HALF YEAR FINANCIAL REPORT

31 DECEMBER 2014

CORPORATE DIRECTORY

Directors and Officers

Geoff Gander
Executive Chairman/CEO

Alastair Beardsall
Non-Executive Director

Baltabek Kuandykov
Non-Executive Director

Scott Mison
Executive Director/Company Secretary

Principal and Registered Office

Ground Floor
10 Outram Street
West Perth
Western Australia 6005

PO Box 1282
West Perth
Western Australia 6872

Telephone	+61 8 9322 8222
Facsimile	+61 8 9322 8244
Email	info@jupiterenergy.com
Website	www.jupiterenergy.com

Auditors

Ernst & Young
11 Mounts Bay Road
Perth, Western Australia 6000

Telephone	+61 8 9429 2222
Facsimile	+61 8 9429 2436

Bankers

National Australia Bank Limited
Perth Central Business Banking Centre
UB13.03, 100 St Georges Terrace
Perth WA 6000

Share Registry

Computershare Investor Services Pty Ltd
Level 2, 45 St George's Terrace
Perth, Western Australia 6000

Telephone	1300 557 010 (within Australia)
	+61 3 9415 4000 (outside Australia)
Facsimile	+61 8 9323 2033
Website	www.computershare.com

ASX, AIM and KASE Codes

Jupiter Energy Limited shares are listed on the Australian Securities Exchange under the code JPR, on the AIM Market of the London Stock Exchange under the code JPRL and on the Kazakh Stock Exchange under JPRL_AU.

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2014.

Directors

The names of directors who held office during or since the end of the half-year:

Name	Date of Appointment/Retirement
Mr Geoff Gander	Appointed Director 27 January 2005
Mr Alastair Beardsall	Appointed Director 5 October 2010
Mr Baltabek Kuandykov	Appointed Director 5 October 2010
Mr Scott Mison	Appointed Director 31 January 2011

The directors have been in office since the beginning of the period unless otherwise stated.

Operating Results

This review covers the 6 months from 1 July 2014 to 31 December 2014 and the "Subsequent Events" section includes any significant events that have occurred between 1 January 2015 and the release date of this report.

Total production for the period was 100,658 (2013: 112,000) barrels of oil. Revenue for the period was $3,606,362 (2013: $3,419,560).

The consolidated loss for the period after income tax was $5,468,890 (2013: $2,465,620).

At the end of December 2014, cash levels were $5,654,052 (2013: $2,197,490). Assets increased to $74,409,695 (June 2014: $59,218,198) and equity increased to $44,307,008 (June 2014: $39,830,138).

Review of Operations

The six month period to 31 December 2014 ("the Review Period") was one of some progress but a degree of continued frustration with the slow in country approval processes and restricted funding both impacting the further development of the Block 31 licence area.

Production Report/Status of Well Licences:

Production (J-50, J-51, J-52 and J-53 wells):

During the Review Period, oil was produced from the J-50, J-51 and J-52 wells under their respective Trial Production Licences (TPL's). These three wells are located on the northern section of the permit and are part of the North Akkar (East Block) (J-50) and the East Akkar (J-51 and J-52) oilfields.

Total oil sold from the J-50, J-51 and J-52 wells during the review period amounted to ~100,000 barrels, at an average price of ~$US34/barrel providing a cash inflow of $US3.42 million ($A 3.94m) that was used in funding general operations.

The J-53 well, which is also located on the Akkar East oilfield, was shut in for the entire Review Period, awaiting further remedial work before coming onto production. This work will be carried out when the appropriate funding and approvals are in place.

Extension of the Exploration Period under Contract 2275

During the Review Period, the Exploration Period was successfully extended until 29 December 2016. This extension means that the total Exploration Period under the licence will now be ten (10) years. During the Review Period, the Company also sought to extend the TPL's on the J-50, J-51, J-52 and J-53 wells.

Extension of Trial Production Licences – Akkar East oilfield (wells J-51, J-52 and J-53)

The Company was successful in being granted an extension to the TPL's on the Akkar East oilfield (J-51, J-52 and J-53 wells) and these extensions will now run until 29 December 2016, the end of the Exploration Licence period.

The Company also received its emission permits for the J-51, J-52 and J-53 wells for the 2015 calendar year meaning that the wells have all the required approvals to operate under trial production during 2015.

J-50 Trial Production Licence

The extension to the J-50 TPL was not approved by the authorities and as a result the well has been shut in since 29 December 2014.

The application is currently on hold as a result of the Kazakh Committee of Geology requesting resolution of the division of reserves associated with this well being finalised between the Company and its neighbour on the Akkar North structure.

The Company continues to work with the Ministry of Energy and the Committee of Geology on resolving this matter.

