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04 March 2022

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

AGREEMENT REACHED WITH NOTEHOLDERS ON A DEBT RESTRUCTURE PLAN

The Board of Jupiter Energy Limited (ASX: "JPR") is pleased to advise that the Company has reached agreement in terms of the parameters for a significant restructure of the existing debt held with all 4 of its Noteholders.

As detailed in the 31 December 2021 Quarterly (the **Quarterly**), released on 18 January 2022, the Company had total debt outstanding (principal + accrued interest) of approximately $US69.92m (~$A98.48m[1]) with all Notes due for repayment on 1 July 2024.

The breakdown of the $US69.92m is as follows:

Funding Arrangements	**US$**
2017 Funding Agreement (max $US5m + an additional commitment of up to $US11m)	7.21m
2016 Funding Agreement (max $US5m + overrun)	6.17m
Refinanced Series B Promissory Note	18.22m
Refinanced convertible notes	38.32m
	$US69.92

The 4 Noteholders under the above funding arrangements are:

1. Waterford Investment and Finance Limited
2. Midocean Holdings Limited
3. The Blackbird Trust
4. Ayman Asfari

As set out in the Quarterly, the Company's cash balance as at 31 December 2021 was $934,000 and with respect to short-term funding, as at 31 December 2021, the Company had drawn down $US7.21m under its 2017 Funding Agreement. Based on a total of

[1] Assuming an exchange rate of $A1=$US0.71

$US16m being available under the 2017 Funding Agreement, and the overrun of $US1.17m on the 2016 Funding Agreement, a net amount of $US7.62m is still available to further develop the Company's 100% owned Kazakh acreage.

The Board believe that the level of debt on the Jupiter Energy Balance Sheet is an impediment to accessing a wider range of funding and indicated in the Quarterly that it had opened dialogue with its 4 Noteholders about various ways to address the existing balance sheet debt.

The Company is pleased to advise that it has reached binding agreements with all four (4) Noteholders that will see the Noteholders accept the following terms in a Deed of Settlement:

- The Company to pay each Noteholder 20% of their total debt outstanding in cash at the settlement date
- The Noteholder to convert 30% of their total debt outstanding to new shares in the Company at the settlement date
- The Noteholder to write off the remaining principal and all accrued interest – equivalent to 50% of their total debt outstanding at the settlement date

In order for the Company to fund the contemplated debt payout, the Company intends to raise a minimum of $A35m via the issue of new shares (**Capital Raising**).

The issue price used to raise new equity will also be the price used to calculate the number of shares to be issued to the Noteholders to satisfy the debt for equity portion of the Deeds of Settlement.

The debt restructure is subject to the following conditions precedent:

- completion of the Capital Raising; and
- receipt of all relevant ASX and Kazakh regulatory approvals.

Shares issued to the Noteholders as part of the debt for equity conversion will be subject to voluntary escrow for the following periods:

- 25% of the shares will be escrowed for 6 months;
- 50% of the shares will be escrowed for 12 months; and
- 25% of the shares will be escrowed for 18 months.

In broad terms, the debt restructure, if successfully completed, would see Jupiter become debt free and with sufficient working capital to complete its plans to achieve 100% Gas Utilisation on its 3 oilfields during 2023 as well as fund a drilling campaign for the 2023 and 2024 calendar years.

The Company intends to finalise its Gas Utilisation Plan during March 2022. Underlying the Plan is a commitment to a clean energy footprint and the ability to sell excess power to approved 3rd parties. The Company will provide more detail on these future initiatives once the Gas Utilisation Plan has been finalised.

Post the successful implementation of the agreed debt restructure plan (the **Transaction**), a snapshot of the new capital structure and balance sheet of Jupiter would be as follows – assuming a capital raising at $A0.04 and the debt for equity conversion at this same price:

Shares on issue and to be issued as part of the Transaction	**Number of shares**	**Post the issue of shares – the % ownership held by current shareholders**
Shares currently on issue	153,377,693	100%
Shares issued to raise $A35m [2]	875,000,000	
Sub-total	**1,028,377,693**	**~14.91%**
Shares issued to convert $A30.4m of existing debt to equity[3]	760,000,000	

[2] Assumes no existing shareholders participate in the new raising of $A35m.

[3] Existing shareholder Waterford Finance and Investment (**WFI**) is also a Noteholder. WFI currently holds ~40.7m shares (~26.5% of the Company) and will be issued a further 500m shares to convert ~$A20m of its debt to equity. WFI will hold ~540.7m shares post completion of the Transaction – which equates to ~30.2% of the Company.

TOTAL Shares on issue post the Transaction[4]	**1,788,377,693**	**~36.5%**

Of the $A35m in new equity raised, ~$A20.4m will be paid out to the 4 Noteholders and the remaining ~$A50.7m of debt will be forgiven, leaving the Company debt free.

The remaining ~$A12.5m cash proceeds from the $A35m equity raising will be used to pay the costs of the raising and to fund the 2023/2024 field development plan.

The above debt restructure plan is dependent on the completion of the Capital Raising and the Company will now begin formal discussions with interested 3rd parties who wish to participate in the Capital Raising.

There will also be a range of approvals required from both shareholders and the Kazakh regulatory authorities and these will be progressed in parallel with discussions with potential new investors. The regulatory approval process in both Australia and Kazakhstan is expected to take up to 4-5 months and will include a General Meeting of Jupiter Energy shareholders to approve the issue of shares under Listing Rule 7.1 (both in terms of the new capital raising and the new shares that are the subject of the debt conversion) and Item 7 of Section 611 of the Corporations Act, if required. Shareholder approval will be required under Item 7 of Section 611 of the Corporations Act if, as a result of the issue of shares to a Noteholder, the Noteholder's voting power in the Company will increase from under 20% to over 20% or increase from a starting point that is above 20% and below 90%.

In relation to the Kazakh regulatory approval process – the Company has confirmed with its Kazakh legal advisors that, under the Kazakh Sub Surface User Code, permission will also need to be granted by the Kazakh Ministry of Energy for the Company to issue new shares as part of its planned equity raising and as well as for the Company to issue new shares to the 4 Noteholders to satisfy the debt for equity portion of their Deeds of Settlement.

It is anticipated that existing Jupiter Energy shareholders will also be given the opportunity to participate in any equity raising on the same terms as indicated above.

[4] This calculation is based on WFI holding ~540.7m shares post completion of the Transaction, meaning that all existing shareholders will hold a total of 653,377,693 shares in the new structure or 36.5% of the Company.

More details on the Capital Raising will be announced in due course.

The Board see this as an extremely positive step forward and thanks the 4 Noteholders for their support and agreement to the proposed debt restructure plan.

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

Geoff Gander
Chairman/CEO

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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.