors		
A R Childs	3	4
E Svanbayev	3	4
D Thorpe	6	6

Committee membership

Due to the small number and geographical spread of the Directors, it was determined that the Board would undertake all of the duties of properly constituted Audit & Compliance and Remuneration Committees.

REMUNERATION REPORT (Audited)

This remuneration report outlines the Director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report, key management personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company, and includes the three executives in the Company and the Group receiving the highest remuneration.

For the purposes of this report, the term 'executive' encompasses the chief executive, senior executives, general managers and secretaries of the Company and the Group.

Details of key management personnel (including the three highest executives of the Company and the Group)

(i) Directors

Geoff Gander	Chairman / CEO (Executive)
Alastair Beardsall	Director (Non-Executive) (appointed 5 October 2010)
Baltabek Kuandykov	Director (Non-Executive) (appointed 5 October 2010)
Scott Mison	Director (Executive) (appointed 31 January 2011)
Erkin Svanbayev	Director (Executive) (resigned 5 October 2010)
David Thorpe	Managing Director (Executive) (resigned 31 January 2011)
Andrew Childs	Director (Non-Executive) (resigned 5 October 2010)

(ii) Executives

Scott Mison	CFO / Company Secretary
Keith Martens	Technical Consultant
Henry Wolski	Technical Director (Kazakhstan)
Gamal Kulumbetov	Managing Director (Kazakhstan)

On 8 August 2011, Gamal Kulumbetov was appointed Managing Director of the Branch of Jupiter Energy Pte. Ltd.

There were no other changes after reporting date and before the date the financial report was authorised for issue.

Remuneration Philosophy

The remuneration policy of the Group has been designed to align Directors and executives objectives with shareholder and business objectives by providing a fixed remuneration component and offering long term incentives based on key performance areas affecting the economic entity's financial result. The Board of the Group believes the remuneration policy to be appropriate in its ability to attract and retain the best executives and Directors to run and manage the economic entity, as well as create goal congruence between Directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the economic entity is as follows:

* The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board after a review of similar listed and unlisted companies with activities in overseas jurisdictions and taking into account the experience and skill set required to successfully develop operations in these jurisdictions from early stage development. The Company does not have a remuneration committee. The Board is of the opinion that due to the nature and size of the Company, the functions performed by a Remuneration Committee can be adequately handled by the full Board.
* All executives receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, options and performance incentives.

* The Board reviews executive packages annually by reference to the company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

Executives are entitled to participate in the Company's long term performance rights plan.

The executive Directors and executives receive a superannuation guarantee contribution required by the government which is currently 9%, and do not receive any other retirement benefits.

The remuneration paid to Directors and executives is valued at the cost to the Company and expensed. Shares given to Directors and executives are valued as the difference between the market price of those shares and the amount paid by the Director or executive. Options are valued using the Black & Scholes methodology.

Remuneration Structure

Non-Executive Director Remuneration

Objective
The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure
The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Total remuneration for all Non-Executive Directors, is not to exceed $350,000 per annum as approved by shareholders at the Annual General Meeting held on 15 November 2010. Fees for non-executive directors are not linked to performance of the company. However, to align directors' interests with shareholder interests, the non-executive directors have been issued Performance Rights which have vesting conditions that are specifically linked to share price performance over a 12 month period. Non-executive Directors are also encouraged to hold shares in the company.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers the fees paid to non-executive directors of comparable companies and the potential value provided via the allocation of Performance Rights when undertaking the annual review process.

Each director receives a fee for being a Director of the Company. Directors who are called upon to perform extra services beyond the director's ordinary duties may be paid additional fees for those services.

Executive Remuneration

Objective

The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group so as to:
- reward executives for Company, business unit and individual performance;
- align the interests of executives with those of shareholders;
- link reward with the strategic goals and performance of the Company; and

ensure total remuneration is competitive by market standards.

Structure

In determining the level and make-up of executive remuneration, the Board reviews remuneration packages provided by similar listed and unlisted companies with activities in overseas jurisdictions and taking into account the experience and skill set required to successfully develop operations in these jurisdictions from early stage development as well as the salary levels of local workers in that jurisdiction. It is the Board's policy that employment contracts are entered into with the Chief Executive Officer and all key management personnel.

Fixed Remuneration

The fixed remuneration of executives is comprised of a base salary and superannuation. The fixed remuneration of executives is reviewed annually.

Variable remuneration – Short Term Incentives (STI)

The Group operates a STI program that is available to executives and awards a quantum of Performance Rights or a cash bonus subject to the attainment of clearly defines Group and individual measures.

Actual STI payments awarded to each executive depended on the extent to which specific targets are met. The targets consist of a number of key performance indicators (KPIs) covering financial and non-financial, corporate and individual measures of performance.

Variable Remuneration – Long Term Incentives (LTI)

Objective

The objectives of long term incentives are to:
- align executives remuneration with the creation of shareholder wealth;
- recognise the ability and efforts of the directors, employees and consultants of the Company who have contributed to the success of the Company and to provide them with rewards where deemed appropriate;
- provide an incentive to the directors, employees and consultants to achieve the long term objectives of the Company and improve the performance of the Company; and
- attract persons of experience and ability to employment with the Company and foster and promote loyalty between the Company and its directors, employees and consultants.

Structure

Long term incentives granted to senior executives are delivered in the form of Performance Rights, issued under the Performance Rights Plan or (to a lesser degree) of options, issued under the Employee Share and Option Plan.

In compliance with Corporations Law, none of the directors' shareholdings in the Company is subject to hedging. Each director must disclose any changes at each Board meeting.

Company Performance

Due to the current embryonic stage of the company's growth it is not appropriate at this time to evaluate the Company's financial performance using generally accepted measures such as EBITDA and profitability; this assessment will be developed over the next few years.

The following information provides a summary of the Company's financial performance for the last five years:

	2011 *$*	2010 *$*	2009 *$*	2008 *$*	2007 *$*
Loss before income tax	(4,889,671)	(5,512,070)	(2,610,253)	(2,533,868)	(3,868,571)
Earnings per share (cents)*	(0.35)	(0.55)	(0.72)	(0.76)	(3.12)
Last sale price at Balance Date*	0.048	0.034	0.024	0.081	0.199
Market capitalisation	83.4m	30.1m	8.7m	27.6m	46.9m

- The earnings per share and last sales price has been adjusted for all periods to reflect the 15:1 share consolidation approved on 12 August 2011.

Relationship of Reward and Performance

The value of options and performance rights will represent a significant portion of an executive's salary package. The ultimate value to the executives of the options depends on the share price of Jupiter Energy Ltd. The share price is the key performance criteria for the long term incentive as the realised value arising from performance rights and options issued is dependent upon an increase in the share price to above the exercise price of the options.

Below is a summary of performance conditions for performance rights.

(a) Subject to a minimum increase of 25%, the Performance Rights for each holder shall vest in proportion to the % increase in the Share price of the Company above 73.5 cents (Vesting Condition). In respect of the Vesting Condition, the % increase in the Share price of the Company will be calculated by reference to the volume weighted average price of Shares in the 20 consecutive trading days immediately prior to the Expiry Date.

Details of remuneration (Audited)

Remuneration of Directors and Executives

Table 1: Remuneration for the year ended 30 June 2011

	Short-term benefits			Post-employment benefits	Share-based payment			
Name	Cash salary and Consulting fees $	Cash bonus $	Termination $	Super-annuation $	Options / Performance rights / shares $	Total $	Remuneration consisting of options %	Performance related %
Non-executive director								
A Childs (resigned 5 October 2010)	15,000	-	-	1,350	88,125	104,475	84.35%	84.35%
A Beardsall (appointed 5 October 2010)	30,000	-	-	-	-	30,000	-	-
B Kuandykov (appointed 5 October 2010)	30,000	-	-	-	-	30,000	-	-
	75,000	-	-	1,350	88,125	164,475		
Executive directors								
G Gander	307,159	-	-	22,095	135,764	465,018	-	29.20%
D Thorpe 2 (resigned 31 January 2011)	224,000	-	96,000	-	54,960	374,960	-	14.66%
E Svanbayev 3 (resigned 5 October 2010)	202,919	-	-	-	194,109	397,028	22.19%	48.89%
S Mison 1 (appointed 31 January 2011)	152,850	-	-	-	-	152,850	-	-
Other key management personnel								
K Martens	123,600	-	-	-	-	123,600	-	-
H Wolski	213,647	-	-	-	-	213,647	-	-
Totals	1,299,175	-	96,000	23,445	472,958	1,891,578		

1: Fees relate to CFO / Company Secretary for the period 1 July 2010 to 30 June 2011 and director fees from 31 January 2011.

2: Included in fees was a break fee of $96,000. As a result of David's resignation his performance rights were cancelled. Therefore as per AASB 2, previous expense of unvested rights were reversed. The fair value of the performance rights lapsed was nil.

3: As a result of Erkin's resignation his performance rights were cancelled. Therefore as per AASB 2, previous expense of unvested rights were reversed. The fair value of the performance rights lapsed was nil. As part of his resignation, subject to share-holder approval and obtaining the extension to Block 31, Erkin will receive US $200,000 in Jupiter shares. As the terms and conditions were agreed at resignation, this has been accounted for and included in the remuneration report as a share-based payment.

Table 2: Remuneration for the year ended 30 June 2010

	Short-term benefits			Post-employment benefits	Share-based payment			
Name	Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Options* $	Total* $	Remuneration consisting of options %	Performance related %
Non-executive director								
A Childs	52,500	-	-	4,725	123,375	180,600	68.31	68.31
	52,500	-	-	4,725	123,375	180,600	68.31	68.31
Executive directors								
G Gander	349,795	-	-	31,356	278,716	659,867	42.24	42.24
D Thorpe	312,645	-	-	-	158,140	470,785	33.59	33.59
E Svanbayev	237,973	23,550	-	-	402,041	663,564	60.44	64.14
Other key management personnel								
K Martens	120,600	-	-	-	327,790	448,390	73.10	73.10
S Sinistin	64,122	5,300	-	-	295,125	364,547	80.96	82.41
S Mison	142,465	-	-	-	16,332	158,797	10.29	10.29
Totals	1,280,100	28,850	-	36,081	1,601,519	2,946,550		

*options and total have changed to correct amortisation expense relating to options in line with vesting period.