Shut in of Production

On 19 February 2015 the Company announced that as a result of the dramatic drop in the price of world oil, the sales price being achieved for domestic oil in Kazakhstan had fallen to levels that made oil production from Block 31 uneconomic.

Details of the impact of this shut down in production are contained in the "Subsequent Events" section at the end of this Operations Report.

Drilling Report:

Well 19

Well 19 is the Company's eighth well on Block 31. The well is located in an area of already existing C1 reserves, between the already existing J-51 and J-52 wells. The well spudded in December 2014 and further details on the results from the well are contained in the "Subsequent Events" section at the end of this Operations Report.

Oil Production and Revenues:

Production for the review period was approximately 100,000 barrels, a slight decrease of ~10% on the 112,000 barrels produced in the corresponding Review Period in 2013 and a 31% increase from production in 2012 when approximately 77,000 barrels of oil were produced during the same Review Period.

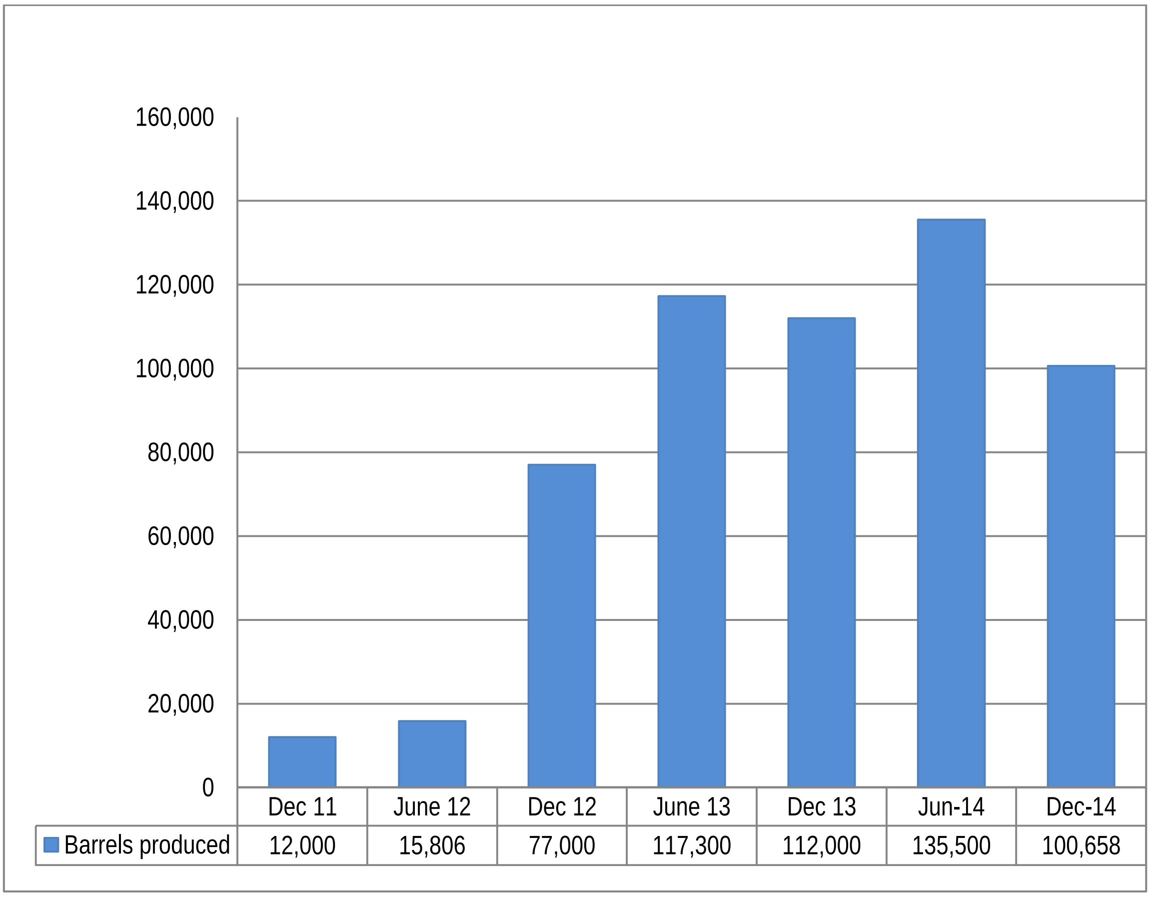

Fig 1: Barrels produced – 6 month periods

Revenues from oil sales in this Review Period amounted to $A3.6m ($US3.42m).

<u>West Zhetybai Reserves Report:</u>

On 4 July 2014 the Company announced that the Preliminary Reserves Report for the West Zhetybai field had been approved by the relevant Kazakh State Authorities.

