

## Corporate Update – October 2011

[www.jupiterenergy.com](http://www.jupiterenergy.com)

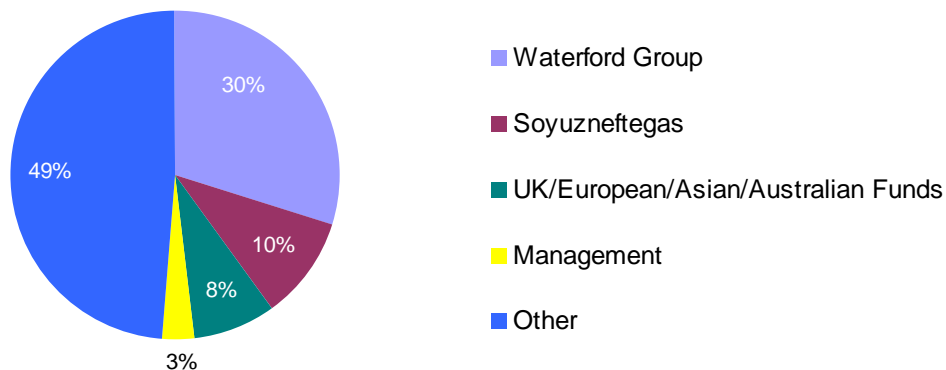
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# Jupiter Energy – Corporate Overview

## Quick Facts

- Jupiter Energy is listed on the Australian Stock Exchange (“JPR”)
- Market cap: AUD\$70million (based on share price of \$A0.60)
- Capital structure post August 2011 consolidation :
  - ~116m shares in issue
  - <1m unlisted options (expiry 2012 @ between \$A1.50 - \$A2.775)
  - 2.3m Performance Rights (only vest on achievement of agreed share price performance milestones)
  - Nett Cash: US\$11.7m (as at 30/9/2011)
    - Convertible Note \$3.45m
    - 24 months with 15% pa coupon rate
    - Conversion Price: \$US0.75 (4.6m shares)
  - No debt

## Major Shareholders



# Company History

## Corporate Milestones

- Geoff Gander becomes Chairman
- First visit to Kazakhstan

- Waiver approval for Block 31 purchase
- Fund raising of \$A7.6m

- Waterford takes 27% stake
- SNG takes 5% stake

- Waterford increases stake to 30%
- SNG stake increased to 9.9%



## Asset milestones

- Block 31 identified and purchase price agreed

- Block 31 purchase completed
- 3D seismic completed

- Exploration well spudded in Dec (J-50)

- Initial independent reserves of 8mmbbl
- Exploration well drilled (J-52)

- Increased reserves from 8 to 24 mmbbl
- Exploration well drilled (J-51)
- Trial production licences: J-50 and J-52
- Acreage extension with 3D seismic program



# Investment Case

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## De-risked Asset Base

### 2P reserves of 24.2mmbbls

- 2 successful exploration wells drilled discovering commercial oil
  - 3rd exploration well currently being tested
  - 235km<sup>2</sup> of 3D seismic covering entire acreage and some surrounding area
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## Proven Management Team

### Proven track record in creating shareholder value

- Skilled Kazakh in-country management team
  - Expert local knowledge and strong local relationships
  - Experienced cornerstone shareholder - Waterford
- 

## Forward Plan & Exploration Upside

### Targeting production of 4,000 bopd by 2015

- Minimum of 2 further exploration wells and 5 appraisal wells to be drilled (total of 10)
  - Further license extensions into highly prospective acreage
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## Attractive Kazakhstan Fundamentals

### Attractive tax regime to incentivise foreign investment

- Active oil & gas sector driving strong economic growth
  - Significant international investment in oil
- 