Details of remuneration (Audited)

Remuneration of Directors and Executives

Table 3: Compensation Options: Granted and vested during the year ended 30 June 2011

	Granted		Terms & Conditions for each Grant				Vested	
	Number	*Grant Date*	*Fair Value per option at grant date $*	*Exercise price per option $*	*Expiry Date*	*First Exercise Date*	*Number*	*%*
Directors								
A Childs	-	-	-	-	-	-	5,000,000	100%
E Svanbayev	-	-	-	-	-	-	5,000,000	100%
Total	-						10,000,000	

During the year, there were no options granted.

Table 4: Value of options awarded, exercised and lapsed during the year ended 30 June 2011

	Value of options granted during the year $	*Value of options exercised during the year $*	*Value of options lapsed during the year $*	*Remuneration consisting of options for the year %*
K Martens	-	-	-	-
S Sinistin	-	-	-	-

Share issued on Exercise of Compensation Options

There were no shares issued on the exercise of compensation options during the financial years ended 30 June 2011 or 30 June 2010.

Service agreements

Remuneration and other terms of employment for the Executive Chairman/CEO, and all other key management positions held in Kazakhstan have been formalised in service agreements. The main provisions of the agreements in relation to Directors holding management roles are set out below.

Geoff Gander, Executive Chairman (Effective – 1 July 2011)

Base Terms

- This agreement is effective from 1 July 2011 and will have a term of 1 year
- Base Salary of GBP200,000 including Director Fees and the current Superannuation Levy of 9%.
- Living expenses of GBP 75,000 per year.
- Mr Gander has been issued, after shareholder approval in August 2011, 1,666,667 (post consolidation) Performance Rights. Subject to a minimum increase of 25%, the Performance Rights shall vest in proportion to the % increase in the Share price of the Company above 73.5 cents on a post-Consolidation basis (Vesting Condition). In respect of the Vesting Condition, the % increase in the Share price of the Company will be calculated by reference to the volume weighted average price of Shares in the 20 consecutive trading days immediately prior to the Vesting Date. These Performance Rights replaced a similar quantum of Performance Rights issued to Mr Gander in 2009.

Details of remuneration (Audited)
Remuneration of Directors and Executives

The termination provisions are as follows:

	Notice period	Payment in lieu of notice	Treatment of Performance Rights
Employer - initiated termination with reason	1 or 3 months	1 or 3 months	Unvested rights forfeited
Employer - initiated termination without reason	3 months	3 months	Unvested rights forfeited
Termination for serious misconduct	None	None	Unvested rights forfeited
Employee – initiated termination	1 or 3 month	None	Unvested rights forfeited

Scott Mison, CFO / Company Secretary / Executive Director (Effective – 1 July 2011)

Base Terms

- This agreement is effective from 1 July 2011 and will have a term of 1 year
- Base Salary of A$90,000.
- Director fees of $40,000.
- Mr Mison has been issued, after shareholder approval in August 2011, 133,334 post consolidation Performance Rights. Subject to a minimum increase of 25%, the Performance Rights shall vest in proportion to the % increase in the Share price of the Company above 73.5 cents on a post-Consolidation basis (Vesting Condition). In respect of the Vesting Condition, the % increase in the Share price of the Company will be calculated by reference to the volume weighted average price of Shares in the 20 consecutive trading days immediately prior to the Vesting Date.

The termination provisions are as follows:

	Notice period	Payment in lieu of notice	Treatment of Performance Rights
Employer - initiated termination with reason	1 or 3 months	1 or 3 months	Unvested rights forfeited
Employer - initiated termination without reason	3 months	3 months	Unvested rights forfeited
Termination for serious misconduct	None	None	Unvested rights forfeited
Employee – initiated termination	1 or 3 month	None	Unvested rights forfeited

End of Remuneration Report (Audited)

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has entered into Deeds of Indemnity with the Directors, indemnifying them against certain liabilities and costs to the extent permitted by law.

The Company has also agreed to pay a premium in respect of a contract insuring the Directors and Officers of the Company against certain liabilities and costs to the extent permitted by law. Full details of the cover and premium are not disclosed as the insurance policy prohibits the disclosure.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Jupiter Energy Limited adhere to strict principles of corporate governance. The Company's corporate governance statement is included on page 20 of this annual report.

AUDITOR INDEPENDENCE

The directors received the declaration included on page 26 of this annual report from the auditor of Jupiter Energy Limited.

NON-AUDIT SERVICES

Ernst & Young did not receive any fees for the provision of non-audit services during the year.

This report has been made in accordance with a resolution of the Directors.

G A Gander
Director
Perth, Western Australia
23 September 2011

CORPORATE GOVERNANCE STATEMENT

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Jupiter adhere to strict principles of corporate governance.

The Board of Directors of Jupiter Energy Limited is responsible for the overall corporate governance of the consolidated entity, guiding and monitoring the business and affairs of Jupiter on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Company's corporate governance principles and policies are structured with reference to the Corporate Governance Councils best practice recommendations, which are as follows:

Principle 1. Lay solid foundations for management and oversight

Principle 2. Structure the Board to add value

Principle 3. Promote ethical and responsible decision making

Principle 4. Safeguard integrity in financial reporting

Principle 5. Make timely and balanced disclosure

Principle 6. Respect the rights of shareholders

Principle 7. Recognise and manage risk

Principle 8. Remunerate fairly and responsibly

The Board's Corporate Governance Charter includes procedures for compliance with the ASX Listing Rule continuous disclosure requirements, trading in the Company's securities, the management of risk, and a Code of Conduct. Jupiter's corporate governance practices were in place throughout the year ended 30 June 2011.

BOARD OF DIRECTORS

Role of the Board

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:

- To set the strategic direction for the Company and monitor progress of those strategies;
- Establish policies appropriate for the Company;
- Monitor the performance of the Company, the Board and management;
- Approve the business plan and work programmes and budgets;
- Authorise and monitor investment and strategic commitments;
- Review and ratify systems for health, safety and environmental management; risk and internal control; codes of conduct and regulatory compliance;
- Report to shareholders, including but not limited to, the Financial Statements of the Company; and
- Take responsibility for corporate governance.

Composition of the Board

To add value to the Company the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given its current size and scale of operations.

The names of Directors of the Company in office at the date of this statement are set out in the Directors' Report. Information regarding Directors' experience and responsibilities are included in the Directors' Report section of this Annual Report.

The number of Directors is specified in the Constitution of the Company as a minimum of three up to a maximum of ten.

The preferred skills and experiences for a Director of the Company include:

- Exploration for oil and gas accumulations;
- Development and production operations of hydrocarbon accumulations;
- Financing of operations
- Business Development; and
- Public Company financial reporting and administration.

Chairman of the Board

The Chairman of the Board should be a Non-Executive Director and the Chairman will be elected by the Directors. Mr Geoff Gander, however is an executive chairman and is not independent. Given his skills, experience and knowledge of the Company, the Board considers that it is appropriate for him to be Chairman.

Independent Directors

The Board considers that a Director is independent if that Director complies with the following criteria:

- Apart from Director's fees and shareholding, independent Directors should not have any business dealings which could materially affect their independent judgment;
- Must not have been in an Executive capacity in the Company in the last 3 years;
- Must not have been in an advisory capacity to the Company in the last 3 years;
- Must not be a significant customer or supplier for the Company;
- Must not be appointed through a special relationship with a Board member;
- Must not owe allegiance to a particular group of shareholders which gives rise to a potential conflict of interest;
- Must not hold conflicting cross Directorships; and
- Must not be a substantial shareholder or a nominee of a substantial shareholder (as defined under section 9 of the Corporations Act).

Using the ASX Best Practice Recommendations on the assessment of the independence of Directors. The Board considers that of a total of four Directors there are none considered independent.

Mr Geoff Gander is an Executive Chairman of the Company and is not considered to be independent. However, his experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board.

Mr Baltabek Kuandykov is a Non-Executive Director of the Company and is not considered to be independent as he was a nominee Director by The Waterford Group, a substantial shareholder. However, his experience, especially within Kazakhstan makes his contribution to the Board such that it is appropriate for him to remain on the Board.

Mr Alastair Beardsall is a Non-Executive Director of the Company and is not considered to be independent as he was a nominee Director by The Waterford Group, a substantial shareholder. However, his experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board.

Mr Scott Mison is CFO / Company Secretary of the Company and is not considered to be independent. However, his experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board.

Retirement and Rotation of Directors

Retirement and rotation of Directors are governed by the Corporations Act 2001 and the Constitution of the Company. Each year one third Directors must retire and offer themselves for re-election. Any casual vacancy filled will be subject to shareholder vote at the next Annual General Meeting of the Company.

Independent Professional Advice

Each Director has the right to seek independent professional advice at the Company's expense after consultation with the Chairman. Once received the advice is to be made immediately available to all Board members.

Access to Employees

Directors have the right of access to any employee. Any employee shall report any breach of corporate governance principles or Company policies to the Executive Director and/or Company Secretary/Financial Controller who shall remedy the breach. If the breach is not rectified to the satisfaction of the employee, they shall have the right to report any breach to an independent Director without further reference to senior managers of the Company.

Insurance

The Directors review the requirements for insurance cover for the associated risks for its field operations, including drilling, production and storage of hydrocarbons and other activities and procures insurance cover at levels and costs they feel are appropriate.

Directors and officers insurance for Directors will be arranged by the Company at Company expense.

Share Ownership

Directors are encouraged to own Company shares.

Board Meetings

The following points identify the frequency of Board Meetings and the extent of reporting from management at the meetings:

- A minimum of four meetings are to be held per year;
- Other meetings will be held as required, meetings can be held by telephone link; and
- Information provided to the Board includes all material information on: operations, budgets, cash flows, funding requirements, shareholder movements, broker activity in the Company's securities, assets and liabilities, disposals, financial accounts, external audits, internal controls, risk assessment, new venture proposals, and health, safety and environmental reports.

