

05 October 2010

## Corporate Update

The Board of Jupiter Energy Limited (ASX: JPR) is pleased to provide a Corporate Update with regards progress being made by the Company in Kazakhstan.

### Funding

As shareholders will be aware, the Company has now successfully completed its \$16.67 million fund raising, announced in August 2010. The raising has been made up of various components including a placement to the Waterford Group (Waterford) under the 15% provision, a further placement to Waterford and Soyuzneftegas Limited post approval by shareholders at a General Meeting held on 21 September 2010 and, finally, the completion of a fully underwritten Rights Issue.

The Rights Issue was well received by shareholders and after taking into account the allocation to overseas shareholders via the shortfall process, the acceptance rate was approximately 58%. The remaining shortfall was taken up by the underwriter (the Waterford Group) meaning that at the end of the process Waterford now has a ~27% equity stake in the Company.

Waterford was formed in 1995 as a financing boutique and a portfolio manager for 3<sup>rd</sup> party assets and today is a substantial investor of its own funds, actively investing in fledgling and start-up companies and those looking for development capital. Waterford primary focus is the resource sector. Waterford will establish long term relationships with companies and, if required, will offer its active assistance for projects, particularly at the critical points of their development.

Since its incorporation, Waterford has been successful in raising finance, managing asset portfolios and directly investing in counties within the Former Soviet Union (including Kazakhstan) the Middle East, and South America primarily in the oil & gas upstream sector and gold exploration and production. Waterford has been an investor in many publically traded companies, including Dana Petroleum Plc (LSE), Sibir Energy Plc (LSE:AIM) Nobel Resources Plc (Ireland), Vanguard Petroleum (Australia), EuroSov Petroleum Plc (LSE), Anglo-Siberian Oil Plc (LSE:AIM), First Calgary Petroleums Ltd (TSX & LSE:AIM), Emerald Energy Plc (LSE), and Thistle Mining Corporation (TSX). Waterford's current investments include Petroceltic International Plc (LSE:AIM), Sterling Energy Plc (LSE:AIM), Aladdin Oil & Gas (Norway), Jupiter Energy Ltd (ASX) and a number of unlisted investments.

## **Board Composition**

Concurrent with welcoming the Waterford Group as a substantial shareholder, the JPR Board has had some changes. Alastair Beardsall and Baltabek Kuandykov have joined the Board and Andrew Childs and Erkin Svanbayev have resigned. Short backgrounders on Alastair and Baltabek are included below:

### Alastair Beardsall

Alastair (56) has been involved in the oil industry for 30 years. In 1980 Alastair started work with Schlumberger, the oil-field services company, and from 1992 he began working for independent exploration and production operators, with increasing responsibility for specific exploration, development and production ventures. Between September 2003 and October 2009, Alastair was Executive Chairman of Emerald Energy plc during which time 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. Alastair is currently Executive Chairman on the AIM listed Sterling Energy Plc.

### Baltabek Kuandykov

Baltabek is currently President of Meridian Petroleum, a privately held Kazakh oil & gas company. He was formerly President of Nelson Resources Limited, the oil development and production company operating in Kazakhstan which was listed on the Toronto Stock Exchange until its acquisition by Lukoil in 2005. 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.

Commenting on the changes, JPR Director Geoff Gander said, "I would firstly like to thank Andrew and Erkin for their significant contributions to Jupiter Energy over the past few years. I look forward to continuing to work with Erkin who will remain an integral part of our team in Kazakhstan and I wish Andrew all the very best in his future endeavours. I am also delighted to welcome Alastair and Baltabek to the Board. They both bring with them exceptional experience in oil & gas as well as Kazakhstan specific expertise and I know that the organisation will benefit greatly from their involvement as we go forward into what is likely to be a transformational 12 months ahead."

## **Consolidation of Operations into Aktau location**

As shareholders will be aware, the Company currently has two office locations in Kazakhstan. The Almaty office has been responsible for Finance, Administration, Legal and G&G and the Aktau office has been focussed on Operations. A decision has been made to consolidate the two offices into one to ensure the growing Kazakh operation is managed by an integrated business organisation; the Company will also strengthen its Kazakh team and expects to hire a senior manager to take a leadership role in Aktau for the drilling and production operations. The Almaty office will be closed by 30 November 2010 and staff will choose to either relocate to Aktau or take a redundancy package.

## **Annual General Meeting**

The Annual General Meeting (AGM) is scheduled for 15 November 2010 and the Notice of Meeting will be distributed to shareholders by mid October.

## **Summary**

The Company goes into the next phase of operations in a strong financial position and with a strengthened Board and Management team. Preparations for the drilling of the 2010 commitment well are very advanced and an update on operations will be issued shortly.

I would like to thank all shareholders that participated in the recent Rights Issue and I look forward to keeping you updated with progress being made in the drilling of the 2010 commitment well.

For further information please contact:

Geoff Gander, Director, Jupiter Energy Limited on +61 (0)8 9322 8222

**ENDS**