## Attractive Company Fundamentals

### No debt

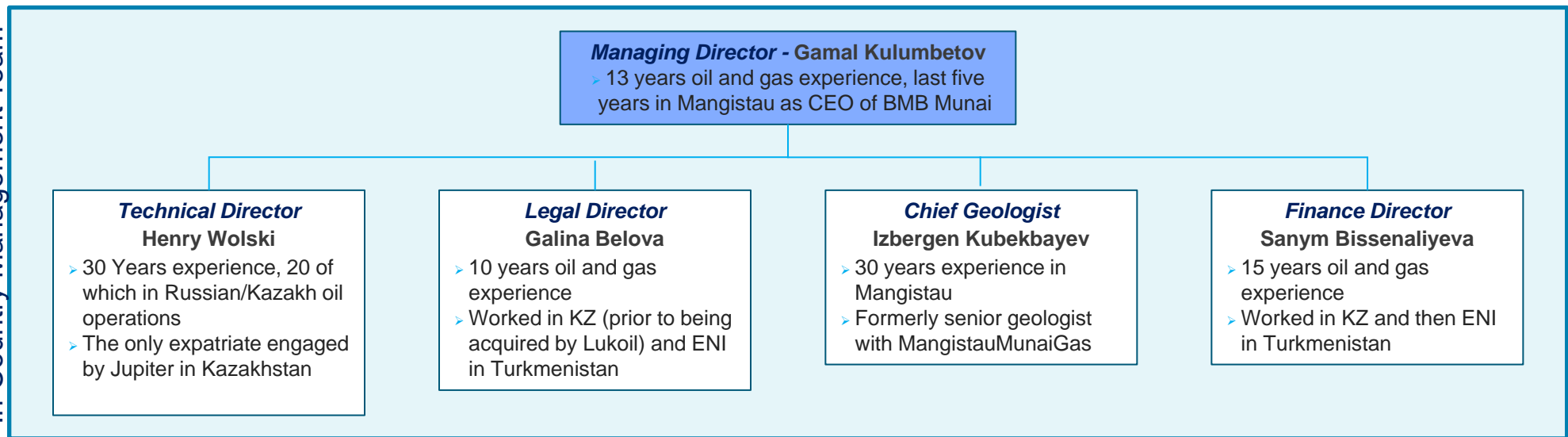
- Net Cash: US\$11.7m (as at 30/9/2011)
- Includes \$US3.45m Convertible Note

# Board and Senior Management

Board

	<p><b>Geoff Gander</b> <i>Chairman / CEO London</i></p>		<p><b>Alastair Beardsall</b> <i>NED London</i></p>		<p><b>Baltabek Kuandykov</b> <i>NED Kazakhstan</i></p>		<p><b>Scott Mison</b> <i>NED / Co.Sec Australia</i></p>
<ul style="list-style-type: none"> <li>&gt; Focused on Business Development, Investor Relations and Funding</li> <li>&gt; Involved in numerous IPO's and re capitalizations of ASX listed companies</li> </ul>		<ul style="list-style-type: none"> <li>&gt; 30 years oil &amp; gas experience; 12 years with Schlumberger</li> <li>&gt; Involved in a number of listed and private companies</li> <li>&gt; Exec Chairman of AIM listed Sterling Energy</li> </ul>		<ul style="list-style-type: none"> <li>&gt; 40 years experience in local and international oil &amp; gas companies</li> <li>&gt; Kazakh representative on the original Chevron Tengiz deal</li> <li>&gt; Former President of TSX listed Nelson Resources</li> </ul>		<ul style="list-style-type: none"> <li>&gt; Responsible for global treasury, global audit and corporate compliance</li> <li>&gt; Over 10 years experience with ASX listed companies</li> </ul>	