The West Zhetybai accumulation covers the area delineated by the J-55, J-58 and J-59 wells and reserves were evaluated for the $T3^1$, $T3^2$, T^2A and T^2B reservoir horizons. The State approved quantity of Oil in Place (OIP) for this area has been estimated at ~173.5 mmbbls (from all horizons) with preliminary recoverable reserves (C1 + C2) estimated at ~27.0 mmbbls.

The approved C1 reserves have been estimated at ~4.0 mmbbls and C2 reserves at ~23.0 mmbbls with the recoverable reserves calculated from the OIP using individual recovery factors for each horizon. The weighted average recovery rate approved by the authorities was ~15.5%. The best recovery is expected from the T^2B horizon and when estimating C1 reserves in this horizon, a recovery factor of 21.8% was used. This rate was based on production data from nearby fields that have been producing for several years.

The proportion of approved C1 to C1+C2 reserves indicates the need for (i) further testing of the J-55 and J-59 wells and (ii) drilling of additional appraisal wells on the field. The Company currently plans, subject to receipt of additional funding, to drill at least two more wells on the area before submitting its Final Reserves Report for West Zhetybai. Completion of this work should see existing C2 reserves moved into the C1 category as well as the identification of further C1 and C2 reserves.

<u>Comment on the West Zhetybai Reserve Figures</u>

Almost all the decrease in the reserves approved for West Zhetybai results as compared to the initial reserves submitted to the authorities for approval in September 2013 result from the reduction in the C2 reserves from ~58.9 mmbbls to ~23.0 mmbbls.

The reduction in the C2 reserves was as a result of a number of factors:

- A weighted average recovery factor of ~15.5% used for calculating C2 reserves as compared to a 27.2% recovery factor used when the initial report was prepared in 2013. The 27.2% recovery rate was based on modelling carried out by local Kazakh institute Reservoir Evaluation Services LLC ("RES") and the production data obtained from Jupiter's operations since 2010.

- The authorities taking a view that there was insufficient test data from the J-55 well to demonstrate recoverable reserves from the area around this well.

- The need for further appraisal in-fill drilling between the existing J-55, J-58 and J-59 wells; the distance between each well is ~4km compared to a distance of ~2km between wells (as is the case on the Akkar East field) as generally expected by the authorities.

In addition, more recent Pressure Volume Temperature (PVT) analysis indicated a less favourable oil volume (shrinkage) factor that also resulted in a reduction in the reserves that were approved.

The key point to note is that the approval of the Preliminary Reserves Report for West Zhetybai enabled the TPL application process to begin and during the three year TPL phase further appraisal work on West Zhetybai will be carried out before a Final Reserves Report is prepared.

Status of West Zhetybai Wells

J-58 and J-59 are both currently suspended awaiting approval of their respective TPL's. After the TPL's are granted wells J-58 will be put on production from the T^2B horizon, and J-59 will be used to test the potential of the shallow Jurassic horizon before being completed for production from the T^2B horizon. This work will be subject to a recovery in the Kazakh domestic oil price (J-58) and the requisite funding being in place (J-59).

Further remedial work will be carried out on J-55 to determine if commercial production can be established and this work will require separate approvals from the relevant bodies.

Funding and Capital Management:

As at 31 December 2014, the Company had 153,377,693 listed shares trading under the ASX ticker "JPR", the AIM ticker "JPRL" and the KASE ticker "AU_JPRL".

The Company has no options, listed or unlisted, on issue.

The Company has on issue $US15.5m in Series B Convertible Notes made up of 12,400,000 Notes with a conversion price of $US1.25 per Note; interest on the Notes is accrued at 12% per annum and will become payable when the Notes are repaid or converted into shares. The Series B Convertible Notes were issued on 20 September 2013, have a three (3) year term and fall due for repayment (including accrued interest) on 20 September 2016 unless converted/repaid at an earlier date.

As announced on 17 November 2014, independent shareholders approved amendments to the terms of the Series B Convertible Notes at the 2014 AGM such that in the event of a capital raising at a price lower than $US1.25 per share, the Convertible Notes may be converted at this lower price.

On 7 October 2014 the Company announced it had received $US5m of funding from its largest shareholder, Waterford Petroleum Limited.

The funding was by way of a Promissory Note with the following key terms:

- Amount: $US5m.
- Repayable in full on 30 June 2015 or when the Company raises a minimum of $US20m (whichever is sooner). The raising may be via equity, debt or a combination of both.
- Amount repayable may be set off against payment for future equity investment.
- Coupon Rate: 12% with any interest being accrued to maturity and able to be offset against payment for future equity investment.

The funds were primarily raised to drill, complete and test Well 19.

As a 31 December 2014, a total of 8,075,000 unvested Performance Rights expired and there are now no Performance Rights on issue.

