JUPITER ENERGY LIMITED
ABN 65 084 918 481

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West Perth WA 6005
PO Box 1282
West Perth WA 6872
Tel: +61 8 9322 8222
Fax: +61 8 9322 8244
www.jupiterenergy.com.au

15 March 2012

Half Year Financial Report – period ending 31 December 2011

Please find attached the Company's Half Year Financial Report for the period ending 31 December 2011.

Any questions relating to the Report should be addressed to the Company on +61 89 322 8222.

ENDS

About the Company:

Jupiter Energy Limited is an oil exploration and production company, quoted on both the AIM and ASX markets. The Company is focused on developing its onshore assets in western Kazakhstan. In 2008 the Company acquired 100 per cent of the Block 31 permit, located in the oil-rich Mangistau Basin, close to the port city of Aktau. Its first three exploration wells have been discoveries and independently estimated 2P reserves, based on the first two discoveries, currently stand at approximately 24.2 mmbbls.

Jupiter has a proven in-country management team, led by an experienced, international Board, together possessing the skills, knowledge, network and attention to detail needed to operate successfully in Kazakhstan. The forward plan will see Jupiter develop a group production facility on Block 31 to process, store and export oil. This topside infrastructure is a key element in moving to long-term production and the achievement of self-funding for further development of Block 31.

JUPITER ENERGY LIMITED

HALF YEAR FINANCIAL REPORT

31 DECEMBER 2011

CORPORATE DIRECTORY

Directors and Officers

Geoff Gander
Executive Chairman/CEO

Alastair Beardsall
Non-Executive Director

Baltabek Kuandykov
Non-Executive Director

Scott Mison
Executive Director/Company Secretary

Principal and Registered Office

Level 2, 28 Kings Park Road
West Perth
Western Australia 6005

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West Perth
Western Australia 6872

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

Auditors

Ernst & Young
11 Mounts Bay Road
Perth, Western Australia 6000

Telephone	+61 8 9429 2222
Facsimile	+61 8 9429 2436

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, Western Australia 6000

Telephone	1300 557 010 (within Australia)
	+61 3 9415 4000 (outside Australia)
Facsimile	+61 8 9323 2033
Website	www.computershare.com

ASX Code

Jupiter Energy Limited shares are listed on the Australian Securities Exchange under the code JPR and on the Alternative Investment Market under the code JPRL.

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2011.

Directors

The names of directors who held office during or since the end of the half-year:

Name	Date of Appointment/Retirement
Mr Geoff Gander	Appointed Director 27 January 2005
Mr Alastair Beardsall	Appointed Director 5 October 2010
Mr Baltabek Kuandykov	Appointed Director 5 October 2010
Mr Scott Mison	Appointed Director 31 January 2011

The directors have been in office since the beginning of the period unless otherwise stated.

Operating Results

This review covers the 6 months from 1 July 2011 to 31 December 2011 and includes any significant events that have occurred between 1 January 2012 and the release date of this report.

Total production for the period was 11,739 barrels with production largely being in November and December 2011.

The consolidated loss for the period after income tax was $2,024,051 (2010:$ 3,248,349).

At the end of December 2011, cash levels were $4,597,275 (2010: $8,972,820). Assets increased to $45,042,499 (2010: $34,412,938) and equity increased to $40,554,781 (2010: $33,083,486).

Review of Operations

This financial year continues to see good progress being made by Jupiter Energy Limited (JPR and/or the Company) as we continued to make the transition from pure oil explorer to that of explorer and producer (E&P).

During the second half of calendar 2011 the Company drilled its 2011 commitment well: J-51. This was the third of the commitment wells on Block 31 and like the 2009 and 2010 commitment wells before it (J-50 and J-52), J-51 was a commercial discovery.

In November 2011, the Company spudded the first of its two 2012 commitment wells (J-53) and results released during the first quarter of 2012 confirmed that this well was also a commercial discovery meaning that all four exploration wells drilled on Block 31 since 2009 have been discoveries.