In-Country Management Team



# Kazakhstan Overview

## Kazakhstan Oil Industry - Quick Facts<sup>1</sup>

Major Oil and Gas Fields	Tengiz, Karachaganak, Aktobe, Mangistau, Kumkol, Uzen, Kashagan
Proven Reserves (Jan 2010)	30 billion barrels
Major Refineries	Pavlodar (~160k bbl/d) Shymkent (~75k bbl/d) Atyrau (~100k bbl/d)
Daily Oil Production (2009)	1.54million barrels per day
Major Oil/Gas Ports	Aktau, Atyrau, Kuryk
Foreign Company Involvement	Chevron, Total, CNPC, BG Group, Lukoil, ExxonMobil, Shell, ENI

## Kazakhstan's Major Oil Export Routes



Kazakhstan's strategic location provides multiple export routes

<sup>1</sup> Source: U.S. Energy Information Administration Country Analysis

# Mangistau Basin Overview

## Location

- Western Kazakhstan bordering the Caspian Sea
- Onshore basin area: 300km by 100km
- Developed infrastructure in place

## Geology

- Triassic failed NW-SE rift forming horsts and grabens and a syn-rift Jurassic clastic sequence
- Topped by a Tertiary to Cretaceous shale cover

## Key Companies in Area

### ➢ MangistauMunaiGas

- Recently acquired for \$2bn by CNPC (China National Petroleum Company) and KazMunaiGas (Kazakhstan state owned producer on 50/50 basis)
- Operated by CNPC
- Owner of Zhetybai oil field (1bn bbls) and the small field adjoining Block 31 (Akkar North – 23mmbbl approved reserves)

### ➢ BMB Munai

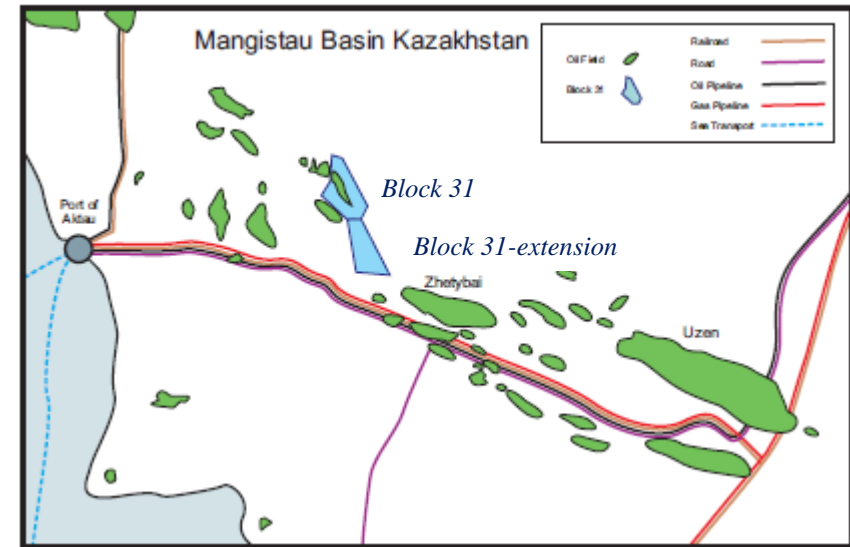
- Recently purchased by Hong Kong listed MIE

### ➢ KazMunaiGas

- State owned oil & gas company
- Owner of the Uzen field (oldest field in Kazakhstan)

### ➢ Others

- Numerous other small fields in the local area are owned predominantly by Kazakhstan and Korean companies



