

23 November 2009

## **Block 31 potential reserves upgraded by 50% from 28 mmbbls to ~ 42 mmbbls.**

### **Highlights:**

- **Access to more detailed well information has enabled JPR to increase potential reserves on Block 31 from 28 mmbbls to 42 mmbbls.**
- **Corporate Update presentations to brokers and shareholders to take place over the next week.**
- **Turnkey drilling contract for SV Akkar well awarded to Astra Star Drilling LLP.**
- **SV Akkar to spud in 3 weeks.**

The Board of Jupiter Energy Limited (ASX: JPR) is pleased to provide shareholders with a copy of the presentation that will be made to brokers and investors on the east and west coast over the next week.

The main highlight of the presentation is the **upgrading of potential reserves on the existing Block 31 permit from 28 mmbbls to 42 mmbbls - an increase of 50%**. The increase has been as a result of the improved and increased data that JPR's technical consultant Keith Martens was able to get access to during his recent trip to Kazakhstan.

Initial thoughts were that there were two distinct structures in the Triassic A & B zones on the permit - namely the SV Akkar target (6 mmbbls) and the Updip NWZ 2 target (9 mmbbls).

Keith has now reconsidered this view after having being given access to more data on the surrounding fields and has now concluded that there is in fact one structure that covers both these areas and the area in between, meaning that his new estimate of potential reserves for the Triassic A & B zones is 20 mmbbls - an overall increase of 5 mmbbls.

In addition, Keith estimates that the Jurassic XIII structure contains potential recoverable reserves of 20 mmbbls, up from his original estimate of 11 mmbbls: an increase of 9 mmbbls.

The total increase in both these zones is 14 mmbbls, thereby increasing the overall prospectivity of Block 31 from 28 mmbbls to 42 mmbbls.

### **SV Akkar Well:**

The turnkey drilling rig and services tender process for the SV Akkar well has been completed and the contract awarded to the Aktau based Astra Star Drilling LLC. Astra Star's response was comprehensive in nature and offered JPR a competitive price, a rig that was fit for purpose and equipment and personnel that were available in the timeframe required.

It is expected that mobilisation of the rig will start shortly and that the well will spud in approximately 3 weeks. It is expected to take approximately 1 month to complete the drilling component of the operation with another 3 weeks required to complete the well, including some limited production testing.

As previously announced, it is then planned to put both the SV Akkar and NWZ 2 wells on extended production testing and work towards the granting of trial production licences for both wells. The expectation is to complete this process by June 2010.

### **Broker Roadshow**

The Company will be making presentations to brokers and investors on the east and west coast over this week and will also hold its Annual General Meeting (AGM) in Perth on Wednesday November 25.

JPR Director Erkin Svanbayev will be in Australia for this period and will accompany Geoff Gander and David Thorpe on the roadshow and will also be present at the AGM.

A Board Room Radio interview will be conducted during the week and will involve Geoff Gander, David Thorpe and Keith Martens. Details of the link to the interview will be released by the Company once it is available.

### **Summary:**

The Company is delighted that the potential of the Block 31 permit continues to improve and looks forward to the successful SV Akkar drilling campaign reaffirming the potential of the permit and the Mangistau region as a whole.

Any questions relating to this announcement can be directed to the Company on 08 9322 8222.

**ENDS**

*The information in this document that relates to oil exploration results and reserves is based on information compiled by Mr. Keith Martens who is a Director of Martens Petroleum Consulting Pty Ltd. Mr. Keith Martens has sufficient experience which is relevant to oil exploration and to the specific activity in Kazakhstan to qualify as competent to verify statements relating to potential reserves . Mr. Keith Martens consents to the inclusion of the estimated reserves and production outlook in the form and context in which they appear in this announcement.*



## JPR Corporate Presentation: November 2009 Roadshow

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23-27 November 2009 | [www.jupiterenergy.com.au](http://www.jupiterenergy.com.au)

This presentation contains forward looking statements that are subject to risk factors associated with the oil and gas industry. It is believed that the exceptions reflected in these statements are reasonable, but they may be effected by a variety of variables which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, commercialisation, development process, operating results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial markets conditions in various countries, approvals and cost estimates.

All references to dollars, cents or \$ in the document are Australian currency, unless otherwise stated.