The Company is still reviewing its ongoing funding requirements for 2015-2016 and the directors are exploring a range of options for financing the further development of the East Akkar field during 2015 and beyond, to the stage where export oil sales are being achieved and further development of the field is self-funding; these options may include the further issue of new equity, reserve based debt, convertible debt or a combination of these and other funding instruments.

Once the appropriate funding has been secured, the further development of the Akkar East field, and in particular building of the topside infrastructure including a processing facility and gas separation plant, will be accelerated.

As at 28 February 2015, the Company had available cash reserves of A$3.1 million. In the short term, it is expected that any cost savings bought about through the shutting-in of production will be offset by the cost of restructuring the Company and accordingly the Company will need to raise additional capital during the first quarter of 2015. Progress is being made in terms of various sources of funding and the Company will provide a further update as soon as the funding has been finalised.

2014 Annual General Meeting:

The 2014 Annual General Meeting was held on Tuesday 11 November 2014 and all Resolutions were passed on a show of hands.

Amendments to Kazakh Sub Surface Laws:

On 29 December 2014 the Kazakh Government wrote into law a number of amendments to the Sub Surface laws that regulate the oil sector in Kazakhstan; these changes became effective on 9 January 2015.

In relation to the Company, the key change relates to the various Articles associated with the government's pre-emptive right when a Company is seeking to issue new shares to facilitate a capital raising. The approval process needed in order to raise capital has traditionally been time consuming and somewhat complicated. Changes to Article 12 of the Sub Surface law means that this pre-emptive right is now limited to what are deemed "strategic deposits" by the State. Block 31 is not on the list of "strategic deposits".

However it should be noted that the wording of Article 13 has not been amended and when read literally it can be construed to mean that any deposit is still subject to the traditional pre-emptive right. Inquiries are being made in relation to trying to clarify the wording of Article 13.

In addition, Article 36 remains in place and this means that permission to issue new shares must still be received from the Ministry of Energy before proceeding.

However, this is clearly a positive development and overall the application/approval process should be reduced in terms of complexity and time in future.

Subsequent Events:

Production from J-51 and J-52 Wells:

On 19 February 2015 the Company announced that as a result of the dramatic drop in the price of world oil, the sales price being achieved for domestic oil in Kazakhstan had fallen to levels that made oil production from Block 31 uneconomic.

As such, the Company has now ceased production from both of its producing Akkar East wells (J-51 and J-52) until the domestic oil price improves. The shutting in of production has meant that the Company has restructured its staffing requirements as well as contracts with several suppliers of services to the field. Post the restructure, overall monthly operating costs are expected to be reduced by ~40% providing an annual saving in running costs of over $US2 million.

The Company will continue to ensure it meets its obligations in terms of the testing of the various wells under the terms of their respective TPL's.

Drilling of Well 19:

On 25 February 2015, the Company announced that well 19 reached a total depth of 3,068m after 53 days of drilling; open hole was acquired and production casing was being run in preparation for a brief period of well testing.

Hydrocarbon shows while drilling, mud logging, and subsequent open hole wireline logs all indicated hydrocarbons in the Mid Triassic reservoir. The open hole logs indicated good levels of oil saturation and porosity, similar to that of the J-51 and J-52 wells which were also drilled on the same structure.

Analysis by local independent consulting firm Reservoir Evaluation Services LLC ("RES") confirmed some 99.4m Total Vertical Depth Sub Sea (TVDSS) of gross reservoir and approximately 84.6m (TVDSS) of net pay at the Middle Triassic T2B carbonate reservoir unit, the primary reservoir objective in the well.

In addition, analysis also confirmed an additional 15.4m (TVDSS) of gross reservoir and approximately 10.4m (TVDSS) of net pay at the Middle Triassic T2A carbonate reservoir unit.

A cut off of 3.8% porosity was used in the RES analysis.

The production casing has now been run and cemented in place, and preparations are underway for the Mid Triassic T2B to be perforated and a brief well test will then be completed to perform pressure transient analysis and evaluate the properties of the reservoir.

The well will then be shut in. Whilst the well is already approved for trial production, the well is being shut in with the remainder of the Akkar East wells until such time that domestic oil process make trial production operations economically viable.

It is expected that the completion and testing of Well 19 will be finalised by mid-April 2015. The timing of the drilling of any further wells remains dependent on when future funding becomes available.

There are no further "Subsequent Events" to report prior to the release of this report.

Summary:

The Company has endured a somewhat frustrating six month period with progress inhibited by a combination of numerous lengthy approval processes and restricted funding. The dramatic fall in world oil prices and the knock on effect this has had on domestic oil prices in Kazakhstan has also impacted the business and a decision was made in February 2015 to shut in production from all wells until domestic oil prices improve to an economic level. However the decision to shut-in non-commercial production will not alter the strategy to invest, subject to appropriate financing, to acquire land and explore for additional reserves and resources and negotiations regarding additional land extensions to the permit area are ongoing.