The number of Directors' meetings and the number of meetings attended by each of the Directors of the Company during the financial year are set out in the Directors' Report.

Board Performance Review

The Board intends to commence an evaluation of its performance annually.

There was no evaluation conducted during the financial year.

Other Areas for Board Review

- Reporting to shareholders and the market to ensure trade in the Company's securities takes place in an efficient, competitive and informed market; and
- Insurance, both corporate and joint venture related insurances.

Board Committees

Audit Committee

The Company does not have an audit committee. The Board is of the opinion that due to the nature and size of the Company, the functions performed by an audit committee can be adequately handled by the full Board.

The CEO (or equivalent) and the CFO (or equivalent) declare in writing to the Board that the Company's financial statements for the year ended 30 June 2011 present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards. This representation is made by the CEO (or equivalent) and the CFO (or equivalent) prior to the Director's approval of the release of the annual and six monthly accounts. This representation is made after enquiry of, and representation by, appropriate levels of management.

Jupiter Energy Limited has requested the external auditors to attend the annual general meeting to be available to answer shareholders questions regarding the audit.

Nomination Committee

The Board of Directors of the Company does not have a nomination committee. The Board is of the opinion that due to the nature and size of the Company, the functions performed by a nomination committee can be adequately handled by the full Board.

Remuneration Committee

The Company does not have a remuneration committee. The Board is of the opinion that due to the nature and size of the Company, the functions performed by a remuneration committee can be adequately handled by the full Board.

Remuneration levels for Directors, Secretaries, Senior Executives of the Company, and relevant group Executives of the consolidated entity ("the Directors and Senior Executives") are competitively set to attract and retain appropriately qualified and experienced Directors and Senior Executives.

The remuneration structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The remuneration structures take into account:

- the capability and experience of the directors and senior executives
- the Directors and Senior Executives ability to control the relevant segment/s' performance
- the consolidated entity's performance including:
    - the consolidated entity's earnings
    - the growth in share price and returns on shareholder wealth
- the amount of incentives within each Directors and Senior Executives remuneration

For details of remuneration paid to Directors and officers for the financial year please refer to the Directors' Report on page 16.

Risk Management

The risks involved in oil and gas exploration Company and the specific uncertainties for the Company continue to be regularly monitored and the full Board of the Company meets on an annual basis to formally review such risks. All proposals reviewed by the Board include a consideration of the issues and risks of the proposal.

The potential exposures, including financial, reputation, and HSE, with running the Company have been managed by the Board and senior management in Kazakhstan who together have significant broad-ranging industry experience.

Additionally, it is the responsibility of the Board to assess the adequacy of the Company's internal control systems and that its financial affairs comply with applicable laws and regulations and professional practices. The CEO (or equivalent) and the CFO (or equivalent) declare in writing to the Board that the financial reporting risk management and associated compliance controls have been assessed and found to be operating efficiently and effectively. This representation is made by the CEO (or equivalent) and CFO (or equivalent) prior to the Director's approval of the release of the annual and six monthly accounts. This representation is made after enquiry of, and representation by, appropriate levels of management.

PROMOTION OF ETHICAL AND RESPONSIBLE DECISION-MAKING

Code of Conduct

The goal of establishing the Company as a significant Australian-based petroleum exploration and production Company is underpinned by its core values of honesty, integrity, common sense and respect for people. The Company desires to remain a good corporate citizen and appropriately balance, protect and preserve all stakeholders' interests.

The Board has adopted a Code of Conduct for Directors and employees of the Company. The Company's goal of achieving above average wealth creation for our shareholders should be enhanced by complying with this Code of Conduct which provides principles to which Directors and employees should be familiar and to which they are expected to adhere and advocate.

It is the responsibility of the Board to ensure the Company performs under this Code and for its regular review.

Trading in Company Securities by Directors, officers and employees

Trading of shares is covered by, amongst other things, the Corporations Act and the ASX Listing Rules. The Board has established a Securities Trading Policy that establishes strict guidelines as to when a Director, officer or an employee can deal in Company shares. The policy prohibits trading in the Company's securities whilst the Directors, officer or employee is in the possession of price sensitive information.

For details of shares held by Directors and officers please refer to the Directors' Report on page 4.

SHAREHOLDER COMMUNICATION

The Board aims to ensure that shareholders and the general investing community have equal access to the Company's information.

The Company has policies and procedures that are designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance. This disclosure policy includes processes for the identification of matters that may have material effect on the price of the Company's securities, notifying them to the ASX and posting them on the Company's website.

The Company also has a strategy to promote effective communication with shareholders and encourage effective participation at general meetings through a policy of open disclosure to shareholders, regulatory authorities and the broader community of all material information with respect to the Company's affairs including, but not limited to:

- Company's activities
- Conflicts of interest and related party transactions;
- Executive remuneration;
- The grant of options and details of Share Option and Performance Rights Plans;
- The process for performance evaluation of the Board, its committees, individual Directors and key managers;
- The link between remuneration paid to Directors and Executives and corporate performance; and
- The use of clear and concise text in all communications.

The following information is communicated to shareholders and available on the Company web site (www.jupiterenergy.com):

- The Annual Report and notices of meetings of shareholders;
- Quarterly reports reviewing the operations, activities and financial position of the Company;
- All documents that are released to the ASX are made available on the Company's website; and
- All other information on the Company's website is updated on an ongoing basis.

ERNST & YOUNG

Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
www.ey.com/au

Auditor's Independence Declaration to the Directors of Jupiter Energy Limited

In relation to our audit of the financial report of Jupiter Energy Limited for the financial year ended 30 June 2011, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

R J Curtin
Partner
Perth
23 September 2011

RC:VP:JUPITER:023

Financial Statements

FOR THE YEAR ENDED 30 JUNE 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note	Consolidated 2011 $	Consolidated 2010 $
Other revenues and income			
- Interest income		64,729	25,954
- Other income		-	15,895
		64,729	41,849
Administration expenses		2,183,445	1,649,807
Consulting fees		481,258	475,255
Depreciation expenses		43,156	26,609
Directors fees		564,911	670,861
Legal fees		133,512	185,441
Occupancy expenses		262,092	157,736
Share based payments		343,266	2,242,009
Loss on derivative		59,455	247,557
Net foreign exchange (gain) / loss		883,305	(101,356)
Total expenses		4,954,400	5,553,919
Loss before tax		(4,889,671)	(5,512,070)
Income tax expense	4	-	-
Loss after income tax		(4,889,671)	(5,512,070)
Other comprehensive income net of tax			
Foreign currency translation		(4,943,666)	(391,371)
Total comprehensive loss for the period		(9,833,337)	(5,903,441)
Earnings per share for loss attributable to the ordinary equity holders of the Company:			
Basic loss per share (cents)	21	(5.25)	(8.25)
Diluted loss per share (cents)	21	(5.25)	(8.25)

The consolidated statement of comprehensive income is to be read in conjunction with the notes of the financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Note	Consolidated	
		2011	2010
		$	$
ASSETS			
Current Assets			
Cash and cash equivalents	5	13,968,248	1,327,806
Trade and other receivables	6	1,410,979	973,543
Other current assets	8	521,174	148,906
Inventories	7	-	87,497
Total Current Assets		15,900,401	2,537,752
Non Current Assets			
Plant and equipment	9	398,851	144,140
Exploration and evaluation expenditure	10	25,319,806	22,282,954
Other financial assets	11	128,404	158,405
Total Non Current Assets		25,847,061	22,585,499
Total Assets		41,747,462	25,123,251
Current Liabilities			
Payables	12	534,616	868,402
Other financial liabilities	13	-	732,369
Provisions	14	61,918	39,962
Total Current Liabilities		596,534	1,640,733
Non-current Liabilities			
Provisions	14	230,552	85,713
Total Non-Current Liabilities		230,552	85,713
Total Liabilities		827,086	1,726,446
Net Assets		40,920,376	23,396,805
Equity			
Contributed equity	15	71,280,610	44,681,247
Share based payment reserve	16	3,922,453	3,164,908
Foreign currency translation reserve	16	(6,084,968)	(1,141,302)
Accumulated losses		(28,197,719)	(23,308,048)
Total Equity		40,920,376	23,396,805

The consolidated statement of financial position is to be read in conjunction with the notes of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Note	Consolidated 2011 $	2010 $
Cash flow from operating activities			
Receipts from customers		1,578,406	15,895
Payments to suppliers and employees		(6,092,821)	(3,408,347)
Interest received		64,729	25,954
Net cash flows (used in) operating activities	23	(4,449,686)	(3,366,498)
Cash flows from investing activities			
Payment for oil field extension		(766,964)	(2,295,423)
Payments for exploration expenditure		(8,298,650)	(7,839,623)
Payments for plant and equipment		(348,876)	(141,934)
Net Cash flows (used in) investing activities		(9,414,490)	(10,276,980)
Cash flows from financing activities			
Proceeds from issues of shares		27,770,973	14,148,174
Transactions cost from issue of shares		(1,181,608)	(396,076)
Proceeds from option issue		10,000	-
Net cash flows from financing activities		26,599,365	13,752,098
Net increase in cash held		12,735,189	108,620
Effects of exchange rate changes		(94,747)	(71,997)
Cash at beginning of the year		1,327,806	1,291,183
Cash at end of the year	5	13,968,248	1,327,806

The statement of cash flows is to be read in conjunction with the notes of the financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Issued capital $	*Share Based Payment Reserve* $	*Foreign Currency Translation Reserve* $	*Accumulated Losses* $	*Total* $
CONSOLIDATED					
At 1 July 2009	29,720,713	922,899	(749,931)	(17,795,978)	12,097,703
Loss for the period	-	-	-	(5,512,070)	(5,512,070)
Other comprehensive income	-	-	(391,371)	-	(391,371)
Total comprehensive income	-	-	(391,371)	(5,512,070)	(5,903,441)
Transactions by owners recorded directly in equity:					
Share based payments	-	2,242,009	-	-	2,242,009
Shares issued					
- Ordinary shares	15,952,264	-	-	-	15,952,264
- Costs of issue	(991,730)	-	-	-	(991,730)
At 30 June 2010	44,681,247	3,164,908	(1,141,302)	(23,308,048)	23,396,805
Loss for the period	-	-	-	(4,889,671)	(4,889,671)
Other comprehensive income	-	-	(4,943,666)	-	(4,943,666)
Total comprehensive income	-	-	(4,943,666)	(4,889,671)	(9,998,337)
Transactions by owners recorded directly in equity:					
Share based payments	-	757,545	-	-	757,545
Shares issued					
- Ordinary shares	27,780,971	-	-	-	27,780,971
- Costs of issue	(1,181,608)	-	-	-	(1,181,608)
At 30 June 2011	71,280,610	3,922,453	(6,084,968)	(28,197,719)	40,920,376

The statements of changes in equity are to be read in conjunction with the notes of the financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

1 CORPORATE INFORMATION

The financial report of Jupiter Energy Limited for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the directors on 23 September 2011.

