

23 April 2019

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

OPERATIONS UPDATE

Jupiter Energy Limited (ASX: "JPR" and KASE: "AU_JPRL") provides the following Operations Update covering the drilling and testing of the J-57 well.

Background:

Well J-57 is located in the previously undrilled faulted block (Block IV) on the south-eastern extension of the Akkar East oilfield. It is the Company's ninth well on its overall contracted area that covers the Akkar North (East Block), the Akkar East and the West Zhetybai oilfields. (See Figure 1 at the conclusion of this announcement)

The main risk involved with the drilling of well J-57 was the presence of a 3D mapped fault between the oil producing Block III of the Akkar East field and the prospective Block IV, where well J-57 is located.

The reason for drilling well J-57 in the Block IV location was to attempt to prove up the probable reserves that formed part of the Preliminary Reserves Report of the Akkar East field, approved in 2012 by the Kazakh State Authorities, prior to the submission, by the Company, of the Akkar East Final Reserves Report.

An approved Final Reserves Report is a key requirement before the Company can move the Akkar East field to commercial production and be permitted to sell oil from the oilfield into the export market. Currently all oil produced from the Akkar East field is sold into the Kazakh domestic oil market.

Summary of Drilling and Test Results:

Well J-57 took a total of 61 days to drill and reached a total depth of 3120 m on December 5th, 2018; the primary target Mid Triassic was intersected at 2780m - some 7m lower than it was intersected at the closest production well (J-52). The target reservoir was 120m thick, which again was similar to that which was found when drilling the J-52 well. Hydrocarbon shows whilst drilling and subsequent open-hole logs indicated possible hydrocarbons in the Mid Triassic reservoirs (both T²A & T²B).

The completion and testing of J-57 took place during the 1st quarter of 2019 and included perforating the well underbalanced with tubing conveyed perforating guns, monitoring fluid levels and running pressure gauges. Acid treatment was then used to try and stimulate the saturated formation and facilitate the flow of oil into the wellbore. The resultant flow from the lower reservoir T²B was ~360 barrels per day of water and oil film. Analysis of the recovered water was tested and confirmed as formation water and it was concluded the whole reservoir T²B was water wet.

The most likely reason for this result is a fault sealing between Blocks III and IV on Akkar East field - and whilst there is a thick column of oil on the northwest Block III, the reservoir T²B southeast Block IV is wet.

This is the first clear indication of the existence of such a fault seal in oil reservoir T²B and whilst the occurrence of such a seal is not uncommon in oil fields, it does now identify a target T²B reservoir on the Akkar East field where hydrocarbons are likely not to be present.

The fluid flow after perforating from upper reservoir T²A was slow, but surface oil samples were taken. Visually oil from the T²A reservoir had more viscosity and density than oil taken from the T²B reservoir.

Well J-57 is still undergoing fluid monitoring and when this work is completed the well will be plugged and abandoned as per Kazakh regulatory requirements.

Go Forward Drilling Program:

Contracts with a local drilling operator have been agreed for the completion of a side track of well J-53 and for the drilling of a new well (J-60) on the West Zhetybai oilfield. The drilling of the J-60 well will be funded via a new \$US3m prepayment for oil produced from the J-58 and J-50 wells.

This drilling work is planned for the 2nd half of 2019. It is expected that oil from the J-53 and J-60 wells (assuming success in both cases) will contribute towards increased oil production and sales revenue. The Company will keep shareholders informed on progress with both the J-53 side track and the drilling of J-60.

If shareholders have any questions regarding this Operations Update they are welcome to contact the Company on +61 89 322 8222.

Geoff Gander
Chairman/CEO

ENDS

Competent Persons Statement:

Alexey Glebov, PhD, with over 33 years' oil & gas industry experience, is the qualified person who has reviewed and approved the technical information contained in this report. Alexey PhD's in technical science (1992) and geology science (2006), an Honors Degree in Geology and Geophysics (1984) from Novosibirsk State University and a Gold Medal (1985) from USSR Academy of Sciences. He is a member since 2001 of the European Association of Geoscientists & Engineers (EAGE #M2001-097) and was made an Honorary Oilman in 2011 by the Ministry of Energy of the Russian Federation. Alexey Glebov is qualified in accordance with ASX Listing Rule 5.41.