This success demonstrates that the Company continues to make solid progress. In-order to achieve such progress we have established a significant presence in country with 33 full time members of staff based in Aktau, all of whom are Kazakh nationals. We are delighted with this achievement and believe it demonstrates the strong commitment that Jupiter Energy has to the Kazakh oil & gas industry.

This commitment was, in part, acknowledged when the Ministry of Oil & Gas approved the extension of Block 31 in July 2011 thereby increasing the permit size from ~63km^2 to ~123km^2 and providing the Company with a range of potential new exploration leads. As part of the extension process, the Company committed to acquire 3D seismic over this new acreage before the end of 2012. This work was in fact commenced soon after the extension was granted and was completed by December 2011, a year in advance of the commitment date. The new data has now been processed and interpreted and several new prospects identified.

The 1st well to be drilled on this new area will be the final commitment well (J-55) and this will spud during 2012.

During the reporting period, the Company also completed its listing on the London Alternative Investment Market (AIM) in November 2011 and whilst liquidity in shares remains low on this exchange, there is no doubt that the AIM listing and the time put into presentations and meetings with potential investors (both retail and institutional) has helped lift the profile of the Company in the London capital markets. This work should ensure the Company has a sound platform on which to build investor interest in 2012 and beyond.

Cornerstone Investors:

The Waterford Group (Waterford) and Soyuzneftegas Capital (SNG) continued to show strong support for the Company during the period, building their respective holdings to ~30% and ~10% with SNG also providing a $US3.45m Convertible Note in September 2011. These funds were required to meet the 12 month working capital commitment requirements for the AIM listing and it is expected that SNG will convert this note to equity sometime in 2012.

In total the two companies have now invested some $A20 million in Jupiter Energy and continue to support the Company at both Board and Operational levels.

Board and Management Structure:

The Board of the Company remains in place with Chairman/CEO Geoff Gander now based in London and Executive Director/CFO Scott Mison based in Perth. Alastair Beardsall and Baltabek Kuandykov remain as Non-Executive Directors, with both of them providing additional support and assistance as required.

Within Kazakhstan, the Company appointed Gamal Kulumbetov as Managing Director in August 2011. Gamal's responsibility is the overall management of the Block 31 operations and as well as the ongoing development of open communication with the key regional and state bodies that regulate the oil and gas industry in Kazakhstan to ensure these parties are aware of the Company's commitment to its Kazakh focussed venture.

The Aktau based management team put in place in late 2010/early 2011 reports into Gamal and is made up of the Finance Director, the Legal Director, the Technical Director and the Chief Geologist. This group and the members of staff reporting through to them is now 100% Kazakh and has grown into an accomplished team with an excellent track record in terms of drilling success, financial management, legal compliance and the compilation of robust geological data.

Operations:

J-51 Well:

The J-51 well was the Company's 2011 Commitment Well. The surface location for J-51 was 2 km southwest from J-50 and 1.7 km northwest from J-52 and the location was designed to evaluate the prospectivity of the primary Triassic and secondary Jurassic targets within the structure now known as Akkar East.

On 1 August 2011 the Company announced the spudding of the J-51 exploration well and on 22 September 2011 confirmed that target depth had been reached and open hole logging completed. Analysis of these open hole logs, carried out by independent consulting firm Reservoir Evaluation Services LLC (RES), confirmed that the thickness of the mid Triassic primary objective was 123m of gross and 83m of net oil pay. The net/gross analysis was based on cut-offs of 3.8% for porosity and 50% for oil saturation. These results were consistent with the Company's well prognosis.

Production casing was run and a more cost-effective service rig used to perforate and stimulate the well in preparation for up to a maximum of 3 months of flow testing. As with all the exploration wells, oil produced during this period was sold into the domestic market. Pricing for domestic oil is currently approximately $US42 per barrel at the well head with all transport and logistics costs being borne by the buyer.

