

31 May 2013

Jupiter Energy Limited ("Jupiter" or the "Company")

New Funding Arrangement: \$US9m Convertible Notes issued

The Board of Jupiter Energy Limited, the Kazakhstan-focused oil exploration and production company, trading on AIM ("JPRL") and ASX ("JPR"), announces that, as part of its plans for funding the future development of the business, the Company has issued \$US9 million of Convertible Notes ("the Convertible Notes").

US\$9m Convertible Notes (Series A):

The key terms of the Convertible Notes are as follows:

- Term: 3 years
- Conversion Price: \$US1.25 per share (maximum of 7.2 million shares may be issued)
- Coupon Rate: 12% per annum, payable quarterly in arrears
- The Convertible Notes may be redeemed by Jupiter at any time with a minimum of 12 months interest payable if the Convertible Notes are redeemed within the 1st 12 months of their Term
- The issue of the Convertible Notes is carried out under Jupiter's 15% capacity in accordance with ASX Listing Rule 7.1

The breakdown of subscriptions for the Convertible Notes is as follows:

- Waterford Petroleum Limited: \$US3m
- Soyuzneftegas Capital Limited: \$US2m
- Weighbridge Trust Limited: \$US1m
- Mobile Energy Limited: \$US3m

The net cash proceeds of the fundraising will be \$US5.7m, following the repayment of US\$3m of Promissory Notes held by Mobile Energy Limited and the payment of a fee of 3% of the proceeds of the raising (\$US270,000) by the Company to Waterford Petroleum Limited for its role in arranging the funding.

The net cash proceeds of the fundraising will be used for the following purposes:

- Completion and testing operations on the J-59 well – approximately \$US1m;
- Initial design and planning for the building of topside infrastructure required to take the Akkar East oilfield into Full Field Development – approximately \$US0.5m;
- Purchase of long lead time items required for the 2013 Drilling Program – approximately \$US1mm; and
- General working capital – approximately \$US3.2m.

In light of the quantum of the shareholding of Waterford Petroleum Limited (29.5%) and Soyuzneftegas Capital Limited (19.8%) in Jupiter, both Waterford Petroleum Limited and Soyuzneftegas Capital are both deemed to be related parties for the purposes of AIM Rule 13. The participation in the fundraising by Soyuzneftegas Capital, together with participation in the fundraising and the fee payable to Waterford Petroleum Limited are related party transactions pursuant to the AIM Rules (the “Related Party Transactions”).

The Directors of Jupiter consider, having consulted with finnCap, the Company’s Nominated Adviser, that the terms of the Related Party Transactions are fair and reasonable insofar as Jupiter’s shareholders are concerned.

Since Alastair Beardsall is the appointed Jupiter Board representative of Waterford Petroleum Limited, he did not take part in the discussions of the Jupiter Board of Directors in relation to the Board agreement to the terms of the related party transaction with Waterford Petroleum Limited.

Commenting on the new funding arrangement, Chairman/CEO Geoff Gander said:

“The Company is in discussion with several banks and institutions that provide project finance and reserve based debt for oil and gas developments. However, one common condition of these sources of financing is that the funding will only be for the development of the Akkar East oilfield and not for further exploration activity. As a result, there is a requirement for additional funding, in this instance, using the Convertible Notes.”

“The Company is pleased that its two largest shareholders continue to support the ongoing development of the Block 31 permit. The issue of the Convertible Notes will ensure we can progress the planning for our 2013 exploration drilling program on the permit. It will also enable the Company to continue the work required before we secure the remaining funding necessary to commence the building of the requisite topside infrastructure, needed to attain Full Field Development status on the Akkar East oilfield.”

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 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.