About the Company:

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

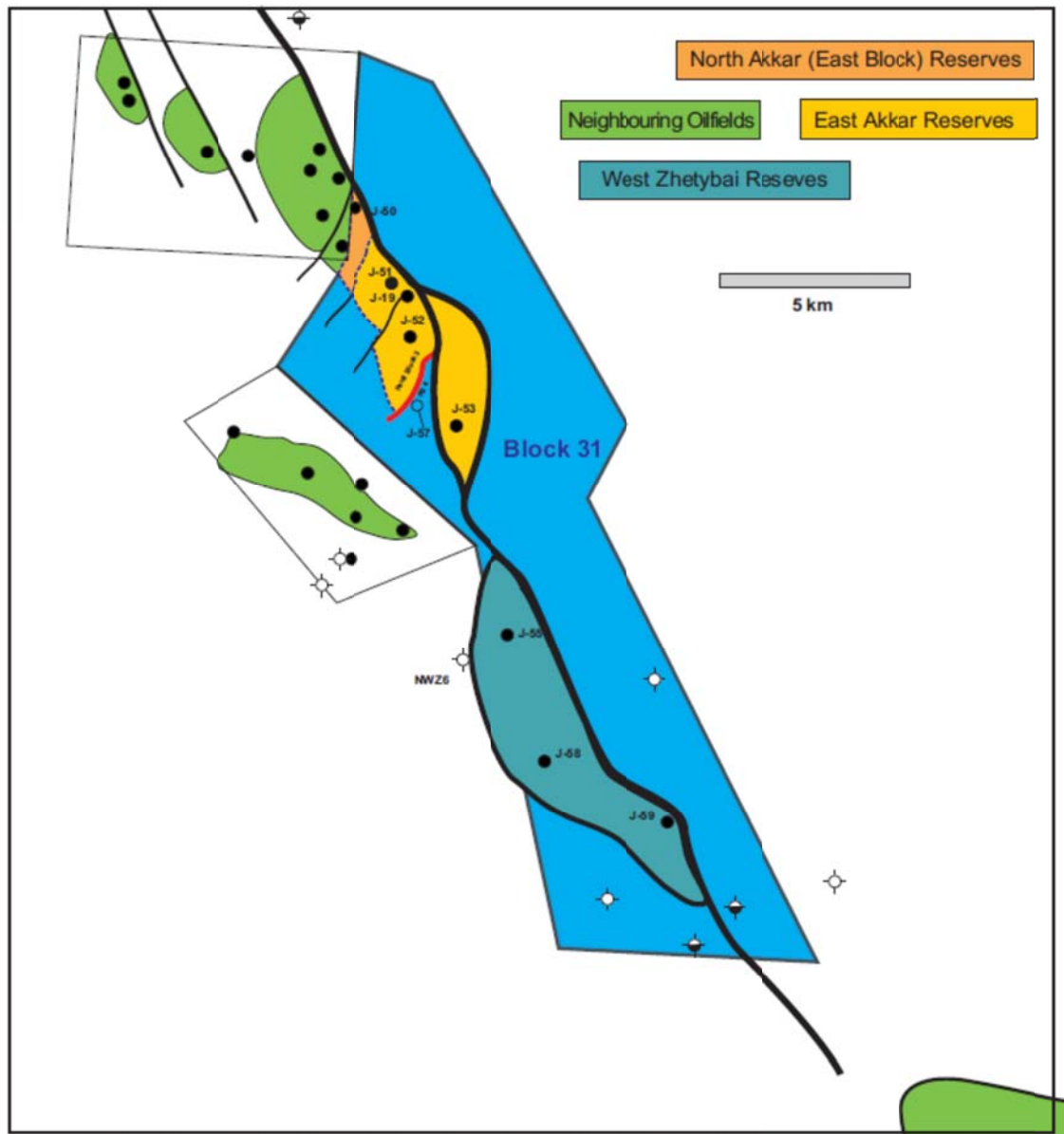


Figure 1: Jupiter Energy's overall contracted permit area