The J-51 well produced on a 9mm choke at a stabilised rate of over 600 bopd. A range of data was collected over the production testing period and will be used to prepare an updated reserve estimate for the Akkar East field. The well was shut in on 4 February 2012 and an application will be submitted to the relevant regulatory authorities for the well to be granted a Trial Production Licence. This application will be lodged after the gathering of results from the J-53 exploration well. The J-53 results will also be gathered during its production testing phase.

J-53 Well:

J-53 is the Company's fourth exploration well and the first of its two 2012 commitment wells on Block 31. The well is located 2.8 km southeast of the J-52 well and increases the known areal extent of the Akkar East field.

The J-53 well was planned as a vertical well to intersect a secondary Jurassic clastic reservoir target and a primary Mid-Triassic carbonate reservoir target before drilling to a planned total depth of approximately 3,200m true vertical depth. The Company acquired core samples in the primary and secondary reservoir targets while drilling the well.

Local Kazakh drilling contractor FracJet was again engaged to drill the well and used the same ZJ-40 rig as used previously for the J-51 and J-52 wells.

The well spudded on 25 November 2011 and on 25 January 2012 the Company announced that the J-53 well had taken a total of 58 days to drill and reached a total depth of 3,113m. Open hole logs were run and production casing and cement completed. Operational progress and geological results were consistent with the Company's expectations.

Hydrocarbon shows while drilling, including a core in the reservoir zone, and subsequent open hole wireline logs all indicated hydrocarbons in the Triassic reservoir. The open hole logs indicate good levels of oil saturation and porosity, similar to the proved producing zones in J-50, J-51 and J-52.

Analysis by independent consulting firm RES confirmed approximately 87m of gross and 56m of net pay at the Middle Triassic carbonate reservoir unit, the primary reservoir objective in the well . The cut-offs used were again 3.8% for porosity and 50% for oil saturation. The reservoir appears to be oil on rock and well above the already identified Akkar East oil water contact.

Results from the slightly shallower Jurassic Z-Sand indicated three oil saturated sands which also looked encouraging. Further analysis of this zone will be carried out with testing considered at a later date.

The Company has demobilised the drilling rig and mobilised a smaller and more cost-effective service rig to complete and test the well. The forward plan for J-53 is to stimulate and flow test the well for up to a maximum of ninety days during which time flow rates and reservoir pressures will be measured for various choke sizes and fluid samples collected for analysis. The commencement of this completion work is running approximately three weeks behind schedule with weather conditions delaying the arrival of the contractor to site due to an overrun in their previous assignment. Flow testing results are expected during April 2012.

Once the 90 day production testing period is completed, the well will be shut in and an application will be submitted to the relevant regulatory authorities for a Trial Production Licence.

J-50 and J-52 Wells:

The Company announced on 3 October 2011 that the Kazakh Central Development Committee (CDC) had approved applications for Trial Production Licences for both the J-50 and J-52 exploration wells. The Trial Production Licences are issued for a maximum three (3) year duration once production has commenced and allow the Company to concurrently produce oil from the J-50 and J-52 wells while completing the planning and implementation of the necessary surface infrastructure required to develop the discoveries for long term production.

Whilst the CDC approval is a major milestone in the process, a number of regulatory steps still needed to be completed before both wells could be brought onto production. These included emission permits for the wells and the approval process for these was lengthier than expected.

On 16 February 2012, the Company received written confirmation that the gas utilisation permit had been approved by the Ministry for J-50 and J-52. The final paperwork is expected to be completed during March and TPL production from both J-50 and J-52 should commence during April 2012.

These wells should have combined production of approximately 600 bopd and provide monthly sales revenue of ~$US750,000 based on current domestic oil prices and this revenue will be increased by sales from the J-53 well which are also expected to commence in April 2012.

Exploration and New Ventures

The 3D seismic acquired over the additional acreage in the south of the extended Block 31 boundary has been interpreted and several of the prospects identified are being matured to drill-ready status; it is anticipated that the second of the 2012 commitment wells will be drilled on this area.