That said, since acquiring an exploration permit in 2008, independent reserve reports continue to confirm that that Jupiter has now discovered two sizeable oilfields with significant reserves and resources. In addition, oil production has moved from zero at the beginning of 2011 to over 230,000 barrels for calendar year 2014, with 2014 calendar year revenues reaching $A8.75 million ($US7.568m).

The goal of developing Jupiter Energy into a full cycle E&P company with a meaningful production profile and sizeable 2P reserves base remains the key objective for the Board and Management and the Company remains confident of continuing to make progress towards achieving this goal during 2015/16.

Competent Persons Statements:

General

Keith Martens, BSc Geology and Geophysics, with over 35 years' oil & gas industry experience, is the qualified person who has reviewed and approved the technical information contained in this report.

Independent Reserves Analysis - RES:

The information in this announcement which relates to the C1 and C2 Block 31 reserve estimations is based on information compiled by Reservoir Evaluation Services LLP ("RES"); a Kazakh based oil & gas consulting company that specialises in oil & gas reserve estimations. RES has used the Kazakh Reserve classification system in determining their estimations. RES has sufficient experience which is relevant to oil & gas reserve estimation and to the specific permit in Kazakhstan to qualify as competent to verify the information pertaining to the C1 and C2 reserve estimations. RES has given and not withdrawn its written consent to the inclusion of the C1 and C2 reserve estimations in the form and context in which they appear in this announcement. RES has no financial interest in the Company

Auditor's Independence Declaration

In accordance with section 307C of the Corporations Act 2001, the Directors have obtained a declaration of independence from Ernst & Young, the consolidated entity's auditors. The independence declaration is included at page 10 of the financial report.

Dated at Perth on 13 March 2015.

This report is signed in accordance with a resolution of the Board of Directors.

G A Gander
Executive Chairman/CEO

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Auditor's Independence Declaration to the Directors of Jupiter Energy Limited

In relation to our review of the financial report of Jupiter Energy Limited for the half year ended 31 December 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

R J Curtin
Partner
13 March 2015

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Independent auditor's report to the members of Jupiter Energy Limited

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Jupiter Energy Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001 . As the auditor of Jupiter Energy Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Jupiter Energy Limited is not in accordance with the Corporations Act 2001, including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Emphasis of matter

Without qualifying our conclusion, we draw attention to Note 2(a). The matters, as set forth in Note 2(a), indicate the existence of a material uncertainty that may cast significant doubt on the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Ernst & Young

R J Curtin
Partner
Perth
13 March 2015

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Jupiter Energy Limited, I state that:

In the opinion of the Directors:

a. The financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

   I. giving a true and fair view of the financial position of the consolidated entity as at 31 December 2014 and the performance for the half-year ended on that date, and

   II. complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

b. Subject to the matters disclosed at note 2, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

G A Gander
Executive Chairman/CEO

Signed at Perth 13 March 2015.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Note	Consolidated Entity 6 months to 31 Dec 2014 $A	 6 months to 31 Dec 2013 $A
Revenue		3,606,362	3,419,560
Cost of sales		(2,424,512)	(2,587,171)
Gross profit		1,181,850	832,389
Other income		-	(291,468)
Gain on derivative financial instrument		68,200	467,023
Loss on extinguishment of convertible notes		-	(295,194)
Foreign currency (loss)		(2,814,375)	-
General and administrative costs		(1,830,127)	(2,250,560)
Impairment		(743,311)	-
Operating loss		(4,137,763)	(1,537,810)
Finance income		12,919	11,366
Finance costs		(1,344,046)	(939,176)
Loss before tax		(5,468,890)	(2,465,620)
Income tax expense		-	-
Loss after income tax		(5,468,890)	(2,465,620)
Other comprehensive income			
Items that may be reclassified to profit and loss			
Foreign currency translation		9,877,584	1,284,500
Total comprehensive loss for the period		4,408,694	(1,181,120)
Loss per share attributable to ordinary equity holders of the parent (cents per share)			
Basic loss per share		(3.57)	(1.61)
Diluted loss per share		(3.57)	(1.61)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	31 Dec 2014 $A	30 June 2014 $A
ASSETS			
Current Assets			
Cash and cash equivalents	4	5,654,053	1,285,358
Trade and other receivables		289,138	1,296,631
Other current assets		750,636	268,880
Inventories		91,674	49,606
Total Current Assets		6,785,501	2,900,475
Non-Current Assets			
Trade and other receivables		3,587,549	2,522,291
Oil and gas properties	6	23,472,759	20,283,793
Plant and equipment		1,077,755	1,042,508
Exploration and evaluation expenditure	5	38,880,949	31,986,316
Other financial assets		605,184	482,815
Total Non-Current Assets		67,624,196	56,317,723
Total Assets		74,409,696	59,218,198
Current Liabilities			
Trade and other payables	7	2,273,762	1,030,222
Deferred revenue		208,798	844,773
Provisions		68,319	58,061
Other financial liabilities	8	6,312,767	-
Derivative liability	8	161,200	229,400
Total Current Liabilities		9,024,846	2,162,456
Non-current Liabilities			
Provisions		223,397	294,538
Other financial liabilities	8	20,854,445	16,931,066
Total Non-Current Liabilities		21,077,842	17,225,604
Total Liabilities		30,102,688	19,388,060
Net Assets		44,307,008	39,830,138
Equity			
Contributed equity	9	85,633,935	85,633,935
Share based payment reserve		5,764,014	5,695,838
Foreign currency translation reserve		(1,696,130)	(11,573,714)
Accumulated losses		(45,394,811)	(39,925,921)
Total Equity		44,307,008	39,830,138

