

26 October 2022

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

**UPDATE ON PROGRESS WITH IMPLEMENTATION OF 100% GAS
UTILISATION PLAN**

KEY POINTS:

- **100% Gas Utilisation Plan (the Plan) has been approved by the relevant Kazakh regulatory authorities to proceed to the Construction Phase.**
- **5 gas to electricity generators have been ordered from a Chinese manufacturer and the current schedule has 3 smaller generators being delivered to Aktau by mid December 2022 and the 2 larger generators arriving in mid January 2023.**
- **Local contractors have been selected – post a tender process – to perform the site works required to complete the requisite gas utilisation infrastructure. Work in the field is scheduled to commence by mid November 2022 with a scheduled completion date of mid January 2023.**
- **All generators are currently forecasted to be operational during 1Q 2023.**
- **Achieving Stage 1 100% gas utilisation will allow production wells to return to optimal flow rates. Current constrained production of ~30 tonnes/~225 barrels per day forecasted to increase to ~100 tonnes/~750 barrels per day once the 100% gas utilisation infrastructure is installed and operational.**
- **100% gas utilisation will mean that all excess associated gas produced during production will be converted into electricity. Some of this power will be used for operations and the remainder will be committed to developing a new, non-hydrocarbon, line of business**

that is consistent with the focus in Kazakhstan to support renewable energy initiatives.

The Board of Jupiter Energy Limited (ASX: "JPR") is pleased to provide this update regarding progress with achieving 100% gas utilisation on the Akkar North (East Block), Akkar East and West Zhetybai oilfields.

The Company has been developing its asset in Kazakhstan for the past fourteen years, moving from the licencing of pure exploration acreage, the drilling of exploration wells in different sections of its 123km² acreage and, ultimately, the discovery of 3 oilfields.

The Company has recently transitioned from its Exploration Licence to a Commercial Licence. The installation and commissioning of its 100% gas utilisation infrastructure is integral to its next stage of future growth.

Strategic Importance of 100% Gas Utilisation Infrastructure:

As previously announced to shareholders, all oil currently produced by Jupiter is sold into the Kazakhstan domestic oil market, as is required under Kazakh Sub Surface law, when wells are either producing under a Trial Production Licence or during the "Preparatory Period" of a Commercial Production Licence.

The "Preparatory Period" applies to an operator that is transitioning between Trial Production (during which time associated gas from production can be flared) to Commercial Production, under which an operator must have access to the requisite infrastructure to provide for 100% utilisation of all associated gas produced whilst wells are in production.

During the "Preparatory Period", Jupiter is able to produce from any well located on a field with an approved Commercial Production Licence without having the requisite gas utilisation infrastructure in place, only if all associated gas that is produced during production is used on the field for power, heating and the like.

A lack of such approved infrastructure means that Jupiter's production is currently constrained on the Akkar North (East Block) and Akkar East fields as both fields are operating under "Preparatory Period" restrictions. Total production from the 4 production

wells located on these 2 fields is currently restricted to ~30 tonnes (~225 barrels) per day.

The West Zhetybai field is in the process of gaining the necessary approvals to transition from Trial Production to Commercial Production and the J-58 well has been shut in since this approval process commenced.

The implementation and approval of a cost effective 100% gas utilisation solution is pivotal to enabling the Company to return all its current 5 production wells, located on the Akkar North (East Block), Akkar East and West Zhetybai oilfields, to optimal production. Production from these 5 wells should, based on past performance, provide a cumulative total of ~100 tonnes (~750 barrels) per day.

Going forward, the installation of 100% gas utilisation infrastructure will also enable the Company to be positioned to seek approval from the Kazakh Ministry of Energy to sell its oil into the export market.

Progress with implementation of the Gas Utilisation Plan:

The Company is pleased to confirm that the relevant Kazakh regulatory authorities have approved Jupiter's Gas Utilisation Plan and the Company can now move to the construction phase.

As detailed in Jupiter's 15 March 2022 announcement to shareholders, Stage 1 will be based on a decentralised configuration, with a gas to electricity generator being installed at each producing well head. The solution is cost effective, reasonably simple to install and will enable the Company to return all five (5) wells to optimal production in the shortest possible timeframe.

The 5 gas to electricity generators are expected to be delivered to the field(s) in two shipments – one in mid December 2022 (3 generators) and the other in mid January 2023 (2 generators).

A tendering process is complete and local contractors have been selected to build the field infrastructure that is required to install the gas generators. Work is scheduled to commence by mid November 2022 and is expected to be completed by mid January 2023.

All infrastructure will be connected as soon as feasible after delivery of the generators and assuming the timelines are achieved and there are no delays as a result of poor weather or final inspection approvals, optimal production should commence during 1Q 2023.

Debt Restructure Plan/Future Funding:

As detailed in Jupiter's 04 October 2022 announcement to shareholders, the Company has agreed a debt restructure plan with its four Noteholders that, subject to shareholder approval at the upcoming 09 December 2022 Annual General Meeting, will see the Company's debt significantly reduced.

Achieving 100% gas utilisation as well as restructuring the Balance Sheet should position the Company for a strong 2023, both operationally and in terms of its ability to attract follow on investment to further develop the Akkar North (East Block), Akkar East and West Zhetybai oilfields, through the drilling of more production wells.

Commenting on the progress with achieving 100% gas utilisation, the Company said:

"Jupiter is pleased to have been granted approval to begin construction of the Stage 1 Gas Utilisation Facility and will continue to work closely with the Chinese manufacturer of the generators and local contractors, to complete the installation of the approved infrastructure as soon as feasible. Achieving 100% gas utilisation in a reasonable timeframe is a critical milestone for the Company as it will enable all 5 production wells to return to their optimal flow rates and also position the Company to be able to apply to the authorities to sell its oil into the export market."

If shareholders have any questions regarding this update they are welcome to contact the Company on +61 3 9592 2357.

Geoff Gander
Chairman/CEO

ENDS

Authorised by the Jupiter Energy Limited Board

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About the Company:

Jupiter Energy Limited is an oil exploration and production company, quoted on the ASX. 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.