Jupiter Energy Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian stock exchange.

The nature of the operations and principal activities of the Group are described in the Directors Report on pages 7 and 9.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis. The financial report is presented in Australian dollars.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The Group has adopted the following the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for accounting reporting periods beginning on or before 1 July 2010. These Standards and Interpretations had no impact on the financial position and performance of the Group.

From 1 July 2010, the Group has adopted the following Standards and Interpretations, mandatory for annual periods beginning on 1 July 2010. Adoption of these standards and interpretations did not have any significant effect on the financial position or performance of the Group

AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]

AASB 2009-8 Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions [AASB 2]

AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132]

AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132 & AASB 139]

Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ending 30 June 2011. These are outlined in the following table.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 9	Financial Instruments	AASB 9 includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement). These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes from AASB 139 are described below. (a) Financial assets are classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. This replaces the numerous categories of financial assets in AASB 139, each of which had its own classification criteria. (b) AASB 9 allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.	1 January 2013	The group has not yet determined the financial impact of the change.	1 July 2013
AASB 2009-11	Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	► These amendments arise from the issuance of AASB 9 *Financial Instruments* that sets out requirements for the classification and measurement of financial assets. The requirements in AASB 9 form part of the first phase of the International Accounting Standards Board's project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. ► <u>This Standard shall be applied when AASB 9 is applied.</u>	1 January 2013	The group has not yet determined the financial impact of the change.	1 July 2013
AASB 124 (Revised)	Related Party Disclosures (December 2009)	The revised AASB 124 simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition, including: (a) The definition now identifies a subsidiary and an associate with the same investor as related parties of each other (b) Entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other (c) The definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other A partial exemption is also provided from the disclosure requirements for government-related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.	1 January 2011	The group has not yet determined the financial impact of the change.	1 July 2011

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 2009-12	Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations. In particular, it amends AASB 8 *Operating Segments* to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. It also makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the IASB.	1 January 2011	The amendments are not expected to have an impact on the Group's financial statements	1 July 2011
AASB 2009-14	Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement	These amendments arise from the issuance of Prepayments of a Minimum Funding Requirement (Amendments to IFRIC 14). The requirements of IFRIC 14 meant that some entities that were subject to minimum funding requirements could not treat any surplus in a defined benefit pension plan as an economic benefit. The amendment requires entities to treat the benefit of such an early payment as a pension asset. Subsequently, the remaining surplus in the plan, if any, is subject to the same analysis as if no prepayment had been made.	1 January 2011	The amendments are not expected to have an impact on the Group's financial statements	1 July 2011
AASB 1053	Application of Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements: (a) Tier 1: Australian Accounting Standards (b) Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements. The following entities apply Tier 1 requirements in preparing general purpose financial statements: (a) For-profit entities in the private sector that have public accountability (as defined in this Standard) (b) The Australian Government and State, Territory and Local Governments The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements: (a) For-profit private sector entities that do not have public accountability (b) All not-for-profit private sector entities Public sector entities other than the Australian Government and State, Territory and Local Governments	1 July 2013	The amendments are not expected to have an impact on the Group's financial statements	1 July 2013
AASB 1054	Australian Additional Disclosures	This standard is as a consequence of phase 1 of the joint Trans-Tasman Convergence project of the AASB and FRSB. This standard relocates all Australian specific disclosures from other standards to one place and revises disclosures in the following areas: (a) Compliance with Australian Accounting Standards (b) The statutory basis or reporting framework for financial statements (c) Whether the financial statements are general purpose or special purpose (d) Audit fees (e) Imputation credits	1 July 2011	The amendments are not expected to have an impact on the Group's financial statements	1 July 2011

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 2010-4	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]	Emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments. Clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. Provides guidance to illustrate how to apply disclosure principles in AASB 134 for significant events and transactions. Clarifies that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account.	1 January 2011	The group has not yet determined the financial impact of the change.	1 July 2011
AASB 2010-5	Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]	This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the IASB. These amendments have no major impact on the requirements of the amended pronouncements.	1 January 2011	The amendments are not expected to have an impact on the Group's financial statements	1 July 2011
AASB 2010-6	Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7]	The amendments increase the disclosure requirements for transactions involving transfers of financial assets. *Disclosures* require enhancements to the existing disclosures in IFRS 7 where an asset is transferred but is not derecognised and introduce new disclosures for assets that are derecognised but the entity continues to have a continuing exposure to the asset after the sale.	1 July 2011	The amendments are not expected to have an impact on the Group's financial statements	1 July 2011
AASB 2010-7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023, & 1038 and interpretations 2, 5, 10, 12, 19 & 127]	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: ► The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ► The remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.	1 January 2013	The amendments are not expected to have an impact on the Group's financial statements	1 July 2013

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 2010-8	Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]	These amendments address the determination of deferred tax on investment property measured at fair value and introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that the carrying amount will be recoverable through sale. The amendments also incorporate *SIC-21 Income Taxes – Recovery of Revalued Non-Depreciable Assets* into AASB 112.	1 January 2012	The amendments are not expected to have an impact on the Group's financial statements	1 July 2012
AASB 2011-1	Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132, AASB 134, Interpretation 2, Interpretation 112, Interpretation 113]	This Standard amendments many Australian Accounting Standards, removing the disclosures which have been relocated to AASB 1054.	1 July 2011	The amendments are not expected to have an impact on the Group's financial statements	1 July 2011
AASB 2011-2	Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence project – Reduced disclosure regime [AASB 101, AASB 1054]	This Standard makes amendments to the application of the revised disclosures to Tier 2 entities, that are applying AASB 1053.	1 July 2013	The amendments are not expected to have an impact on the Group's financial statements	1 July 2013
AASB 10	Consolidated Financial Statements	AASB 10 establishes a new control model that applies to all entities. It replaces parts of IAS 27 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and SIC-12 *Consolidation – Special Purpose Entities.* The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. This is likely to lead to more entities being consolidated into the group.	1 January 2013	The amendments are not expected to have an impact on the Group's financial statements	1 July 2013
AASB 11	Joint Arrangements	AASB 11 replaces IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly- controlled Entities – Non-monetary Contributions by Ventures.* IFRS 11 uses the principle of control in IFRS 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method. This may result in a change in the accounting for the joint arrangements held by the group.	1 January 2013	The amendments are not expected to have an impact on the Group's financial statements	1 July 2013

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 12	Disclosure of Interests in Other Entities	AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures have been introduced about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.	1 January 2013	The amendments are not expected to have an impact on the Group's financial statements	1 July 2013
AASB 2011-7	*Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards*	Consequential amendments to AASB 127 *Separate Financial Statements* and AASB 128 *Investments in Associates* as a result of the adoption of AASB 10 Consolidated Financial Statements, AASB 11 *Joint Arrangements* and AASB 12 *Disclosure of Interests in Other Entities*.	1 January 2013	The amendments are not expected to have an impact on the Group's financial statements	1 July 2013
AASB 13	Fair Value Measurement	AASB 13 establishes a single source of guidance under Australian Accounting Standards for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value under Australian Accounting Standards when fair value is required or permitted by Australian Accounting Standards. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.	1 January 2013	The amendments are not expected to have an impact on the Group's financial statements	1 July 2013

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 2011-8	*Amendments to Australian Accounting Standards arising from the Fair Value Measurement Standard*	Consequential amendments to existing Australian Accounting Standards as a result of the adoption of AASB 13 *Fair Value Measurement*.	1 January 2013	The amendments are not expected to have an impact on the Group's financial statements	1 July 2013
AASB 2011-9	Amendments to Australian Accounting Standards - *Presentation of Items of Other Comprehensive Income* [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	The main change resulting from the amendments relates to the Statement of Comprehensive Income and the requirement for entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not remove the option to present profit or loss and other comprehensive income in two statements. The amendments do not change the option to present items of OCI either before tax or net of tax. However, if the items are presented before tax then the tax related to each of the two groups of OCI items (those that might be reclassified to profit or loss and those that will not be reclassified) must be shown separately.	1 July 2012	The amendments are not expected to have an impact on the Group's financial statements	1 July 2012
AASB 119 (Revised)	Employee Benefits	The main amendments to the standard relating to defined benefit plans are as follows :- • Elimination of the option to defer the recognition of actuarial gains and losses (the 'corridor method'); • Remeasurements (essentially actuarial gains and losses) to be presented in other comprehensive income; • Past service cost will be expensed when the plan amendments occur regardless of whether or not they are vested; and • Enhanced disclosures for Tier 1 entities. The distinction between short-term and other long-term employee benefits under the revised standard is now based on expected timing of settlement rather than employee entitlement. The revised standard also requires termination benefits (outside of a wider restructuring) to be recognised only when the offer becomes legally binding and cannot be withdrawn.	1 January 2013	The amendments are not expected to have an impact on the Group's financial statements	1 January 2013

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of Jupiter Energy Limited and its subsidiaries as at 30 June each year ('the Group').