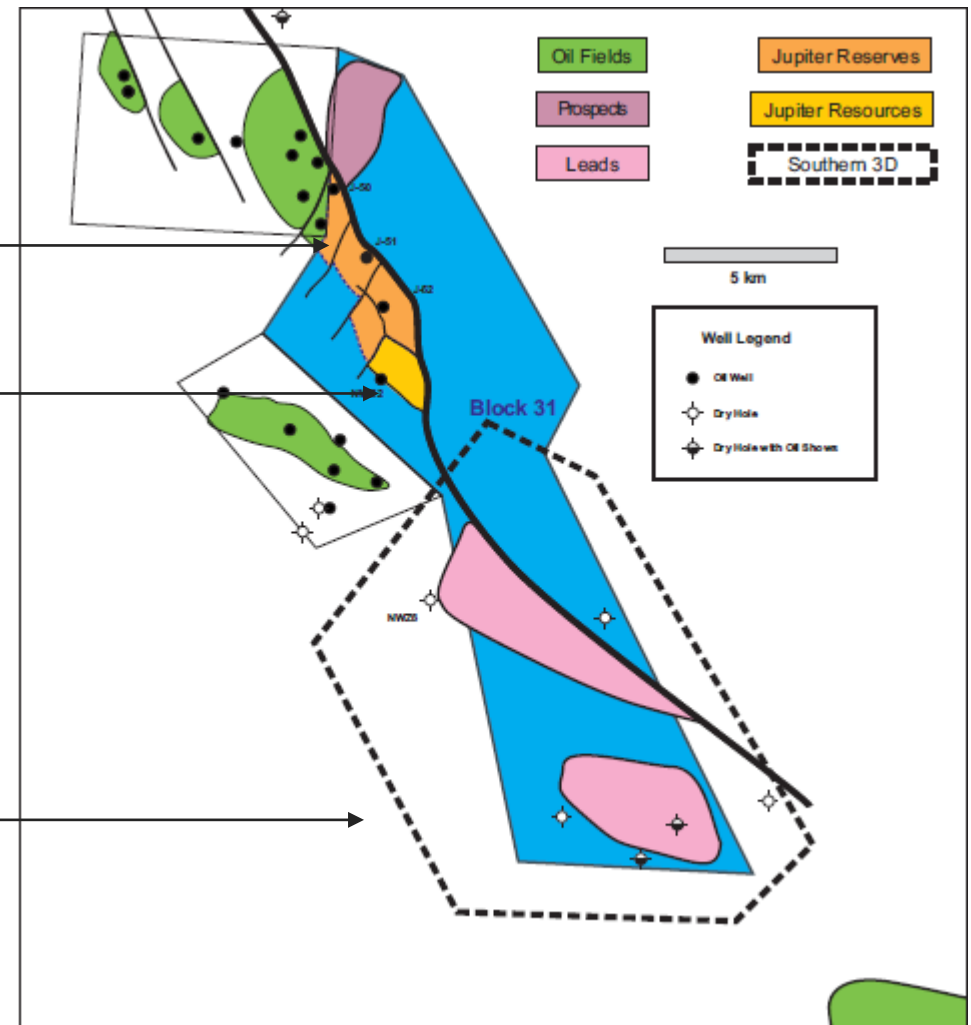
Total reserves for the basin estimated to be in excess of 5bn bbls including two giant oil fields, Uzen and Zhetybai

# Block 31 + Block 31 Extension

## Block 31 – Proven Reserves and Resources

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

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



## Block 31 Extension – Significant Exploration Upside

140 km<sup>2</sup> 3D Seismic interpretation to be completed 1Q 2012  
 Anticipated that least 2 leads will move into prospects  
 (Jupiter's estimate of 20 mmbbls)