The Company continues to review new opportunities for growth and believes further extension of the Block 31 territory is possible as some of the surrounding land remains un-licenced. Other new opportunities being evaluated can be characterised as Block 31 look-a-likes, namely early-stage exploration acreage with reasonable work commitments.

Independent Reserves Update:

2P reserves after the drilling of J-50 and J-52 wells were independently estimated at 24.2 million barrels of oil (mmbbls) and a new independent reserves report will be prepared to include the results of all four wells drilled on Block 31: J-50, J-52, J-51 and J-53. The results from the next independent reserves report should be published during the second quarter of 2012.

Block 31 Work Commitments:

The Company is current with its drilling obligations under the Block 31 contract; the J-51 well completed the obligations for 2011 and the Company has now completed J-53 the first of its two commitment wells for 2012. The second 2012 commitment well, J-55, will be completed during 2012. After J-55 is drilled there are no further work obligations due under Block 31's current 6 year exploration licence which runs through to December 2012.

Going forward, the Company will shortly lodge an application for a prolongation of the Block 31 Exploration Licence from December 2012 to December 2014. This will be the first of the two prolongations the Company is allowed to make under the contract, with the second extension being for the period December 2014 to December 2016.

On granting of the prolongation, further exploration and development wells are expected to be drilled on Block 31 and the type, quantum, timing and location of these wells will be determined by the Company. There are likely to be several more exploration wells targeting more oil reserves in the new acreage to the south, but there will also be a continued focus on growing the existing Akkar East production profile through the drilling of several appraisal/development wells on that field.

The Company will advise shareholders on the future drilling programme at the appropriate time.

Further Block 31 Area Extension:

The Company intends lodging an application for to extend Block 31. It is expected that as part of this application the Company will need to make a commitment to acquire 3D seismic over this new area and, potentially, to drill further exploration wells. The Company will provide updates on the progress being made with this application as appropriate.

Capital Management:

Further injection of capital will be required before the development of Block 31 will reach self-funding.

It was anticipated that a capital raising would have been carried out at the time of the AIM listing in the fourth quarter of 2011, but the fragility of global capital markets led to the deferment of this plan. The equity capital markets remain quiet and the current market capitalisation of Jupiter Energy makes a major fund raising unattractive to our existing shareholders.

The Company is planning a capital raise in mid-2012 of sufficient size to achieve the following objectives of (i) putting the J51 and J53 wells on Trial Production (ii) drilling of the J-55 well, and, assuming it is a discovery, completion, testing and applying for a Trial Production Licence. Given the state of the capital markets, and current market capitalisation of Jupiter, the new funds are likely to be raised by means of a rights issue; a further announcement on future funding will be made at the appropriate time.

Following the mid-year capital raise and completion of the objectives set out above, the directors will consider all available options for financing the further development of the East Akkar field to the stage where export oil sales are being achieved and the permit is self-funding; these options may include the further issue of new equity, reserve based debt, convertible debt or a combination of these various instruments.

Summary:

The changes made at both the Board and Operations level in late 2010 have proved to be extremely beneficial by increasing the efficiency and effectiveness of our in-country operations. The drilling results continue to confirm the prospectivity of the Block 31 permit and whilst the delays in the granting of the requisite approvals to commence production have been frustrating, the goal of developing Jupiter Energy into a full cycle E&P company with a meaningful production profile and sizeable 2P reserves base remains on track.

Competent Persons Statements:

General

Keith Martens, BSc Geology and Geophysics, with over 35 years' oil & gas industry experience, is the qualified person who has reviewed and approved the technical information contained in this report.

Independent Reserves

The information in this report which relates to independent Triassic oil reserves (1P, 2P, 3P) and prospective resource (P90, P50, P10) 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 (1P, 2P, 3P) and prospective resource (P90, P50, P10). Senergy Limited has given and not withdrawn its written consent to the inclusion of its name and the Triassic 1P, 2P, 3P reserves and prospective resource (P90, P50, P10) figures in the form and context in which they appear in this report. Senergy Limited has no material interest in the Company.