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Subsidiaries and special purpose entities are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Adjustments are made to bring into line any dissimilar accounting policies that may exist. All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which Jupiter Energy Limited has control.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquire. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

(d) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black and Scholes model, using the assumptions detailed in note 18.

Exploration and evaluation

The Group's accounting policy for exploration and evaluation is set out in note 2(f). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular the assessment of whether economic quantities of reserves may be found. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the Group's policy, management concludes that the Group is unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to the income statement.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Provision for restoration

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(e) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the part is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and equipment – over 3 to 10 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected to be derived from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(f) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of evaluation, seismic and unsuccessful exploration in the area of interest are expensed as incurred even if activities in this area of interest are continuing. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When a discovered oil or gas field enters the development phase the accumulated exploration and evaluation expenditure is transferred to oil and gas assets – assets in development.

(g) Oil and Gas Assets

Oil and gas assets are usually single oil or gas fields being developed for future production or which are in the production phase. Where several individual oil or gas fields are to be produced through common facilities, the individual oil or gas field and the associated production facilities are managed and reported as a single oil and gas asset.

Assets in development
When the technical and commercial feasibility of an undeveloped oil or gas field has been demonstrated, the field enters its development phase. The costs of oil and gas assets in the development phase are separately accounted for as tangible assets and include past exploration and evaluation costs, development drilling and plant and equipment and any associated land and buildings. When commercial operation commences the accumulated costs are transferred to oil and gas assets – producing assets.

Producing assets
The costs of oil and gas assets in production are separately accounted for as tangible assets and include past exploration and evaluation costs, pre-production development costs and the ongoing costs of continuing to develop reserves for production and to expand or replace plant and equipment and any associated land and buildings.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(h) Impairment of assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(i) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(j) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less any estimated selling costs.

Cost includes those costs incurred in bringing each component of inventory to its present location and condition.

(l) Trade and other payables

Trade payables and other payables are carried at amortised costs and due to their short-term nature are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Financial liabilities

Financial liabilities within the scope of AASB 139 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs. The Group's financial liabilities include trade and other payables, and derivative financial instruments.

Derivative Financial Instruments

Derivatives are fair valued using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation techniques.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(n) Share-based payment transactions

Share-based compensation benefits are provided to directors and executives.

Options

The fair value of options granted to directors and executives is recognised as an employee benefit expense with a corresponding increase in contributed equity. The fair value is measured at grant date and recognised over the vesting period during which the directors and/or executives becomes entitled to the options.

The fair value at grant date is determined using an option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected divided yield and the risk-free interest rate for the term of the option.

Performance Rights

The Jupiter Energy Limited Performance Rights Plan ("PRP") enables the Company to provide its executives with long term incentives which create a link between the delivery of value to shareholders and rewarding and retaining the executives.

The cost of these performance rights is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a Monte Carlo methodology, which considers the incorporation of market based hurdles. Non market conditions are not factored into the fair value of the performance rights at grant. Probability factors are assigned to the vesting expense as to whether non market conditions will be met.

(o) Revenue recognition

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset. All revenue is stated net of the amount of goods and services tax (GST).

Sales revenue

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Incidental revenue generated during the development stage of an asset, is offset against the carrying value of the asset, rather than recognised in the statement of comprehensive income.

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(p) Income tax

The consolidated entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit adjusted for any non-assessable or disallowed items.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(q) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(r) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(s) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(t) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Employee leave benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Restoration

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(u) Foreign Currency Transactions and Balances

(i) Functional and presentation currency

Both the functional and presentation currency of Jupiter Energy Limited and its Australian subsidiaries is Australian dollars ($). The Singapore subsidiaries' functional currency is United States Dollars which is translated to the presentation currency (see below for consolidated reporting).

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(iii) Translation of Group Companies' functional currency to presentation currency

The results of the Singapore subsidiaries are translated into Australian Dollars (presentation currency) as at the date of each transaction. Assets and liabilities are translated at exchange rates prevailing at reporting date.

Exchange variations resulting from the translation are recognised in the foreign currency translation reserve in equity

On consolidation, exchange differences arising from the translation of the net investment in Singapore subsidiaries are taken to the foreign currency translation reserve. If a Singapore subsidiary was sold, the proportionate share of exchange differences would be transferred out of equity and recognised in the statement of comprehensive income.

(v) Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenue and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the Board of Directors (the chief operating decision makers) to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the executive management team.

Operating segments are identified based on the information provided to the chief operating decision makers, being the Board of Directors. Currently the Group has only one operating segment, being the Group.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise receivables, payables, cash and short-term deposits.

Risk Exposures and Responses

The main purpose of these financial instruments is to provide finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The main risks arising from the Group's financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews the risks identified below, including the setting of limits for trading in derivatives ,hedging cover of foreign currency and interest rate risk, credit allowances, and future cash flow forecast projections.

Interest rate risk

The Group's exposure to market risk for changes in interest rates is only on short term deposits and cash and cash equivalents.

At balance date, the Group had the following mix of financial assets and liabilities exposed to interest rate risk:

	Consolidated	
	2011	2010
	$	$
Financial Assets		
Cash and cash equivalents	13,968,248	1,070,781
Net exposure	13,968,248	1,070,781

The following table summarises the sensitivity of the fair value of the financial instruments held at balance date, if interest rates had moved, with all other variables held constant, post tax profit would have been affected as follows:

Post – tax gain / (loss)		
+ 1%	139,682	11,810
-1%	(139,682)	(11,810)

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont.)

Foreign currency risk
The Group has transactional currency exposures. Such exposure arises from sales or purchases by an operating entity in currencies other than the functional currency.

At balance date, the Group had the following exposure to United States Dollars (USD), Kazakhstan Tenge (KZT) and Singapore Dollars (SGD) foreign currency that is not designated in cash flow hedges:

	Consolidated 2011 $	Consolidated 2010 $
Financial Assets		
Cash and cash equivalents		
- USD	11,948,540	237,556
- KZT	659,044	246,830
- SGD	1,605	10,200
- GBP	8,511	-
Liquidation Fund	128,404	158,405
Trade and other receivables	7,426	98,446
	12,753,530	751,437
Financial Liabilities		
Trade and other payables	(440,585)	(1,526,033)
	(440,585)	(1,526,033)
Net exposure	12,312,945	(744,596)

The following table summarises the sensitivity of financial instruments held at balance date to movement in the exchange rate of the Australian dollar to the United States dollar and Kazakhstan Tenge, with all other variables held constant. The 5% sensitivity is based on reasonably possible changes, over a financial year, using the observed range of actual historical rates for the preceding 5 periods.

Post – tax gain / (loss)	Consolidated 2011 $	Consolidated 2010 $
+5%	615,647	37,229
-5%	(615,647)	(37,299)

Credit risk
Credit risk represents the loss that would be recognised if counterparties fail to perform as contracted.

Part of the Group's receivables balances are represented by GST input tax credits, which are received on a quarterly basis, and deposits held in trust in respect of leases for office premises.

With respect to credit risk arising from the financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

There are no significant concentrations of credit risk within the Group.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont.)

Liquidity Risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through use of bank overdrafts, bank loans, finance leases and hire purchase contracts.

The contractual maturities of the Group's financial liabilities are shown in the table below. Undiscounted cash flows for the respective years are presented.

	2011 $	2010 $
Financial Assets		
Within one year	-	-
After one year but not more than five years	-	-
More than five years	128,404	158,405
	128,404	158,405
Financial Liabilities		
Within one year	(596,534)	(1,600,771)
After one year but not more than five years	-	-
More than five years	-	-
	596,534	1,600,771
Net Exposure	(468,130)	(1,442,366)

Management and the Board monitor the Group's liquidity on the basis of expected cash flow. The information that is prepared by senior management and reviewed by the Board includes monthly and annual cash flow budgets.

Fair value

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:
Level 1 – the fair value is calculated using quoted prices in active markets.
Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The level 1 method was used in calculating the fair value of the Biskra financial liability that was settled during the year, as it is a quoted price in an active market. All of the Group's other financial liabilities are carried at amortised cost, where the carrying value approximates the fair value.

NOTE 4. TAXATION

Prima facie income tax on operating (loss) is reconciled to the income tax benefit provided in the financial statements as follows:

	Consolidated 2011 $	Consolidated 2010 $
Prima facie income tax benefit on operating (loss) at the Australian tax rate of 30% (2010:30%)	(1,466,901)	(1,653,621)
Non deductible expenditure:		
- Effect of tax rates in foreign jurisdictions	165,642	113,389
- Share Based payments	94,880	622,246
- Administration expenses	57,812	146,891
Temporary differences and tax losses not bought to account as a deferred tax asset	1,148,567	771,095
Income tax expense	-	-

Deferred Income Tax

Deferred income tax at 30 June relates to the following:

	2011 $	2010 $
Consolidated		
Deferred tax liabilities	-	-
Deferred tax assets		
Unrealised FX loss	264,991	168,727
Share issue costs	27,164	143,198
Revenue tax losses – Australia	5,438,370	4,557,215
Deferred tax assets not recognised	(5,730,525)	(4,869,140)
Deferred tax (income)/expense	-	-
Net deferred tax recognised in Balance Sheet	-	-

The Consolidated Group has tax losses of $5,730,525 (2010: $4,869,140) that are available indefinitely for offset against future taxable profits of the companies in which the losses arose.

The potential deferred tax asset will only be realised if:

(a) The relevant Company derives future assessable income of a nature and an amount sufficient to enable the asset to be realised, or the asset can be utilised by another Company in the consolidated entity in accordance with Division 170 of the Income Tax Assessment Act 1997;

(b) The relevant Company and/or consolidated entity continues to comply with the conditions for deductibility imposed by the Law; and

(c) No changes in tax legislation adversely affect the relevant Company and/or consolidated entity in realising the asset.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated 2011 $	2010 $
NOTE 5. CASH ASSETS		
Cash at bank and in hand	13,968,248	1,327,806
	13,968,248	1,327,806

The bank accounts are at call and pay interest at a weighted average interest rate of 0.84% at 30 June 2011 (2010: 1.98%)

	2011 $	2010 $
NOTE 6. RECEIVABLES		
Trade receivables	7,426	98,446
Other debtors	1,403,553	875,097
	1,410,979	973,543

The Group's exposure to credit and currency risks is disclosed in Note 3. The majority of the other debtor balance is VAT receivable which will be offset against future taxes payable on oil revenue.