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

CONSOLIDATED	Issued Capital	Share based payment reserve	Foreign currency translation reserve	Accumulated Losses	Total Equity
	$A	$A	$A	$A	$A
As at 1 July 2014	85,633,935	5,695,838	(11,573,714)	(39,925,921)	39,830,138
Loss for the period	-	-	-	(5,468,890)	(5,468,890)
Other comprehensive income	-	-	9,877,584	-	9,877,584
Total comprehensive income / (loss)	-	-	9,877,584	(5,468,890)	4,408,694
Share based payments	-	68,176	-	-	68,176
As at 31 December 2014	85,633,935	5,764,014	(1,696,130)	(45,394,811)	44,307,008
As at 1 July 2013	85,633,935	5,248,370	1,069,490	(37,378,650)	54,573,145
Loss for the period	-	-	-	(2,465,620)	(2,465,620)
Other comprehensive income	-	-	1,284,500	-	1,284,500
Total comprehensive income / (loss)	-	-	1,284,500	(2,465,620)	(1,181,120)
Share based payments	-	425,437	-	-	425,437
As at 31 December 2013	85,633,935	5,673,807	2,353,990	(39,844,270)	53,817,462

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Consolidated Entity	
	6 months to 31 December 2014 $A	6 months to 31 December 2013 $A
Cash flows from operating activities		
Receipts from customers	3,944,939	3,243,176
Payments to suppliers and employees	(3,466,825)	(2,362,771)
Interest received	12,529	11,510
Net cash from/provided by operating activities	490,643	891,915
Cash flows from investing activities		
Payments for exploration and development expenditure	(1,990,878)	(5,864,615)
Payments for plant and equipment	(349,858)	(206,423)
Net cash (used in) investing activities	(2,340,736)	(6,071,038)
Cash flows from financing activities		
Proceeds from convertible note	-	6,916,800
Proceeds from unsecured loan	5,693,150	-
Repayment of unsecured loan	-	(3,190,500)
Interest paid	-	(208,065)
Net cash provided by financing activities	5,693,150	3,518,235
Net increase/(decrease) in cash held	3,843,057	(1,660,888)
Cash at the beginning of the financial period	1,285,358	4,131,731
Foreign exchange gain/(loss)	525,637	(273,353)
Cash at the end of the financial period	5,654,052	2,197,490

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The half year financial report of Jupiter Energy Limited for the period 31 December 2014 was authorised for issue in accordance with a resolution of the Directors on 13 March 2015.

Jupiter Energy Limited is a company limited by shares that is incorporated and domiciled in Australia and whose shares are publicly listed and traded on Australian Securities Exchange, KASE, the Kazakh Stock Exchange, and the London's Alternative Investment Market. Jupiter Energy is a for profit entity.

The registered office is Ground Floor, 10 Outram Street, West Perth, Western Australia 6005.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Basis of preparation

This condensed financial report for the half-year ended 31 December 2014 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.*

All monetary values are reported in A$ unless otherwise stated.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2014 and considered together with any public announcements made by Jupiter Energy Limited during the half-year ended 31 December 2014 and in the subsequent period to the date of this report in accordance with the continuous disclosure obligations of the ASX listing rules.

Going Concern

The consolidated financial statements have been prepared on a going concern basis with the Directors of the opinion that the Group can meet its obligations as and when they fall due.

At 31 December 2014 the Group has a net current liability position of $2.2million (30 June 2014: current asset position of $0.70 million).