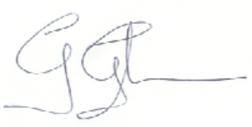
The information in this report which relates to Triassic prospective resources (P50) and open hole logging interpretation is based on information compiled by Reservoir Evaluation Services LLP (RES), a Kazakh based oil & gas consulting company that specialises in oil & gas reserve estimations. RES has sufficient experience which is relevant to oil & gas reserve estimation and open hole logging analysis and to the specific permit in Kazakhstan to qualify as competent to verify the information pertaining to the Triassic prospective resource (P50) and open hole logging analysis. RES has given and not withdrawn its written consent to the inclusion of the Triassic prospective resource (P50) figure or open hole logging analysis in the form and context in which they appear in this report. RES has no material interest in the Company.

Auditor's Independence Declaration

In accordance with section 307C of the Corporations Act 2001, the Directors have obtained a declaration of independence from Ernst & Young, the consolidated entity's auditors. The independence declaration is included at page 7 of the financial report.

Dated at West Perth on 15 March 2012.

This report is signed in accordance with a resolution of the Board of Directors.



G A Gander
Executive Chairman/CEO

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

In relation to our review of the half-year financial report of Jupiter Energy Limited for the year ended 31 December 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

Ernst & Young

R J Curtin
Partner
Perth
15 March 2012

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under Professional Standards Legislation

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To the members of Jupiter Energy Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Jupiter Energy Limited, which comprises the statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Jupiter Energy Limited and the entities it controlled during the period, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, 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.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Jupiter Energy Limited is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our conclusion, we draw attention to Note 2(a) in the financial report. As a result of the matters described in Note 2(a), there is a material uncertainty whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Ernst & Young

Ernst & Young

R J Curtin
Partner
Perth
15 March 2012

DIRECTORS' DECLARATION

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

In the opinion of the Directors:

a. The financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

    I. giving a true and fair view of the financial position of the consolidated entity as at 31 December 2011 and the performance for the half-year ended on that date, and

    II. complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

b. Subject to the matters disclosed at note 2, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

G A Gander
Executive Chairman/CEO

Signed in West Perth 15 March 2012.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

		Consolidated Entity	
		6 months to 31 December 2011	6 months to 31 December 2010
	Note	$A	$A
Interest revenue		20,978	35,416
Other income	4	828,303	-
Administration expenses		(1,327,817)	(694,202)
Consulting fees		(226,907)	(285,465)
Depreciation expenses		(55,368)	(21,422)
Employee benefits expense		(922,884)	(1,282,955)
Legal fees		(33,881)	(57,695)
Occupancy expenses		(74,345)	(92,570)
Loss on derivative		-	(57,678)
Interest expense		(232,130)	-
Foreign currency loss		-	(791,780)
Total expenses		(2,873,332)	(3,283,767)
Loss before tax		(2,024,051)	(3,248,349)
Income tax expense		-	-
Loss after income tax		(2,024,051)	(3,248,349)
Other comprehensive income			
Foreign currency translation		1,442,897	(3,596,569)
Total comprehensive loss for the period		(581,154)	(6,844,918)
Loss per share attributable to ordinary equity holders of the parent (cents per share)			
Basic loss per share		(1.75)	(0.26)
Diluted loss per share		(1.75)	(0.26)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Note	Consolidated Entity 31 December 2011 $A	30 June 2011 $A
Current Assets			
Cash and cash equivalents	5	4,597,275	13,968,248
Trade and other receivables		433,776	1,410,979
Other current assets		300,300	521,174
Total Current Assets		5,331,351	15,900,401
Non Current Assets			
Trade and other receivables		2,839,325	-
Plant and equipment		890,396	398,851
Mineral exploration expenditure	6	35,715,356	25,319,806
Other financial assets		266,071	128,404
Total Non Current Assets		39,711,148	25,847,061
Total Assets		45,042,499	41,747,462
Current Liabilities			
Payables	7	1,003,030	534,616
Provisions		91,729	61,918
Total Current Liabilities		1,094,759	596,534
Non -Current Liabilities			
Provisions		282,534	230,552
Other financial liabilities	8	3,110,425	-
Total Non-Current Liabilities		3,392,959	230,552
Total Liabilities		4,487,718	827,086
Net Assets		40,554,781	40,920,376
Equity			
Contributed equity	9	71,280,610	71,280,610
Share based payments reserve	10	4,138,012	3,922,453
Foreign currency translation reserve		(4,642,071)	(6,084,968)
Accumulated losses		(30,221,770)	(28,197,719)
Total Equity		40,554,781	40,920,376