At 30 June, the aging analysis of receivables is as follows:

	Total	0 – 30 Days	31 – 60 days	61 - 90 days	90+ days
2011	1,410,979	55,425	16,919	34,702	1,303,933
2010	973,543	198,424	130,935	368,276	275,908

There are no receivables as at 30 June 2011 that are impaired.

	2011 $	2010 $
NOTE 7. INVENTORIES		
Raw materials and consumables	-	87,497
	-	87,497
NOTE 8. OTHER CURRENT ASSETS		
Prepayment	460,969	148,906
Other	60,205	
	521,174	148,906
NOTE 9. PLANT AND EQUIPMENT		
Plant and equipment at cost	564,301	278,346
Accumulated depreciation	(165,450)	(134,206)
	398,851	144,140

Movements during the Year

	2011 $	2010 $
Carrying amount at beginning of year	144,140	24,432
Additions	349,102	141,934
Disposals	-	-
Depreciation	(43,156)	(26,609)
Net exchange difference	(51,235)	4,383
Carrying amount at end of year	398,851	144,140

	Consolidated	
	2011	2010
	$	$

NOTE 10. EXPLORATION & EVALUATION EXPENDITURE

	2011 $	2010 $
Exploration expenditure carried forward in respect of areas of interest in:		
Exploration and evaluation expenditure at cost	25,319,806	22,282,954
Movements during the year		
Balance at beginning of year	22,282,954	15,177,137
Expenditure incurred during the year	7,189,909	7,839,623
Foreign exchange translation	(4,153,057)	(733,806)
Balance at end of year	25,319,806	22,282,954

NOTE 11. OTHER FINANCIAL ASSETS

	2011 $	2010 $
Liquidation fund	128,404	158,405
	128,404	158,405

The Group has a deposit for the purpose of a Liquidation fund in the amount of $128,404. The deposit is to be used for land restoration when required. Under the laws of Kazakhstan, the deposit must be replenished in the amount of 1% of the annual investments. The deposit is held in USD and during the period the foreign currency movement was $30,001.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated 2011 $	Consolidated 2010 $
NOTE 12. PAYABLES		
Trade creditors	298,307	837,002
Accrued expenses	47,401	31,400
Other payables	188,908	-
	534,616	868,402

	Consolidated 2011 $	Consolidated 2010 $
NOTE 13. OTHER FINANCIAL LIABILITIES		
Biskra payable	-	732,369
	-	732,369

On 16 September 2010 the obligation to Biskra was settled in full in cash. There was a $59,455 derivative loss on settlement.

NOTE 14. PROVISIONS

Current		
Annual leave	61,918	39,962
	61,918	39,962
Non - current		
Provision for rehabilitation	230,552	85,713
	230,552	85,713

The Group accrues provisions for the forthcoming costs of rehabilitation of the territory. On the basis of forecasts the cost of rehabilitation of the oilfield would be $230,552

Movements in rehabilitation provision		
Carrying amount at beginning of the year	85,713	-
Unwinding of discount rate	(10,553)	-
Foreign exchange translation	(684)	-
Provision for the year	156,076	85,713
Carrying amount at the end of year	230,552	85,713

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 15. CONTRIBUTED EQUITY

	Consolidated 2011 $	Consolidated 2010 $
Issued Capital		
Ordinary shares (a)	70,986,412	44,397,049
Share options (b)	294,198	284,198
	71,280,610	44,681,247

(a) Movements in ordinary share capital:

	Number of Shares	$
Balance 1 July 2009	361,860,189	29,436,515
Rights issue (1 for 1)	361,860,202	7,237,205
Issue to Indian Ocean Capital	12,500,000	587,500
Share placement at 4.5c	50,000,000	2,250,000
Share placement at 6.5c	71,707,231	4,660,971
Issue to Biskra Holdings	28,292,769	1,216,589
Cost of issue	-	(991,731)
Balance 30 June 2010	886,220,391	44,397,049
Issue of shares – Placement	277,777,778	7,500,000
Issue of shares – Rights issue 1 for 3	339,717,817	9,172,380
Issue to Pursuit Capital	7,718,695	-
Cost of issue	-	(875,075)
Issue of shares - Placement	226,500,061	11,098,591
Cost of issue	-	(306,533)
Balance 30 June 2011	1,737,934,742	70,986,412

* In respect of share based payments, refer to Note 17 and 18.

(b) Movements in options

Balance 1 July 2009	323,000,000	284,198
Issue of unlisted options	10,000,000	-
Expiry of listed options	(300,000,000)	-
Balance 30 June 2010	33,000,000	284,198
Issue of options	-	10,000
Cancellation of options	(10,000,000)	-
Expiry of options	(10,000,000)	-
Balance 30 June 2011	13,000,000	294,198

Terms and conditions

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

NOTE 15. CONTRIBUTED EQUITY (continued)

Terms and conditions of 31 December 2012 unlisted options exercisable at either 8 cents, 15 cents or 18.5 cents :

a) each Option entitles the holder, when exercised, to one (1) Share;

b) the Options may be exercisable at any time on or before 31 December 2012;

c) the exercise price of the Options is either $0.08, $0.15 or $0.185;

d) all the shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued Shares. The Options will be unlisted. No quotation will be sought from the ASX for the Options.

e) Subject to the Corporations Act, the Constitution and the ASX Listing Rules, the Options are fully transferable.

f) The Options are exercisable by delivering to the registered office of the Company a notice in writing stating the intention of the Option holder to exercise a specified number of Options, accompanied by an Option certificate, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the Options held does not affect the holder's right to exercise the balance of any Options remaining.

g) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of Options to Shareholders during the currency of the Options. However, the Company will ensure that for the purpose of determining entitlements to any issue, that the Option holder will be notified of the proposed issue at least seven (7) Business Days before the record date. This will give Option holders the opportunity to exercise the Options prior to the date for determining entitlements to participate in any such issue.

h) In the event of any reconstruction (including consolidation, subdivision, reduction or return of capital) of the issued capital of the Company prior to the expiry date of the Options, all rights of the Option holder will be varied in accordance with the ASX Listing Rules (if applicable).

i) In the event of the Company makes a pro rata issue of securities, the exercise price of the Options will change in accordance with the formula set out in ASX Listing Rule 6.22.2 (if applicable).

j) In the event of the Company makes a bonus issue of securities, the number of Options will change in accordance with ASX Listing Rule 6.22.3 (if applicable)

NOTE 15. CONTRIBUTED EQUITY (continued)

Capital risk management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

In order to maintain or adjust the capital structure, the entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, enter into joint ventures or sell assets.

The entity does not have a defined share buy-back plan.

No dividends were paid in 2010 and nil are expected to be paid in 2011.

The Company is not subject to any externally imposed capital requirements.

NOTE 16. RESERVES

	CONSOLIDATED		
	Foreign currency translation reserve	*Share based payments reserve*	*Total*
	$	*$*	*$*
At 30 June 2010	(1,141,302)	3,164,908	2,023,606
Share based payment	-	757,545	757,545
Foreign currency translation	(4,943,166)	-	(4,943, 166)
At 30 June 2011	(6,084,468)	3,922,453	(2,162,015)

Nature and purpose of reserves

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Share based payments reserve

The share based payments plan reserve is used to record the value of equity benefits provided to eligible employees as part of their remuneration. Refer to note 18 for further details of this plan.

During the period 7,718,695 shares were issued to Pursuit Capital Pty Ltd. The value of the issue was $239,279. Subject to share-holder approval and the successful extension of Block 31, Erkin Svanbayev will receive Jupiter Shares equivalent to the value of US $200,000 (A $201,546) in Jupiter. This has been included in the share based payment reserve at 30 June 2011.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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NOTE 17. KEY MANAGEMENT PERSONNEL

This note is to be read in conjunction with the Remuneration Report, which is included in the Directors Report on pages 11 to 14.

(b) Key management personnel compensation

	Consolidated 2011 $	Consolidated 2010 $
Short-term employee benefits	1,299,175	1,308,950
Post-employment benefits	23,445	36,081
Termination benefits	123,000	-
Share-based payments	445,958	1,601,519
	1,891,578	2,946,550

Shareholdings

The number of shares in the Company held during the financial year by each Director and executive of Jupiter Energy Limited including their personally-related entities, are set out below.

2011	*Balance 01-Jul-10*	*Granted as Remuneration*	*On Exercise of Options*	*Net Change Other**	*Balance 30-June-11*
Directors					
G A Gander	28,700,000	-	-	9,566,668	38,266,668
A Beardsall	-	-	-	10,000,000	10,000,000
B Kuandykov	-	-	-	-	-
S Mison	3,692,220	-	-	1,002,592	4,694,812
A R Childs [1]	13,000,000	-	-	3,500,000	16,500,000
E Svanbayev [1]	11,000,000	-	-	-	11,000,000
D Thorpe [1]	5,300,000	-	-	1,767,667	7,067,667
Executives					
K Martens	4,138,420	-	-	-	4,138,420
H Wolski	-	-	-	-	-

1 The director resigned during the year. This was the holding at time of resigning.

2010	*Balance 01-Jul-09*	*Granted as Remuneration*	*On Exercise of Options*	*Net Change Other*	*Balance 30-June-10*
Directors					
G A Gander	12,200,000	-	-	16,500,000	28,700,000
A R Childs	5,200,000	-	-	7,800,000	13,000,000
E Svanbayev	5,000,000	-	-	6,000,000	11,000,000
D Thorpe	-	-	-	5,300,000	5,300,000
Executives					
K Martens	686,560	-	-	3,451,860	4,138,420
S Sinitis	-	-	-	-	-
S Mison	735,000	-	-	2,957,220	3,692,220

*relates to on-market transactions.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 17. KEY MANAGEMENT PERSONNEL (continued)

Option Holdings

The number of options in the Company held during the financial year by each Director of Jupiter Energy Limited and each of the specified Executives of the consolidated entity, including their personally-related entities, are set out below.