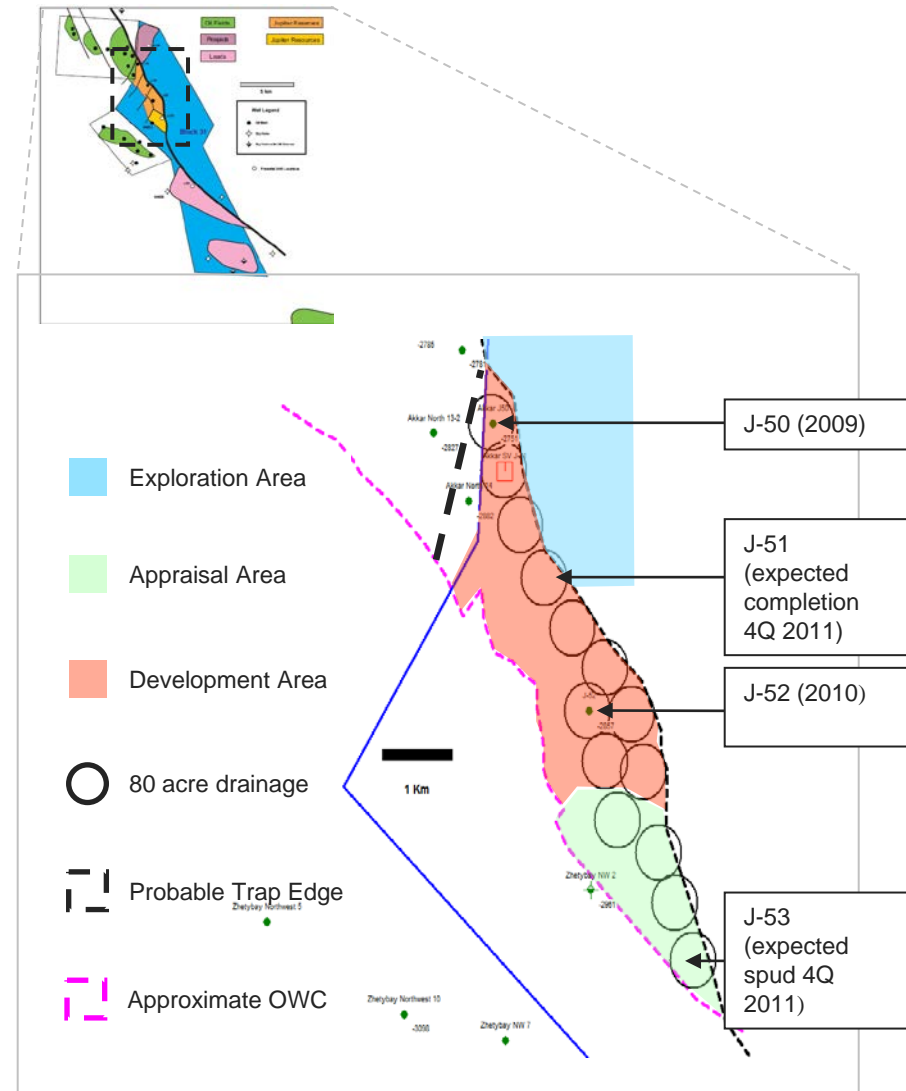
# Block 31 - Forward Work Program

## Block 31

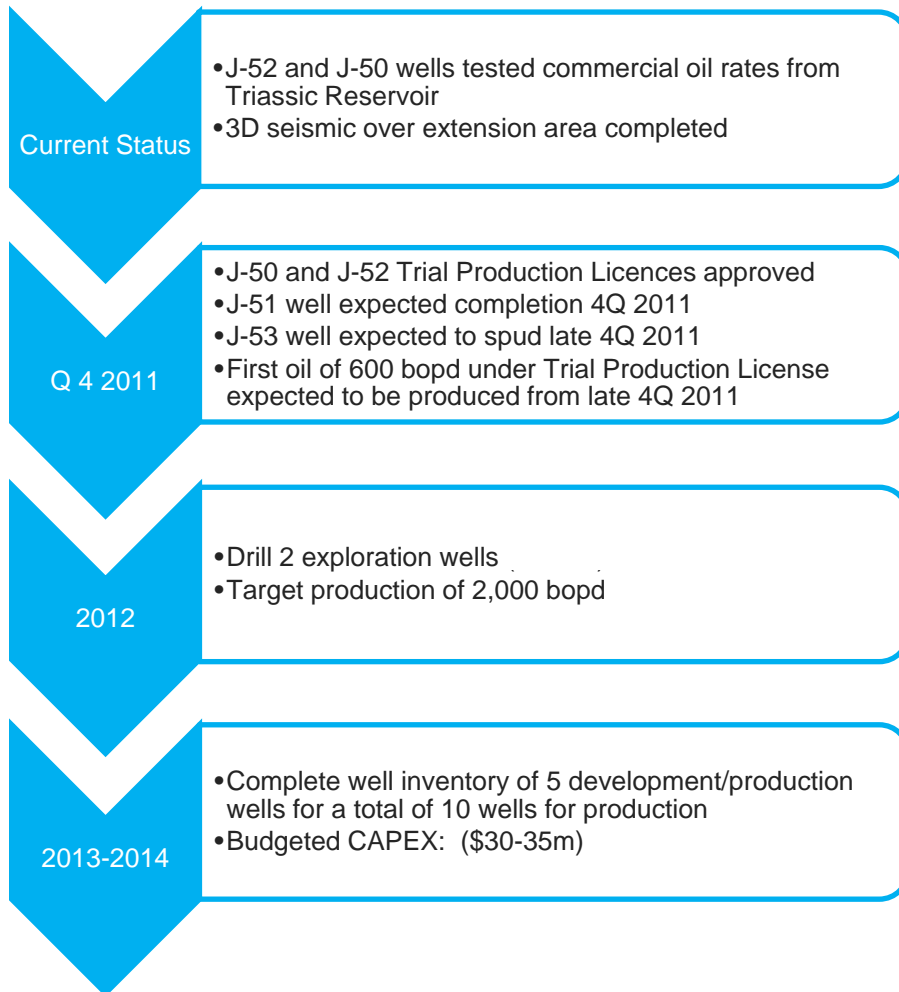
	Milestone	Status
J-50 & J-52	Trial Production to commence late 4Q 2011	CDC approval received.
J-51	Flow Testing	Results by mid Nov 2011
	3 month production testing	Approvals in place

## Block 31 Extension

Milestone	Status
Double Block 31 acreage via new extension	63 km <sup>2</sup> to 123 km <sup>2</sup>
3D seismic over new extension area	Seismic acquisition completed late Sept 2011, interpreted by 1Q 2012



# Block 31 Development Concept



## Permit Details

- Issued in December 2006 and acquired by Jupiter Energy in June 2008
- 10 year exploration licence
  - 6 years to Dec 2012 with 2 x 2-year extensions available on application through to December 2016
- 25-year production licence
- Committed work program is currently ahead of schedule

Forecasting peak production of 4,000 bopd by 2015

# Jupiter Energy's Value Creation Strategy

## Jupiter's Strategy for Creating Value

- To maintain 100% equity position in Block 31 to maximise value options
- Explore potential resources and on success add new reserves on Block 31
- Develop growing reserves base into production and cash flow
- Apply cost effective drilling and stimulation techniques to optimise production
- Continue to build in-country operating capability in line with expected growth of asset base
- Continue to expand territory in proven oil trend and other areas



# Contact

## Further Questions?

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# Disclaimer

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

# Expert Statements

- *Triassic Structure (Senergy evaluation)*

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

- *Triassic Structure (AGR/RES evaluation)*

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

# Key Definitions

## **General:**

mmbbl: Million barrels

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

STOIIP: Stock tank oil initially in place

Recoverable Oil: The stock tank oil-in-place considered to be recoverable, i.e. STOIIP value multiplied by a “the recovery factor”

bopd: barrels of oil per day

mmbco: million bbl of oil

mmboe: million bbl of oil equivalent

## **Reserves:**

1P: Proven

2P: Proven & Probable

3P: Proven, Probable & Possible

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

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

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

## **Prospective Resource:**

A P10 figure means that there is a 10% probability that the actual size of the accumulation is greater than the figure currently attributed. P50 means that there is a 50% probability and P90 means that there is a 90% probability. Therefore in this context a high Px is better than a low Px in terms of statistical probabilities.