

3 June 2016

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

FUNDING UPDATE

KEY POINTS:

- **5 existing Convertible Notes with a nominal value of \$US15.5m plus accrued interest as at 31 May 2016 of \$US5,345,753 (total \$US20,845,753) rolled into 4 new Promissory Notes with a repayment date of 1 July 2018.**
- **1 existing Promissory Note with a face value of \$US8,633,333 plus accrued interest as at 31 May 2016 of \$US1,247,845 (total \$US9,911,178) rolled into a new Promissory Note with repayment date of 1 July 2018.**
- **Total Company debt outstanding as of 1 June 2016 comprised 5 new Promissory Notes with a value of \$US30,756,931.**
- **New \$US5m Framework Funding Agreement, by way of a new Promissory Note, effective from 24 May 2016 with a repayment date of 1 July 2018.**
- **Based on a Care & Maintenance budget, new funding agreement provides working capital through to at least 30 June 2017.**
- **Company continues to work on various options to provide long term funding for the continued development of Block 31.**

Jupiter Energy Limited (ASX: "JPR", AIM: "JPRL" and KASE: "AU_JPRL") is pleased to advise that it has reached agreement with its Convertible Note holders to rollover the 12,400,000 Convertible Notes with a total value of ~\$US20.8m (including accrued interest) into Promissory Notes with a repayment date of 1 July 2018.

The key terms for the new Promissory Notes are:

- Unsecured
- Effective 31 May 2016
- Repayable on 1 July 2018
- Interest rate of 15% pa

- Interest will accrue and be repayable with the principal
- Lenders can elect to be repaid if there is a change of control in Jupiter Energy Limited or Jupiter Energy Pte Ltd or there is a change in control of the ownership of the Block 31 Licence

The current Convertible Notes and all accrued interest were due for repayment on 20 September 2016.

The Company is also pleased to advise that major shareholder Waterford Petroleum Limited ("Waterford") has agreed to rollover its current Promissory Note (as originally announced on 7 October 2014 and subsequently amended on 30 April 2015) that, as at 31 May 2016, amounted to \$US8,633,333 in principal with accrued interest of \$US1,247,845 (total \$US9,911,178) into a new Promissory Note with the following key terms:

- Unsecured
- Effective 31 May 2016
- Repayable on 1 July 2018
- Interest rate of 15% pa
- Interest will accrue and be repayable with principal
- Lender can elect to be repaid if there is a change of control in Jupiter Energy Limited or Jupiter Energy Pte Ltd or there is a change in control in contract 2275 covering the Block 31 Licence

The current Promissory Note and all accrued interest was due for repayment on 1 July 2016.

Finally, the Company is also pleased to advise the Waterford has agree to put in place a new Framework Funding Agreement that makes up to a further \$US5m (including accrued interest) available to the Company by way of a new \$US5m Promissory Note. This takes the total facility available under the existing and the new Framework Funding Agreement to \$US15m (including accrued interest) of which a further \$US5,088,822 can be drawn down on (including accrued interest). This is in order to fund the Company's operations whilst it continues to finalise long term funding arrangements for the development of its Block 31 licence area in Kazakhstan.

The funding arrangement will be the same as the current one, namely that the Company will request monthly drawdowns against the \$US5m amount and the drawdowns will be based on an agreed Care & Maintenance budget.

Based on the current budgeted cashflow requirements, this new funding arrangement will provide the Company with sufficient working capital until at least the end of the 2016/17 financial year (i.e. 30 June 2017).

The key terms of the new Framework Agreement with Waterford are:

- Effective 24 May 2016
- Drawdowns will roll into a Promissory Note
- Promissory Note is repayable on 1 July 2018
- Interest rate of 15% pa
- Interest will accrue and be repayable with principal
- Lender can elect to be repaid if there is a change of control in Jupiter Energy Limited or Jupiter Energy Pte Ltd or there is a change in control in contract 2275 covering the Block 31 Licence

Capital Structure and Finances:

The Company has 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 or Performance Shares, listed or unlisted, in issue.

As at 1 June 2016, the Company had a total of five (5) Promissory Notes with the following holders:

- Waterford Petroleum Limited: \$US8,786,904 *
- Waterford Petroleum Limited: \$US9,911,178 **
- Mobile Energy Limited: \$US9,375,014
- Midocean Holdings Limited: \$US2,022,082
- Other Private Investors: \$US661,753

* The Convertible Note held by Pebblestone Holdings Limited signed on 31 May 2013 (value as at 31 May 2016, including accrued interest: \$US2,720,658) has been assigned to Waterford Petroleum Limited and is included in this value along with Waterford Petroleum Limited's original Convertible Notes (plus accrued interest) which have been rolled over into Promissory Notes.

** The Company can issue a further \$US0.1m under this Promissory Note, including accrued interest.

Total Company debt outstanding on 1 June 2016 comprised 5 new Promissory Notes with a value of \$US30,756,931. As at 1 June 2016, under the new and existing Framework Funding Agreement (totalling \$US15m), the Company can draw down a further \$US5,088,822, including accrued interest. Upon the Company drawing down under the new Framework Funding Agreement, a new Promissory note will be issued to Waterford Petroleum Limited, up to the value of \$US5m, including accrued interest.

Related Party Transaction:

In light of the quantum of the shareholding of Waterford Petroleum Limited (29.5%) in Jupiter, Waterford Petroleum Limited is deemed to be a related party for the purposes of AIM Rule 13. The rollover of Waterford Petroleum Limited's current Promissory Note to a new Promissory Note and the Company entering into a new

Framework Funding Agreement with Waterford Petroleum Limited that makes a further \$US5m (including accrued interest) available for drawdown by the Company (subject to certain conditions) are both related party transactions pursuant to the AIM Rules (the "Related Party Transactions").

The Directors of Jupiter consider, having consulted with finnCap, the Company's Nominated Adviser, that the terms of the Related Party Transactions are fair and reasonable insofar as Jupiter's shareholders are concerned.

Summary:

The Company is pleased to have executed these new agreements with its debt holders and continues to work towards resolving its longer term funding requirements.

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

Geoff Gander
Chairman/CEO

ENDS

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About the Company:

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