2011	*Balance at beg of period 01-Jul-10*	*Granted as Remune-ration*	*Options Exercised*	*Net Change Other*	*Balance at end of period 30-Jun-11*	*Not Vested & Not Exercisable*	*Vested & Exercisable*
(i) Unlisted Options							
Directors							
G A Gander	-	-	-	-	-	-	-
A Beardsall	-	-	-	-	-	-	-
B Kuandykov	-	-	-	-	-	-	-
S Mison	1,000,000	-	-	-	1,000,000	-	1,000,000
A R Childs	5,000,000	-	-	-	5,000,000	-	5,000,000
E Svanbayev	5,000,000	-	-	-	5,000,000	-	5,000,000
D Thorpe	-	-	-	-	-	-	-
Executives							
K Martens	12,000,000	-	-	(10,000,000)1	2,000,000	-	2,000,000
S Sinistin	10,000,000	-	-	(10,000,000)2	-	-	-
H Wolski	-	-	-	-	-	-	-

1 Relates to options cancelled unexercised
2 Relates to options expired unexercised.

2010	*Balance at beg of period 01-Jul-09*	*Granted as Remune-ration*	*Options Exercised*	*Net Change Other*	*Balance at end of period 30-Jun-10*	*Not Vested & Not Exercisable*	*Vested & Exercisable*
(ii) Listed Options							
Directors							
G A Gander	13,700,000	-	-	(13,700,000)	-	-	-
A R Childs	5,000,000	-	-	(5,000,000)	-	-	-
E Svanbayev	10,000,000	-	-	(10,000,000)	-	-	-
D Thorpe	-	-	-	-	-	-	-
Executives							
K Martens	250,000	-	-	(250,000)	-	-	-
S Sinistin	-	-	-	-	-	-	-
S Mison	620,000	-	-	(620,000)	-	-	-
(iii) Unlisted Options							
Directors							
G A Gander	-	-	-	-	-	-	-
A R Childs	-	5,000,000	-	-	5,000,000	5,000,000	-
E Svanbayev	-	5,000,000	-	-	5,000,000	5,000,000	-
D Thorpe	-	-	-	-	-	-	-
Executives							
Keith Martens	12,000,000	-	-	-	12,000,000	-	12,000,000
Sergey Sinistin	10,000,000	-	-	-	10,000,000	-	10,000,000
Scott Mison	1,000,000	-	-	-	1,000,000	-	1,000,000

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 17. KEY MANAGEMENT PERSONNEL (continued)

Performance Rights Holdings

The number of Performance Rights in the Company held during the financial year by each Director of Jupiter Energy Limited and each of the specified Executives of the consolidated entity, including their personally-related entities, are set out below.

2011	*Balance at beg of period 01-Jul-10*	*Granted as Remune-ration*	*Options Exercised*	*Net Change Other **	*Balance at end of period 30-Jun-11*	*Not Vested & Not Exercisable*	*Vested & Exercisable*
Directors							
G A Gander	15,000,000	-	-	(5,000,000)	10,000,000	10,000,000	-
A Beardsall	-	-	-	-	-	-	-
B Kuandykov	-	-	-	-	-	-	-
S Mison	-	-	-	-	-	-	-
A R Childs	-	-	-	-	-	-	-
E Svanbayev	15,000,000	-	-	(15,000,000)	-	-	
D Thorpe	15,000,000	-	-	(15,000,000)	-	-	
Executives							
K Martens	-	-	-	-	-	-	-
S Sinistin	-	-	-	-	-	-	-
H Wolski	-	-	-	-	-	-	-

* Relates to rights lapsed or forfeited.

2010	*Balance at beg of period 01-Jul-09*	*Granted as Remune-ration*	*Options Exercised*	*Net Change Other*	*Balance at end of period 30-Jun-10*	*Not Vested & Not Exercisable*	*Vested & Exercisable*
Directors							
G A Gander	-	15,000,000	-	-	15,000,000	15,000,000	-
A R Childs	-	15,000,000	-	-	15,000,000	15,000,000	-
E Svanbayev	-	15,000,000	-	-	15,000,000	15,000,000	-
D Thorpe	-	-	-	-	-	-	-
Executives							
K Martens	-	-	-	-	-	-	-
S Sinistin	-	-	-	-	-	-	-
S Mison	-	-	-	-	-	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 18. SHARE BASED PAYMENTS

Types of share based payment plans

Employee share option plan and Performance Rights Plan

Included under expenses in the income statement is $343,266 (2010: $2,242,009), and relates, in full, to equity-settled share-based payment transactions for employees.

Employee Share Option Plan

The Jupiter Energy Employee Share Option Plan was established whereby Jupiter Energy Limited may, at the discretion of the Jupiter Energy Limited Board, grant options over unissued shares of Jupiter Energy Limited to directors, executives, employees and consultants of the consolidated entity. The options are issued for nil consideration, will not be quoted on the ASX, cannot be transferred and are granted at the discretion of the Jupiter Energy Board. The options are issued for a term of five years. The options have a service period of 12 months attached to them before they vest.

The Employee Share Option Plan was approved by shareholders at the November 2007 Annual General Meeting.

Performance Rights Plan

The Jupiter Energy Performance Rights Plan was established whereby Jupiter Energy Limited may, at the discretion of the Jupiter Energy Limited Board, grant performance rights over unissued shares of Jupiter Energy Limited to directors, executives, employees and consultants of the consolidated entity. The rights are issued for nil consideration, will not be quoted on the ASX, cannot be transferred and are granted at the discretion of the Jupiter Energy Board. The rights are issued for a term of three years.

The Performance Rights Plan was approved by shareholders at the November 2009 Annual General Meeting.

Options

The fair value of the options are estimated at the date of grant using the Black -Scholes option pricing model.

No options were granted during the year ended 30 June 2011.

The following table lists the inputs to the models for the options granted during the year ended 30 June 2010:

Grant date	25 November 2009	25 November 2009
Share price	6.7 cents	6.7 cents
Exercise price	10.0 cents	15.0 cents
Dividend Yield	0.0%	0.0%
Expected volatility	145.0%	145.0%
Risk-free interest rate	4.8%	4.8%
Expected life	2.0 years	2.0 years
Weighted average fair value	0.0441 cents	0.0396 cents
Model used	Black-Scholes	Black-Scholes
Total amount	$264,600	$158,400

During the year ended 30 June 2011, no options were issued (2010: 10,000,000).

During the year ended 30 June 2011, no options were exercised over ordinary shares (2010: Nil).

Refer to note 15 for terms and conditions.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 18. SHARE BASED PAYMENTS (CONT.)

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of share options issued under the ESOP.

	2011		2010	
	Number of Options	Weighted Average Exercise $	Number of Options	Weighted Average Exercise $
Outstanding at the beginning of the year	33,000,000	0.102	23,000,000	0.110
Granted	-		10,000,000	0.120
Cancelled / forfeited	(10,000,000)	0.08	-	-
Exercised	-		-	-
Expired	(10,000,000)	0.08	-	-
Outstanding at year end	13,000,000		33,000,000	0.102
Exercisable at year end	13,000,000		23,000,000	0.090

Performance Rights

The fair value of the Performance Rights are estimated at the date of grant using a Monte Carlo pricing model.

There were 45,000,000 Performance Rights on issue as at 30 June 2010. During the year, 15,000,000 performance rights expired and a further 20,000,000 were forfeited. Refer to note 17.

As at 30 June 2011, there were 10,000,000 performance rights outstanding. They were cancelled subsequent to year end.

The following tables lists the inputs to the models for the year ended 30 June 2010:

Grant date	25 Nov 09	25 Nov 09	25 Nov 09	9 April 10	9 April 10	9 April 10
Share price	6.7 cents	6.7 cents	6.7 cents	7.0 cents	7.0 cents	7.0 cents
Dividend Yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Expected volatility	145.0%	145.0%	145.0%	145.0%	145.0%	145.0%
Risk-free interest rate	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%
Expected life	1.0 years	2.0 years	3.0 years	1.0 years	2.0 years	3.0 years
Weighted average fair value	0.05197 cents	0.05118 cents	0.05206 cents	0.05631 cents	0.05474 cents	0.05543 cents

The original terms of the Performance Rights are as follows:

Number	Vesting Conditions	Vesting expiry Date
15,000,000	Market Capitalisation of JPR must have reached a minimum level of $A100 million for a period of 20 consecutive trading days or JPR has achieved a cumulative production total of 150,000 barrels of oil – whichever is the sooner.	31.12.2010
15,000,000	Market Capitalisation of JPR must have reached a minimum level of $A200 million for a period of 20 consecutive trading days or JPR has achieved a cumulative production total of 300,000 barrels of oil – whichever is the sooner.	31.12.2011
15,000,000	Market Capitalisation of JPR must have reached a minimum level of $A300 million for a period of 20 consecutive trading days or JPR has achieved a cumulative production total of 500,000 barrels of oil – whichever is the sooner.	31.12.2012

NOTE 19. COMMITMENTS FOR EXPENDITURE

Operating Lease Commitments

The Company's commercial lease for the corporate premises in West Perth expired during the period.

Non cancellable operating lease commitments contracted for (but not capitalised in the accounts) that are payable:

	2011 $	2010 $
- not later than one year	-	8,766
- later than one year but not later than five years	-	-
	-	8,766

Exploration Work Program Commitments

The Group has entered into a subsoil utilisation rights for petroleum exploration and extraction in Areas 1 and 2 in Mangistauskaya Oblast in accordance with Contract No. 2272 of the 29th of December 2006 with the Ministry of Energy and Mineral Resources of the Republic of Kazakhstan.