The Directors are currently reviewing a range of financing options which may include the further issue of new equity, reserve based debt, convertible debt or a combination of these and other funding instruments. While financing is expected to be finalised within the short term there is no certainty that financing will be completed as anticipated.

The Directors are confident of being able to raise the required capital, but note that financing has not been secured at the date of this report and that the recommencement of production is dependent on a recovery in the oil price Should the Group not achieve the matters set out above, there is uncertainty whether the Group would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include adjustments relating to the recoverability or classification of the recorded assets amounts nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(b) Accounting policies

The accounting policies adopted in the preparation of the half year financial report are consistent with those followed in the preparation of the Group's financial statements for the year ended 30 June 2014. All new and amended accounting standards and interpretations effective 1 July 2014 have been adopted by the Group. The adoption of new standards and amendments from 1 July 2014 has not had a significant impact on the accounting policies of the Group.

The Group has not elected to early adopt any new standards or amendments that are issued but not yet effective.

3. SEGMENT REPORTING

The Consolidated Entity is exploring for oil and gas in Kazakhstan. Each activity has been aggregated as they have similar economic characteristics and are being conducted in one area of interest. The operations of the Consolidated Entity therefore present one operating segment under AASB 8 Operating Segments.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the half year financial report.

4. CASH AND CASH EQUIVALENTS

	Consolidated Entity	
	31 Dec 2014 $A	31 Dec 2013 $A
For the purpose of the half year cash flow statement, cash and cash equivalents are comprised of the following:		
Cash at bank and in hand	5,654,052	2,197,490
	5,654,052	2,197,490

5. MINERAL EXPLORATION EXPENDITURE

	Consolidated Entity	
	31 Dec 2014 $A	30 June 2014 $A
Exploration expenditure carried forward in respect of areas of interest in:		
Exploration and evaluation expenditure at cost	38,880,949	31,986,316
Movements during the period		
Balance at beginning of period	31,986,316	34,710,757
Expenditure incurred during the period	1,990,878	3,954,596
Impairment	(743,311)	-
Foreign exchange translation	5,647,066	(6,679,037)
Balance at end of period	38,880,949	31,986,316

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. OIL AND GAS PROPERTIES

	Consolidated Entity	
	31 Dec 2014 $A	30 June 2014 $A
Movements during the period		
Balance at beginning of period - 1 July	21,749,075	26,599,737
Net exchange differences	3,512,728	(4,850,662)
Balance at end of period	25,261,803	21,749,075
Depletion and impairment at beginning of period	(1,465,282)	(690,760)
Charge for the period / year	(323,762)	(774,522)
Depletion and impairment at end of period	(1,789,044)	(1,465,282)
Net book value at end of period	23,472,759	20,283,793

7. OTHER PAYABLES

Trade creditors	1,284,806	474,226
Accrued expenses	208,735	73,417
Other payables	780,220	482,579
	2,273,761	1,030,222

8. OTHER FINANCIAL LIABILITIES

Current		
Unsecured loans	6,312,767	-
Derivative liability	161,200	229,400
	6,473,967	229,400
Non-Current		
Convertible note	20,854,445	16,931,066
	20,854,445	16,931,066

Promissory Notes

On 3 October 2014, Jupiter entered into an unsecured loan agreement with Waterford Petroleum Ltd. The Loan was for $US5 million via a Promissory Note. The Loan is repayable on 30 June 2015 or at such time that the Company raised additional funding of a minimum of $20 million via debt, equity or other funding. Interest shall accrue on the Principal Sum at 12% p.a. (twelve per cent per annum) and shall be added to the Outstanding Amount.

US$15.5m Convertible Notes (Series B):

The key terms of the Convertible Notes are as follows:

- Term: 3 years
- Conversion Price: $US1.25 per share or the price that the next equity raising is completed at (whichever is the lower)
- Coupon Rate: 12% per annum, payable quarterly in arrears
- The issue of the Convertible Notes was carried out under Jupiter's 15% capacity in accordance with ASX Listing Rule 7.1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Valuation Techniques of Convertible Notes

The Convertible Notes (“the Notes”) have an embedded derivative in the form of a call option for the holder to convert the Notes at US$1.25 into Jupiter ordinary shares.

The convertible equity feature of the Notes has been separated from the liability component of the Notes for financial reporting purposes. The call option to convert the notes into shares does not meet the definition of an equity instrument, as the exercise price is denominated in foreign currency to the company’s functional currency. The convertible call option is classified as a Derivative liability and measured at fair value through the income statement.

The Derivative component of the Notes was valued using the Black Scholes option valuation methodology. The Black Scholes option valuation methodology calculates the expected benefit from acquiring the shares outright less the present value of paying the exercise price for the options at expected exercise date. An input into the Black Scholes option valuation is the expected share price volatility over the remaining term of the options. The expected share price volatility used in the option valuation at reporting date was 55% which was based on historical share price volatility.

