

27 April 2012

Jupiter Energy secures prepayment plan for oil sales

KEY POINTS:

- **Trial Production from the J-50 and J-52 wells has now commenced. Initial combined production rate is expected to be ~600 bopd.**
- **Contracts signed with two oil traders to purchase Jupiters produced oil at \$US400 per tonne (~\$US58/barrel).**
- **Initial production of 6,000 tonnes (3,000 tonnes each) has been sold on a 100% prepaid basis. \$US1.2m has been received with further \$US1.2m due next week.**

The Board of Jupiter Energy Limited, the Kazakhstan-focused oil exploration and production company, trading on AIM ("JPRL") and ASX ("JPR"), is pleased to provide the following update on operations at Block 31, Kazakhstan.

Trial production of J-50 and J-52 has commenced with a combined daily production rate of an expected ~600 barrels of oil per day (bopd); all production is transported by road tanker to a 3rd party processing and storage facility.

Jupiter Energy has entered into agreements with two oil traders for the sale of Jupiter's oil at the storage facility for a price of \$US400/tonne (~\$US58/barrel). Both oil traders have agreed to 100% prepayment for the aggregated supply of 6,000 tonnes of oil on the basis that each will take 3,000 tonnes; advance payment of \$US1.2m has been received by Jupiter and a further \$US1.2m is due next week.

Under the sale arrangements, the cost of transportation from the field and subsequent storage at the facility is being borne by Jupiter. The sale price of ~\$US58/barrel adjusted for the budgeted costs of transportation and storage at ~\$US6/barrel, equates to a net price of ~\$US52/barrel.

When compared on a like for like basis with oil previously sold during the 90-day production testing of the Company's wells which was collected at the well head by

traders, the Company has achieved a 22% increase in revenue per barrel from \$US42/barrel to \$US52/barrel, with the additional benefit of 100% prepayment.

Commenting on the new sales arrangement Chairman/CEO Geoff Gander said, "We are pleased that we have been able to reach terms for the presale of oil. It provides the oil traders with security of supply and Jupiter Energy with cash to assist in the continued development of Block 31."

Any questions on this announcement should be directed to the Company.

ENDS

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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.

Jupiter Energy 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 Energy develop a group facility on site to process, store and ship oil. This topside infrastructure is a key element in moving to licensed production and the achievement of self-funding.