Exploration work program commitments contracted for (but not capitalised in the accounts) that are payable:

	2011 $	2010 $
- not later than one year	5,661,900	6,656,546
- later than one year but not later than five years	10,380,150	19,852,855
	16,042,050	26,509,401

NOTE 20. AUDITORS REMUNERATION

	2011 $	2010 $
Amounts received or due and receivable by Ernst & Young:		
- auditing or reviewing the financial report	113,683	84,108
- other services	-	20,600
	113,683	104,708

NOTE 21. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share are calculated by dividing the profit / (loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

The following reflects the income and data used in the basic and diluted earnings per share computations:

	Consolidated	
	2011	2010
Net loss attributable to ordinary equity holders of the Parent from continuing operations	(4,889,671)	(5,512,070)
	Number of shares	Number of shares
Weighted average number of ordinary shares for basic and diluted earnings per share	91,870,460*	49,720,756*

*The weighted average number of ordinary shares for basic earnings per share has been adjusted to reflect the rights issue during the year ended 30 June 2011.

A share consolidation was completed on 30 August 2011. The weighted average number of ordinary shares for basic and diluted earnings per share has been adjusted retrospectively for both the 2011 and 2010 earnings per share.

NOTE 22. SEGMENT REPORTING

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are used by the chief operating decision makers in assessing performance and determining the allocation of resources.

The Group has identified that it has one operating segments being related to the activities in Kazakhstan, on the basis that the operations in Australia relate to running the Corporate Head Office only.

Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally are the same as those contained in Note 1 to the accounts.

Interest revenue is derived in Australia. Non-current assets relate to capitalised exploration and evaluation expenditure located in Kazakhstan.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 23. STATEMENT OF CASHFLOWS RECONCILIATION

(a) Reconciliation of operating (loss) after income tax to net cash (used in) operating activities

	Consolidated	
	2011	2010
	$	$
Operating (loss) after income tax:	(4,889,671)	(5,512,070)
Add/(less) non cash items:		
Depreciation	43,156	26,609
Share based payments	343,266	2,242,009
Loss on derivative	59,455	-
Effect of foreign exchange translation	883,305	509,280
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(437,437)	(922,697)
(Increase)/decrease in inventories	87,499	(87,499)
(Increase)/decrease in other current assets	(372,268)	(276,753)
Increase/ (decrease) in payables	(333,786)	780,298
Increase/(decrease) in provisions	166,795	(125,675)
	(4,449,686)	(3,366,498)

For the purposes of the cash flow statement, cash includes cash on hand, at banks, and money market investments readily convertible to cash on hand, net of outstanding bank overdrafts.

(b) Non- cash financing and investing activities

	Consolidated	
	2011	2010
	$	$
Issue of shares to Biskra Holdings for finalisation fee (note 15)	-	1,216,589
Issue of shares to Indian Ocean Capital Pty Ltd (note 15)	-	587,500
Issue of shares to Pursuit Capital Pty Ltd (note 15)	239,279	-

NOTE 24. EVENTS OCCURING AFTER THE BALANCE SHEET DATE

- On 30 July 2011, the J-51 exploration well spudded. The Company announced on 22 September 2011 that the well had reached target depth and was being prepared for completion and production testing. Operational progress and geological results were consistent with the Company's drilling plans.

- On 8 August 2011, Gamal Kulumbetov was appointed Managing Director of the Branch of Jupiter Energy Pte. Ltd

- On 12 August shareholders approved a share consolidation on a 15 to 1 basis.

- On 12 August 2011, 2,133,334 performance rights were approved by shareholders. Subject to a minimum increase of 25%, the Performance Rights for each holder shall vest in proportion to the % increase in the Share price of the Company above 4.9 cents on a pre-Consolidation basis or 73.5 cents on a post-Consolidation basis (Vesting Condition). In respect of the Vesting Condition, the % increase in the Share price of the Company will be calculated by reference to the volume weighted average price of Shares in the 20 consecutive trading days immediately prior to the Vesting Date.

- On 30 August 2011, the Company announced that the acquisition of 3D seismic over the new extension to Block 31 acreage had commenced. The Company confirmed that the acquisition process had been completed ahead of schedule of 21 September 2011.

- On 22 September 2011, the Company announced that J-51 reached a total depth of 3100m on Sunday 18 September 2011 after 50 days of drilling activity since spudding. Open hole logs were run and the well is being prepared to run production casing and cement. Operational progress and geological results were consistent with the Company's drilling plans and well prognosis. Hydrocarbon shows while drilling and subsequent open hole wireline logging both indicated hydrocarbons in the Triassic reservoir; the open hole logs indicate good levels of oil saturation and porosity.

NOTE 25. INFORMATION ON PARENT ENTITY

(a) Information relating to Jupiter Energy Ltd:	2011 $	2010 $
Current assets	41,078,542	23,454,086
Total assets	41,094,709	23,472,189
Current liabilities	(174,332)	(75,384)
Total liabilities	(174,332)	(75,384)
Issued capital	71,519,889	44,681,247
Retained earnings	(34,282,686)	(24,449,348)
Share based payment reserve	3,683,174	3,164,908
Total shareholders' equity	40,920,377	23,396,807
Profit or (loss) of the parent entity	(9,833,338)	(5,903,437)
Total comprehensive income / (loss) of the parent entity	(9,833,338)	(5,903,437)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Country of incorporation	Equity Holding 2011 %	2010 %
Name of Entity			
Jupiter Energy (Victoria) Pty Ltd	Australia	100	100
Jupiter Biofuels Pty Ltd	Australia	100	100
Jupiter Energy (Kazakhstan) Pty Ltd	Australia	100	100
Jupiter Energy Pte. Ltd	Singapore	100	100
Jupiter Energy (Services) Pte. Ltd	Singapore	100	100

[b] Details of any guarantees entered into by the parent entity in relation to the debts of its subsidiaries
There are no guarantees entered into by the parent entity.

[c] Details of any contingent liabilities of the parent entity
There are no contingent liabilities of the parent entity as at reporting date.

[d] Details of any contractual commitments by the parent entity
There are no contractual commitments by the parent entity

NOTE 26. CONTINGENT LIABILITIES

The Group has no contingent liabilities as at 30 June 2011.

Directors' Declaration

In accordance with a resolution of the directors of Jupiter Energy Limited, I state that:

1 In the opinion of the directors:

(a) the financial statements and notes of Jupiter Energy Limited for the financial year ended 30 June 2011 are in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of its financial position as at 30 June 2011 and performance

(ii) Complying with Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2011*

(b) The financial statements and notes also comply with International Financial Reporting Standards, as disclosed in note 2(a)

(c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3 This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2011.

On behalf of the Board

Geoff Gander
Executive Chairman

Perth, 23 September 2011

Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
www.ey.com/au

Independent audit report to members of Jupiter Energy Limited

Report on the Financial Report

We have audited the accompanying financial report of Jupiter Energy Limited, which comprises the consolidated statement of financial position as at 30 June 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Auditor's Opinion

In our opinion:

a. the financial report of Jupiter Energy Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2(b).

Report on the Remuneration report

We have audited the Remuneration Report included in pages 12 to 18 of the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Jupiter Energy Limited for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

R J Curtin
Partner
Perth
23 September 2011

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Ltd Listing Rules and not disclosed elsewhere in this report is as follows.

SHAREHOLDINGS (as at 31 August 2011)

Substantial shareholders

WATERFORD PETROLEUM LIMITED	34,488,940	29.69%
SOYUZNEFTEGAS CAPITAL LIMITED	8,245,243	7.01%

Voting Rights

Each shareholder is entitled to receive notice of and attend and vote at general meetings of the Company. At a general meeting, every shareholder present in person or by proxy, representative or attorney will have one vote on a show of hands and on a poll, one vote for each share held.

DISTRIBUTION OF EQUITY SECURITY HOLDINGS

Category	Ordinary Shares
1 – 1,000	261,941
1,001 – 5,000	2,811,051
5,001 – 10,000	4,412,425
10,001 – 100,000	23,025,185
100,001 and over	85,352,885
Total	115,863,487

The number of shareholders holding less than a marketable parcel of ordinary shares is 442.

On-market buy back

There is no current on-market buy back.

Securities on Issue

The number of shares and options issued by the Company are set out below:

Category	Number
Ordinary Shares	
Unlisted Options - $2.775 expire 31 December 2012	200,001
Unlisted Options - $1.50 expire 31 December 2012	400,000
Unlisted Options - $2.25 expire 31 December 2012	266,668
Performance Shares – expire 25 August 2012	2,133,334

TWENTY LARGEST SHAREHOLDERS

Name of Holder	No. of Ordinary Shares Held	% of Issued Capital
COMPUTERSHARE CLEARING PTY LTD <CCNL DI A/C>	45,072,619	38.90
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	11,700,254	10.10
JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	5,113,892	4.41
VITORIA PTY LTD	1,902,223	1.64
NATIONAL NOMINEES LIMITED	1,697,569	1.47
CITICORP NOMINEES PTY LIMITED	1,572,185	1.36
SLADE TECHNOLOGIES PTY LTD <EMBREY FAMILY SUPERFUND A/C>	1,333,764	1.15
GLENNBROWN PTY LTD <G BROWN FAMILY ACCOUNT>	1,066,667	0.92
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	780,047	0.67
MR ERKIN SVANBAYEV	733,334	0.63
TRANS PACIFIC OPTION PTY LIMITED	713,334	0.62
MR ATHOL GEOFFREY JAMES	650,913	0.56
DOMSON PTY LTD <SUPER FUND A/C>	600,000	0.52
MR ALAN GEORGE BROOKS + MS PHILIPPA CLAIRE BROOKS <AG & PC BROOKS S/FUND A/C>	533,334	0.46
MR GEOFFREY ANTHONY GANDER <THE GANDER SUPER A/C>	533,334	0.46
PURSUIT CAPITAL PTY LTD	514,580	0.44
GAINSPELL PTY LTD	333,334	0.29
MR DAVID GRANT THORPE + MRS CHRISTINE DIANE EXLEY THORPE <D & C THORPE S/F A/C>	326,667	0.28
MR GUISEPPE JOHN MARANO + MRS CHESIA MARANO <GJ MARANO S/F A/C>	301,203	0.26
MR LAURENCE CHARLES KIRK	300,000	0.26
Total	75,779,253	65.40%