## Kazakhstan



## Corporate Overview

- Jupiter Energy Limited is a listed company trading on the Australian Stock Exchange (ASX) under the ticker “JPR”.
- JPR began reviewing oilfield development opportunities in Kazakhstan in early 2007.
- JPR has since then reviewed a range of acquisitions from exploration permits through to producing oil fields.
- In 2008 JPR purchased an exploration permit located in the oil rich Mangistau Basin, strategically located in close proximity to existing oilfields and transportation infrastructure.
  
- 736m shares on issue (JPR) and 300m listed options (JPROA)
- JPR currently trading at ~ \$0.07 (market cap: c. \$A50m) and JPROA trading at ~ \$0.02
- Listed options have a strike price of \$0.08 and expire on 30 June 2010
- Funds from options: \$A24m (assuming 100% are exercised)

Local Kazakh Representation

# Executive Director

**Erkin Svanbayev**



- Based in Almaty, Kazakhstan
- Experienced oil trader
- Responsible for managing all interaction with Kazakh Government and Industry officials



## JPR Executives

# Technical Leadership

## David Thorpe



- M. Eng. Sc. and PhD
- Operations Manager
- Extensive Operations background
- Drilling Engineer at BHP Petroleum, Woodside and Shell Todd Oil Services (STOS).
- Responsible for all of JPR's drilling activities

## JPR Executives

# Technical Leadership

## Keith Martens



- B.Sc. in Geophysics / Geology
- 30 years experience in onshore oilfield discovery and remediation
- Exploration manager at SANTOS, Tap Oil and Bow Energy.
- Has reviewed 100+ opportunities in Kazakhstan
- Responsible for all JPR exploration activities and the 3D seismic program

## JPR Australian Board Members

# Executive Chairman

## Geoff Gander

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- Manages interaction with finance community
- Responsible for day to day business operations



# Non Executive Director

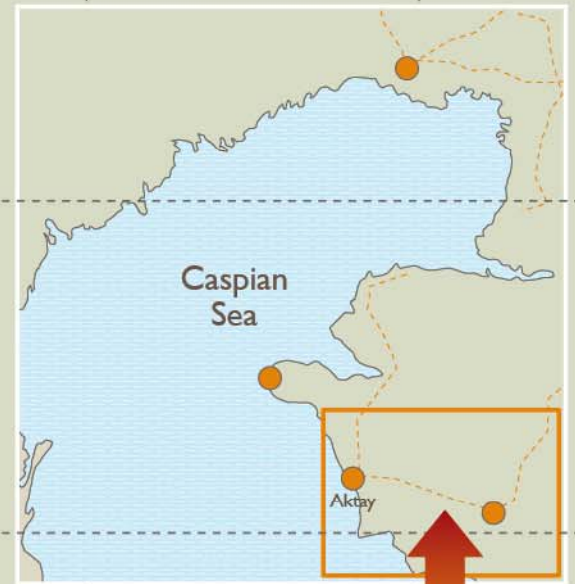
## Andrew Childs

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
- Geologist by background
- Involved in a number of listed oil companies



# Block 3 I



~6 Billion barrels

-  Main oil fields
-  Oil Pipelines
-  Gas Pipelines
-  Railroad

0  14km



## Block 31 Overview

- Initial permit acquired by JPR in June 2008.
- Size was approximately 100 square kms and located in the Zhetybai-Uzen step of the Mangistau Basin, close to infrastructure and the port city of Aktau.
- Permit has a 10 year exploration licence (6 years with 2 \* 2 year extensions). Licence commenced in 2007.
- Extension to Block 31 was approved by the Kazakh Government in October 2008. Extension enlarged the permit by an additional 27 square kms and was granted on the same terms as the original permit.
- A 3D seismic program commenced in November 2008 and final processing and interpretation was completed in April 2009.
- The results of the 3D survey identified a range of targets on the permit and has also enabled JPR to determine what areas were not prospective. Planned relinquishment will mean final size of permit is 65 square kms.
- JPR has recently completed the re entry of an existing well located on the permit and expects to put that well on production test during 1Q 2010.
- A turnkey drilling contractor for the drilling of a new well has been chosen and the planned spud date is mid December 2009.

