

12 December 2022

Jupiter Energy Limited (“Jupiter” or the “Company”)

CORPORATE UPDATE

The Board of Jupiter Energy Limited (ASX: “JPR”) provides this corporate update, post the approval of a number of resolutions at the Annual General Meeting (AGM) held on Friday, 09 December 2022.

Debt Restructure:

Resolutions pertaining to the Debt Restructure Plan, details of which were announced to shareholders on 04 October 2022, were all carried at the AGM.

A total of 1,076,472,428 shares will be issued to convert ~\$US22.6m of debt to equity and a total of ~\$US36.17m of debt has been written off. The remaining ~\$US16.57m of balance sheet debt is interest free until 31 December 2024, and the Company expects to pay this debt off, in full, on or before that date.

The 1,076,472,428 new shares to be issued are subject to voluntary escrow with 25% under escrow for 6 months from the date of issue, 50% under escrow for 12 months from the date of issue and 25% under escrow for 18 months from the date of issue. The conditions of voluntary escrow may be amended, at the absolute discretion of the Jupiter Board of Directors.

On completion of the issue of the new shares the new current corporate structure of the Company will be as follows:

- Shares on Issue: 1,229,850,121
- Market Capitalisation: ~\$A39.35m¹
- Balance Sheet Debt: ~\$A23.67m (~\$US16.57m²)
- Enterprise Value: ~\$A63m

1 – Based on the closing share price of \$A0.032 on 09 December 2022

2 – Based on the exchange rate of \$A1=\$US0.70 used in the Deeds of Settlement: Debt is to be repaid in \$US.

Implementation of 100% Gas Utilisation Infrastructure:

As detailed in announcements made on 26 July 2022 and 26 October 2022, the implementation of the Stage 1 Gas Utilisation Plan will be an important milestone for the Company.

Field infrastructure work is underway, preparing for the delivery of the five (5) gas to electricity generators from China. The Company is mindful of the recent COVID lockdowns in some areas of China and is monitoring the situation, on a daily basis, ensuring that the generators can be shipped from the factory as soon as possible and that there are minimal delays in the generators clearing customs and crossing the China/Kazakhstan border.

The Company will keep shareholders updated on any material developments regarding the delivery of the 5 gas to electricity generators to Aktau.

The regulatory approval process for the Gas Utilisation Plan continues and there are still several key sign offs required from various Kazakh regulatory bodies. The recent Kazakh elections and potential changes within key ministries is also being constantly monitored by the Company.

It should be noted that final regulatory sign off on the Gas Utilisation Plan will require the gas generators to have been installed on the oilfield(s) and successfully tested.

The objective continues to be, during 1Q 2023, to get all the requisite equipment delivered and installed as well as receive all the required regulatory approvals to commence full commercial production.

Production Profile for 1Q 2023:

The current outlook is for Preparatory Period restricted production to continue from the Akkar East field (wells 51, 52 and 19) from 1 January 2023 until the approved gas utilisation infrastructure is installed and approved. Constrained cumulative production from this field is expected to remain at ~22 tonnes (~225 barrels) per day.

Production from the Akkar North (East Block) field (well 50) is expected to be shut in as of 31 December 2022 and the Company will work with its neighbour MangistauMunaiGas (MMG) to get approval for the Production Plan for the entire Akkar North field during 1Q 2023.

As shareholders have been advised via numerous announcements, the Akkar North field is a shared accumulation and, as such, subject under Kazakh sub surface law to an approved Joint Development Plan.

Production from the West Zhetybai field (well 58) is expected to resume in mid January 2023 and the well will produce under Preparatory Period restricted production until the 100% gas utilisation infrastructure is installed and approved. Constrained cumulative production from this field is expected to be ~9 tonnes (~70 barrels) per day.

In summary, the production profile for 1Q 2023 is expected to be much the same as the current production profile, with the expected loss of the production from well 50 from 1 January 2023 being replaced by production from well 58, commencing in mid January 2023.

Outlook for 2Q 2023:

The objective is to have the gas utilisation infrastructure installed and approved during 1Q 2023 and the Production Plans for the Akkar East and West Zhetybai oilfields also approved during 1Q 2023, allowing for optimal production from wells 51, 52, 19 and 58 to resume before the end of 1Q 2023. This should allow for a daily cumulative production level of ~85 tonnes (~640 barrels) to be achieved.

Whilst the installation of the gas utilisation infrastructure on the Akkar North (East Block) field is expected to be completed during 1Q 2023, the approval of the Joint Development Plan for the entire Akkar North field (ie Production Plans for both Jupiter and MMG) may take a little longer, meaning that well 50 may not return to optimal production until 2Q 2023. Once this well returns to production, cumulative daily production from all 5 of Jupiter's current production wells is expected to increase to ~100 tonnes (~750 barrels) per day.

Summary:

The Board is delighted that the Debt Restructure Plan has been approved and thanks the 4 Noteholders for their continued support.

The restructured Balance Sheet should better position the Company to secure funding for the ongoing development of its three Kazakh oilfields and, in particular, to fund the drilling of more wells to increase daily production.

Work continues with regards the implementation of the 100% gas utilisation infrastructure and the Company will keep shareholders updated on material progress.

Installation and approval of the 100% gas utilisation infrastructure should allow the Company to achieve optimal production of ~100 tonnes (~750 barrels) per day from its 5 production wells and will also enable the Company to apply to the Kazakh Ministry of Energy for approval to begin the sale of its oil into the export market.

The sale of export oil will lead to improved revenues, profitability and it should also better position the Kazakh asset to attract further funding from new investors.

If shareholders have any questions regarding this announcement, 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.