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

CONSOLIDATED	Issued Capital	Share based payment reserve	Foreign currency translation reserve	Accumulated Losses	Total Equity
	$A	$A	$A	$A	$A
As at 1 July 2011	71,280,610	3,922,453	(6,084,968)	(28,197,719)	40,920,376
Loss for the period	-	-	-	(2,024,051)	(2,024,051)
Other comprehensive income	-	-	1,442,897	-	1,442,897
Total comprehensive income	-	-	1,442,897	(2,024,051)	(581,154)
Share based payments	-	215,559	-	-	215,559
As at 31 December 2011	71,280,610	4,138,012	(4,642,071)	(30,221,770)	40,554,781
As at 1 July 2010	44,681,247	3,164,908	(1,141,302)	(23,308,049)	23,396,805
Loss for the period	-	-	-	(3,248,349)	(3,248,349)
Other comprehensive income	-	-	(3,596,569)	-	(3,596,569)
Total comprehensive income	-	-	(3,596,569)	(3,248,349)	16,551,887
Share based payments	-	485,014	-	-	485,014
Shares issued	16,682,381	-	-	-	16,682,381
Cost of share issue	(635,795)	-	-	-	(635,795)
As at 31 December 2010	60,727,833	3,649,922	(4,737,871)	(26,556,398)	33,083,486

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Consolidated Entity	
	6 months to 31 December 2011 $A	6 months to 31 December 2010 $A
Cash flows from operating activities		
Receipts from customers	30,864	-
Payments to suppliers and employees	(2,901,540)	(2,191,037)
Interest received	20,860	35,417
Net cash (used in) operating activities	(2,849,816)	(2,155,620)
Cash flows from investing activities		
Payments for exploration expenditure	(9,676,460)	(5,412,758)
Payments for plant and equipment	(451,233)	(23,379)
Net cash (used in) investing activities	(10,127,693)	(5,436,137)
Cash flows from financing activities		
Proceeds from convertible note	3,482,361	-
Proceeds from issue of shares	-	16,672,381
Transaction costs from issue of shares	-	(625,795)
Net cash provided by financing activities	3,482,361	16,046,586
Net increase/(decrease) in cash held	(9,495,148)	8,454,829
Cash at the beginning of the financial period	13,968,248	1,327,806
Foreign exchange gain/(loss)	124,175	(809,815)
Cash at the end of the financial period	4,597,275	8,972,820

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The half year financial report of Jupiter Energy Limited for the period 31 December 2011 was authorised for issue in accordance with a resolution of the Directors on 15 March 2012.

Jupiter Energy Limited is a company limited by shares that is incorporated and domiciled in Australia and whose shares are publicly listed on Australian Securities Exchange and the Alternative Investment Market.

The registered office is Level 2, 28 Kings Park Road, West Perth, Western Australia 6005.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Basis of preparation

This condensed financial report for the half-year ended 31 December 2011 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.*

All monetary values are reported in A$ unless otherwise stated.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2011 and considered together with any public announcements made by Jupiter Energy Limited during the half-year ended 31 December 2011 in accordance with the continuous disclosure obligations of the ASX listing rules.

Going Concern

The consolidated financial statements have been prepared on a going concern basis with the Directors of the opinion that the Group can meet its obligations as and when they fall due.

The Directors recognise that the Company will need to raise additional equity and secure Trial Production licenses / final approvals outstanding for the J-50 and J-52 wells in the short-term to fund planned exploration, drilling and development activities for Block 31.