The fair value of the embedded derivative is sensitive to changes in share price volatility. The table below outlines the impact a change in the share price volatility input has on the fair value of the embedded derivative.

	31 Dec 2014 $	30 June 2014 $
15% increase in volatility	185,380	263,810
15 % decrease in volatility	(140,174)	(194,990)

Fair value hierarchy

All financial instruments, such as the Series B convertible notes, for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities
Level 2 — Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable)
Level 3 — Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable)

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

As at 31 December 2014, the Group held the following classes of financial instruments measured at fair value:

	Level 3 $	31 December 2014 $	Level 3 $	30 June 2014 $
Derivative financial liabilities				
Embedded derivative	161,200	161,200	229,400	229,400

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

There were no transfers between Level 1, Level 2 or Level 3 fair value measurements during the half year ended 31 December 2014.

Reconciliation of recurring fair value measurements categorised within level 3 of the fair value hierarchy

	31 Dec 2014 $	30 June 2014 $
Opening balance	(229,400)	-
Fair Value at inception	-	(839,480)
Net unrealised gain recognised in income statement during the period*	68,200	610,080
Closing balance	(161,200)	(229,400)

9. CONTRIBUTED EQUITY

	31 Dec 2014 $A	30 June 2014 $A
Issued Capital		
Ordinary shares (a)	85,339,737	85,339,737
Options (b)	294,198	294,198
	85,633,935	85,633,935

(a) Movements in ordinary share capital

	No.	$A
Balance 30 June 2013	153,377,693	85,339,737
Movement during the period	-	-
Balance 31 December 2013	153,377,693	85,339,737
Balance 30 June 2014	153,377,693	85,339,737
Movement during the period	-	-
Balance 31 December 2014	153,377,693	85,339,737

(b) Movements in options

	No.	$A
Balance 30 June 2013	-	294,198
Movement during the period	-	-
Balance 31 December 2013	-	294,198
Balance 30 June 2014	-	294,198
Movement during the period	-	-
Balance 31 December 2014	-	294,198

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. SHARE BASED PAYMENTS

During the current period, no new performance rights were issued and 8,075,000 performance rights expired on 31 December 2014.

11. CONTINGENT LIABILITIES

There has been no significant change in contingent liabilities since the last annual reporting date.

12. EVENTS SUBSEQUENT TO REPORTING DATE

Production from J-51 and J-52 Wells:

On 19 February 2015 the Company announced that as a result of the dramatic drop in the price of world oil, the sales price being achieved for domestic oil in Kazakhstan had fallen to levels that made oil production from Block 31 uneconomic.

As such, the Company has now ceased production from both of its producing Akkar East wells (J-51 and J-52) until the domestic oil price improves. The shutting in of production has meant that the Company has restructured its staffing requirements as well as contracts with several suppliers of services to the field. Post the restructure, overall monthly operating costs are expected to be reduced by ~40% providing an annual saving in running costs of over $US2 million.

The Company will continue to ensure it meets its obligations in terms of the testing of the various wells under the terms of their respective TPL's.

Drilling of Well 19:

On 25 February 2015, the Company announced that well 19 reached a total depth of 3,068m after 53 days of drilling; open hole were acquired and production casing was being run in preparation for a brief period of well testing.

Hydrocarbon shows while drilling, mud logging, and subsequent open hole wireline logs all indicated hydrocarbons in the Mid Triassic reservoir. The open hole logs indicated good levels of oil saturation and porosity, similar to that of the J-51 and J-52 wells which were also drilled on the same structure.

Analysis by local independent consulting firm Reservoir Evaluation Services LLC ("RES) confirmed some 99.4m Total Vertical Depth Sub Sea (TVDSS) of gross reservoir and approximately 84.6m (TVDSS) of net pay at the Middle Triassic T2B carbonate reservoir unit, the primary reservoir objective in the well.

In addition, analysis also confirmed an additional 15.4m (TVDSS) of gross reservoir and approximately 10.4m (TVDSS) of net pay at the Middle Triassic T2A carbonate reservoir unit.

A cut off of 3.8% porosity was used in the RES analysis.

The production casing has now been run and cemented in place, and preparations are underway for the Mid Triassic T2B to be perforated and a brief well test will then be completed to perform pressure transient analysis and evaluate the properties of the reservoir.

The well will then be shut in. Whilst the well is already approved for trial production, the well is being shut in with the remainder of the Akkar East wells until such time that domestic oil process make trial production operations economically viable.

It is expected that the completion and testing of Well 19 will be finalised by mid-April 2015. The timing of the drilling of any further wells remains dependent on when future funding becomes available.

There are no further "Subsequent Events" to report prior to the release of this report.