

24 January 2024

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

QUARTERLY UPDATE ON ACTIVITIES FOR THE PERIOD TO 31 DECEMBER 2023

KEY HIGHLIGHTS:

- **Unaudited oil sales revenue (including VAT) for the Quarter ending 31 December 2023 totalled ~\$US1.832m (~54,000 barrels of oil).**
- **Oil sales for the Quarter were all via domestic sales channels – to both major domestic refineries and local mini refineries. There were no sales into the export market due to poor pricing as a result of routing restrictions.**
- **The Company's AGM was held on 22 November 2023 and all Resolutions put to the meeting were carried.**
- **The Company released an independently prepared Reserves Update on 11 January 2024. The results show a significant increase in recoverable reserves when compared to the last CPR, released by the Company in 2013.**
- **In summary, Recoverable Reserves now stand at:**
 - **1P (Proven): 14.691m bbls**
 - **2P (Proven + Probable): 36.487m bbls**
 - **3P (Proven + Probable + Possible): 46.796m bbls**
- **Modelling of the 2P category over 17 years, using a discount rate of 20%, provides the current project with an after tax NPV of ~\$US180m.**

Jupiter Energy Limited (ASX: "JPR") presents the following update on activities for the 3-month period ending 31 December 2023 (the "Quarter"). Also included in this report are details of any subsequent events that have occurred up to the date of this release.

The Quarter in brief:

During the Quarter, all production wells operated at expected levels, with the exception of the J-51 well, located on the Akkar East field. This well underwent a workover and the results were below expectations – production is currently limited and more work will be carried out on this well in the coming months with a view to improving production.

Wells located on the Akkar East and Akkar North (East Block) fields are operating under their Full Commercial licences. Oil sales from these wells are subject to a monthly domestic quota that is set by the Kazakh Ministry for Energy. Oil produced from these oilfields, outside this domestic quota allocation, can be sold through other channels, including into the export market.

The West Zhetybai field continues to operate under its Preparatory Period licence, meaning that oil produced from the J-58 well is not subject to a domestic quota allocation and can be sold to local mini refineries. Oil produced under a Preparatory Period licence cannot be sold into the export market.

4Q 2023 Oil Sales:

During the Quarter, unaudited oil sales revenue (including VAT) totalled ~\$US1.832m (~\$A2.817m) based on sales of ~54,000 barrels of oil (average price of ~\$US34/bbl).

Cash receipts for the Quarter were ~\$A2.883m. The variance between revenue recognised and cash receipts is due to the timing of the receipt of oil prepayments that are then amortised over one to two months of oil deliveries.

Approximate production of oil, by field, for the Quarter, was as follows:

- Akkar North (East Block): **11,000 barrels** (production from J-50)
 - Akkar East: **30,500 barrels** (main production from wells J-52 and 19)
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- West Zhetybai: **13,500 barrels** (production from J-58)

The differential between total sales and total production (~1,000 barrels) was held as inventory as at 31 December 2023. This oil was sold during January 2024.

Domestic Oil Sales:

Oil sales during the Quarter were made through the company's second Joint Venture vehicle, Jupiter Energy Trading LLC. Oil was sold into both the Atyrau and Pavlodar refineries and unaudited oil sales revenue (including VAT) totalled ~\$US0.376m (~\$A0.578m) based on sales of ~11,000 barrels of oil (average price of ~\$US34/bbl).

Mini Refinery Oil Sales:

During the Quarter, oil that was produced under a Preparatory Period Licence, not sold into the export market and/or not subject to the domestic quota allocation set by the Kazakh Ministry of Energy, was sold to a local mini refinery.

This meant that oil produced from the West Zhetybai field, as well as excess oil from the Akkar North (East Block) and Akkar East oilfields that was not covered by the monthly domestic oil quotas set during the Quarter, was sold directly to a local mini refinery.

Unaudited oil sales revenue (including VAT) totalled ~\$US1.455m (~\$A2.237m) based on sales of ~43,000 barrels of oil (average price of ~\$US34/bbl).

Export Oil Sales:

There were no sales of oil into the export market during the Quarter.

Export oil pricing is linked with the destination to which the oil is routed. Routing, associated logistics costs, the discount to Brent quoted by traders and the additional Kazakh taxes levied on export oil, meant that for the entire Quarter, the net price received for export oil was not attractive when compared to available domestic sales channels. The geopolitical tension in the area was a contributing factor to the discount to Brent being quoted by traders.

The Company continues to monitor the export oil pricing formula being offered by traders and will revert to this sales channel when the net price achieved is superior to pricing being offered via other available sales channels.

2024 Work Program – Focus on Increasing Production:

The Company continues to review the appropriate timing to commence the drilling of its next well. Future drilling work will require access to additional working capital and/or securing deferred payment terms with a local turnkey drilling operator and/or prepayment of additional oil sales by an oil trader.

Discussions are ongoing with various parties in respect to these various funding options.

Release of CPR and Significant Reserves Upgrade:

On 11 January 2024, the Company released a summary of the results of a Competent Persons Report (CPR) prepared by Sproule International Limited (Sproule).

Sproule was engaged by Jupiter to evaluate the Proved, Probable and Possible reserves for the Company's three oilfields in Kazakhstan and to prepare a CPR as to its findings.

Sproule is an independent sub surface consultancy based in Calgary, Canada and possesses the technical skills and certifications required for this type of work.