The Directors are confident of being able to raise the required capital and that all the required paperwork is in place to secure the J-50 and J-52 Trial Production licenses and approvals, to allow for oil to be sold under the licenses, but note that these have not been secured at the date of this report.

Should the Group not achieve the matters set out above, there is uncertainty whether the Group would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include adjustments relating to the recoverability or classification of the recorded assets amounts nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

(b) Accounting policies

The accounting policies adopted in the preparation of the half year financial report are consistent with those followed in the preparation of the Group's financial statements for the year ended 30 June 2011. All new and amended accounting standards and interpretations effective 1 July 2011 have been adopted by the Group. The adoption of new standards and amendments from 1 July 2011 has not had a significant impact on the accounting policies of the Group.

The Group has not elected to early adopt any new standards or amendments that are issued by not yet effective.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(b) Accounting policies (Continued)

New Accounting Policies

The Group has adopted the following policies during the period:

Financial Instruments Issued by the Company

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. Transaction costs arising on the issue of equity instruments, net of associated tax, are recognised directly in equity as a reduction of the proceeds of the equity instrument to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments andwhich would not have been incurred had those instruments not been issued.

Convertible Note

The Convertible Note is split into two components: a debt component and a component representing the embedded derivatives in the Convertible Note. The debt component represents the Group's liability for future interest coupon payments and the redemption amount. The embedded derivatives represent the value of the option that note holders have to convert into ordinary shares in the Company.

(b) Accounting policies

The debt component of the Convertible Note is measured at amortised cost and therefore increases as the present value of the interest coupon payments and redemption amount increases, with a corresponding charge to interest expense. The debt component decreases by the cash interest coupon payments made. The embedded derivative is measured at fair value at each balance sheet date, and the change in the fair value is recognised in the income statement.

3. SEGMENT REPORTING

The Consolidated Entity is exploring for oil and gas in Kazakhstan. Each activity has been aggregated as they have similar economic characteristics and are being conducted in one area of interest. The operations of the Consolidated Entity therefore present one operating segment under AASB 8 Operating Segments.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the half year financial report.

4. OTHER INCOME

	Consolidated Entity	
	6 months to 31 December 2011 $A	6 months to 31 December 2010 $A
Other income	21,455	-
Unrealised gain on derivative	510,925	-
Foreign currency gain	295,923	-
	828,303	-

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

5. CASH AND CASH EQUIVALENTS

	Consolidated Entity	
	31 Dec 2011 $A	31 Dec 2010 $A
For the purpose of the half year cash flow statement, cash and cash equivalents are comprised of the following:		
Cash at bank and in hand	4,597,275	8,967,156
Short-term deposits	-	5,664
	4,597,275	8,972,820

6. MINERAL EXPLORATION EXPENDITURE

	Consolidated Entity	
	31 Dec 2011 $A	30 June 2011 $A
Opening balance	25,319,806	22,282,954
Additions	9,676,460	7,189,909
Foreign exchange translation	719,090	(4,153,057)
Balance at the end of the half-year	35,715,356	25,319,806

7. OTHER PAYABLES

	Consolidated Entity	
	31 Dec 2011 $A	30 June 2011 $A
Trade creditors	195,987	298,307
Accrued expenses	32,100	47,401
Other payables	774,943	188,908
	1,003,030	534,616

8. OTHER FINANCIAL LIABILITIES

Convertible note	2,548,150	-
Derivative liability	562,275	
	3,110,425	-

On 29 September 2011, the Company agreed terms on a US$3.45m Convertible Note with major shareholder Soyuzneftegas Capital Limited (SNG).

The key terms of the Convertible Note are:

- Effective date: 29 September 2011
- Coupon Rate: 15% per annum
- Term: 24 months with interest payable quarterly in arrears
- Conversion price: US$0.75, SNG has right to convert earlier if there is a capital raising prior to conversion and the price of that capital raising is less than $0.75. In this instance, the conversion price will be reduced to be in line with the capital raising price.
- Number of shares to be issued if note converted at US$0.75: 4.6 million, representing approximately 4% of the issued share capital
- Arrangement Fee: 1%

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

8. OTHER FINANCIAL LIABILITIES (CONTINUED)

Valuation of Convertible Note

The Note has an embedded derivative in the form of a call option for the holder to convert the outstanding amount on the Note at US$0.75 per Jupiter ordinary share.

The convertible equity feature of the Note has been separated from the liability component of the Note for financial reporting purposes. As the call option to convert the note into shares does not meet the definition of an equity instrument, as the exercise price is denominated in foreign currency to the company's functional currency, the convertible call option is classified as a Derivative liability and measured at fair value through the profit and loss account.

The Derivative component of the Note was valued using the Black Scholes option valuation methodology. The Black Scholes option valuation methodology calculates the expected benefit from acquiring the shares outright less the present value of paying the exercise price for the options on date of expiration.

9. CONTRIBUTED EQUITY

	31 Dec 2011	30 June 2011
	$A	$A
Issued Capital		
Ordinary shares (a)	70,986,412	70,986,412
Options (b)	294,198	294,198
	71,280,610	71,280,610

(a) Movements in ordinary share capital

	No.	$A
Balance 1 July 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	9,172,381
Issue to Pursuit Capital	7,718,695	-
Cost of issue	-	(875,075)
Balance 31 December 2010	1,511,434,681	60,433,635
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
1 for 15 reconstruction	(1,622,072,426)	-
Balance 31 December 2011	115,862,316	70,986,412

A further 266,667 shares were issued on 01 February 2012. The issue of these shares was approved by shareholders at the Annual General Meeting on 28 November 2011 and were issued as part of the Retirement Deed signed with former Director Erkin Svanbayev

This brings the total number of ordinary shares on issue as at the date of this report to 116,130,154.

(b) Movements in options

Balance 31 December 2009	333,000,000	284,198
Expiry of listed options	(300,000,000)	-
Balance 30 June 2010	33,000,000	284,198
Issue of options	-	10,000
Balance 31 December 2010	33,000,000	294,198
Balance 31 December 2011	33,000,000	294,198

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

10. SHARE BASED PAYMENTS

On 12 August 2011, 2,133,334 performance rights were approved by shareholders to directors. 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 (25th August 2012)

The fair value of performance rights granted to directors is estimated as at the grant date using a hybrid model incorporates a trinomial option valuation and a Monte Carol simulation option pricing model taking into account the terms and conditions upon which the instruments were granted.

The following table lists the inputs to the models for the period ended 31 December 2011:

	Performance Rights
Grant date	26 August 2011
Number of performance rights	2,133,334
Share price	60 cents
Exercise price	0 cents
Dividend Yield	0.0%
Expected volatility	80.0%
Risk-free interest rate	4.80%
Expected life	1 year
Weighted average fair value	27 cents
Total amount	\$576,000
Expensed to 31 December 2011	\$192,000

During the year 10,000,000 (pre consolidation) performance rights were cancelled. \$23,559 has been expensed in relation to these rights.

11. CONTINGENT LIABILITIES

There has been no significant change in contingent liabilities since the last annual reporting date.

12. EVENTS SUBSEQUENT TO REPORTING DATE

Except as disclosed above, there are no matters or circumstances that have arisen since the end of the period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group not otherwise disclosed in future financial years.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

13. COMMITMENT FOR EXPENDITURE

Exploration Work Program Commitments

The Group has entered into a subsoil utilisation rights for petroleum exploration and extraction in Block 31in Mangistau Oblast in accordance with Contract No. 2275 of the 29th of December 2006 with the Ministry of Energy and Mineral Resources of the Republic of Kazakhstan (now renamed the Ministry of Oil & Gas of the Republic of Kazakhstan.).

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

	Consolidated Entity	
	31 Dec 2011 $A	30 June 2011 $A
not later than one year	4,574,287	5,661,900
later than one year but not later than five years	-	10,380,150
	4,574,287	16,042,050