The CPR was prepared in accordance with the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the SPE and is provided in accordance with and, in Sproule's view, meets the requirements necessary for Jupiter's compliance with the classification and definitions of the PRMS and the Australian Stock Exchange (ASX) reporting rules.

The effective date of the CPR is 31 December 2023.

Shareholders should refer to the 11 January 2024 announcement for more details on the CPR but in summary the recoverable reserves associated with Jupiter's fields in Kazakhstan are as follows:

| Proved (bbls) | Proved & Probable (bbls) | Proved, Probable & Possible (bbls) |
|----------------------|-------------------------------------|---|
| 14,691,000 | 36,487,000 | 46,796,000 |

Note: Jupiter holds a 100 percent working interest in its fields and therefore 100% of the reserves are attributable to the Company.

Based on the modelling of the Field Development Plan (FDP) for the 2P category (Proved and Probable) over a ~17-year life and using a discount rate of 20%, the After-Tax Net Present Value (NPV) of the Project is calculated at **~\$US180m**.

This after tax NPV valuation compares to Jupiter's current Enterprise Value of **~\$US36m**.⁽¹⁾

Annual General Meeting of Shareholders:

On 22 November 2023 the Company held its Annual General Meeting (AGM). All six Resolutions were put to a poll and each Resolution put to the meeting was carried.

Licence Information:

As is required under ASX disclosure rules, the Company confirms that it currently holds the following licence:

| Country | Block / Licence | Interest held as at 30 September 2023 | Interest acquired / disposed of during the Quarter | Interest held as at 31 December 2023 |
|----------------|------------------------|--|---|---|
| Kazakhstan | Contract 2275/4803 | 100% | Nil | 100% |

1. Enterprise Value is the sum of the Company's Market Capitalisation and its Balance Sheet Debt. Based on a share price of \$A0.023, the Company has a Market Capitalisation of ~\$A29.2m (equating to ~\$US19.3m using an exchange rate of \$A1 = \$US0.66). Balance Sheet debt is currently ~\$US16.57m. **Total: ~\$US35.87m**

Payments to Related Parties:

Payments made to related parties and their associates during the Quarter were fees paid to Geoff Gander, Baltabek Kuandykov and Alexander Kuzev for Consulting Services provided to the Company.

Capital Structure and Finances:

As at 31 December 2023, the Company had 1,270,330,255 listed shares trading under the ASX ticker "JPR".

The Company has no Options or Performance Shares, listed or unlisted, on issue.

As at 31 December 2023, the Company's total debt outstanding stood at ~\$US16.87m. This outstanding debt will be carried interest free until 31 December 2024.

The ~\$US16.87m debt included a \$US300k draw down from a \$US5m funding facility, provided by Waterford Finance and Investment Limited (Waterford) that was announced in July 2023. This facility has the following key terms:

- 0% interest;
- Unsecured;
- Repayable on or before 31 December 2024, unless extended by mutual agreement; and
- Any monies drawn down from this facility will be repaid in priority to the existing ~\$US16.57m of balance sheet debt.

The \$US300k draw down from the facility was repaid in full during January 2024, bringing total debt as at the date of this report to ~\$US16.57m. The Company continues to have access to Waterford's \$US5m funding facility.

Operations Budget:

The Company continues to operate under an approved Operations Budget using the net revenues from prepaid oil sales. The Company expects to remain funded at an operational level based on current and forecasted oil production, under differing well production scenarios, for the foreseeable future.

Unaudited net cash reserves as at 31 December 2023 stood at approximately \$A1.264m.

Summary:

Oil sales and production during the Quarter continued to be in line with expectations.

Unaudited revenue from oil sales (including VAT) for the Quarter amounted to ~\$US1.832m (~\$A2.817m) which was secured via prepayments from domestic oil traders.

Cash receipts for the Quarter were ~\$A2.883m. The variance between revenue recognised and cash receipts is due to the timing of the receipt of oil prepayments that are then amortised over one to two months of oil deliveries.

There were no sales of oil into the export market during the Quarter. The Company will continue to focus on using sales channels that achieve the best net revenues possible.

On 11 January 2024, the Company released an independent Reserves Update. The results showed a significant increase across the 1P, 2P and 3P reserve categories when compared to the last SPE/PRMS CPR released by Jupiter in 2013, thereby confirming the prospectivity of Jupiter's licence area.

If there are any questions regarding this Quarterly report, shareholders are welcome to contact the Company on +61 3 9863 9779.

Geoff Gander
Chairman/CEO

ENDS

Authorised by the Board of Jupiter Energy Limited

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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. The Company holds 100 per cent of the Block 31 permit, located in the oil-rich Mangistau Basin, close to the port city of Aktau.

The Company is operating two of its fields under a Full Commercial Licence and the third under a Preparatory Period Licence. Oil produced from the three fields can now be sold through a variety of sales channels, including both the domestic and export oil markets.

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.

Competent Persons Statement:

The information in this announcement is based on information compiled or reviewed by Mr Keith Martens, a Non-Executive Director of Jupiter Energy Limited. Mr Martens is a qualified oil and gas geologist/geophysicist with over 45 years of Australian, North American, and other international executive oil and gas experience in both onshore and offshore environments. He has extensive experience of oil and gas exploration, appraisal, strategy development and reserve/resource estimation. Mr Martens has a BSc. (Dual Major) in geology and geophysics from The University of British Columbia, Vancouver, Canada.

Keith Martens is qualified in accordance with ASX Listing Rule 5.41.