## Re entry of the NWZ 2 well

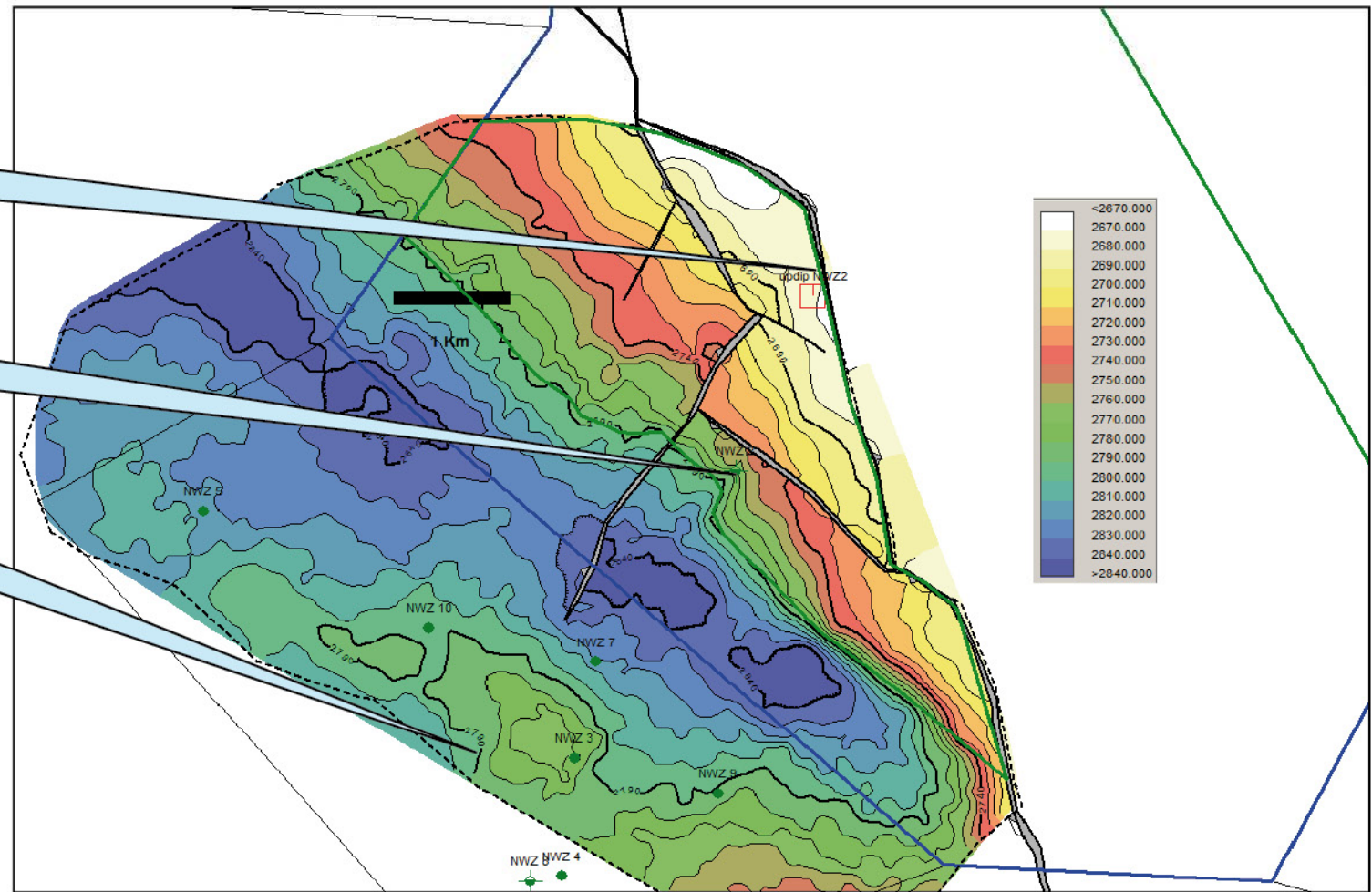
- Block 31 had a 1969 well (NWZ #2) that showed an oil discovery. The NWZ 2 well had shows throughout the Jurassic/Triassic and flowed oil from a 30m sand just about the Jurassic/Triassic UC (Jurassic XIII).
- Well has been successfully re-entered and re-perforated over the interval 2916m to 2950m. Oil samples were successfully recovered from the well and reservoir performance indications were positive. Well performance has not yet been fully appraised because of the current winter weather conditions and surface equipment restrictions on site.
- Initial production flow results suggest that the well on full production will produce 400-500 bopd
- Well has been suspended and will be placed on production testing in 1Q 2010 for a maximum of 3 months pending granting of a trial production licence from the Kazakh authorities.

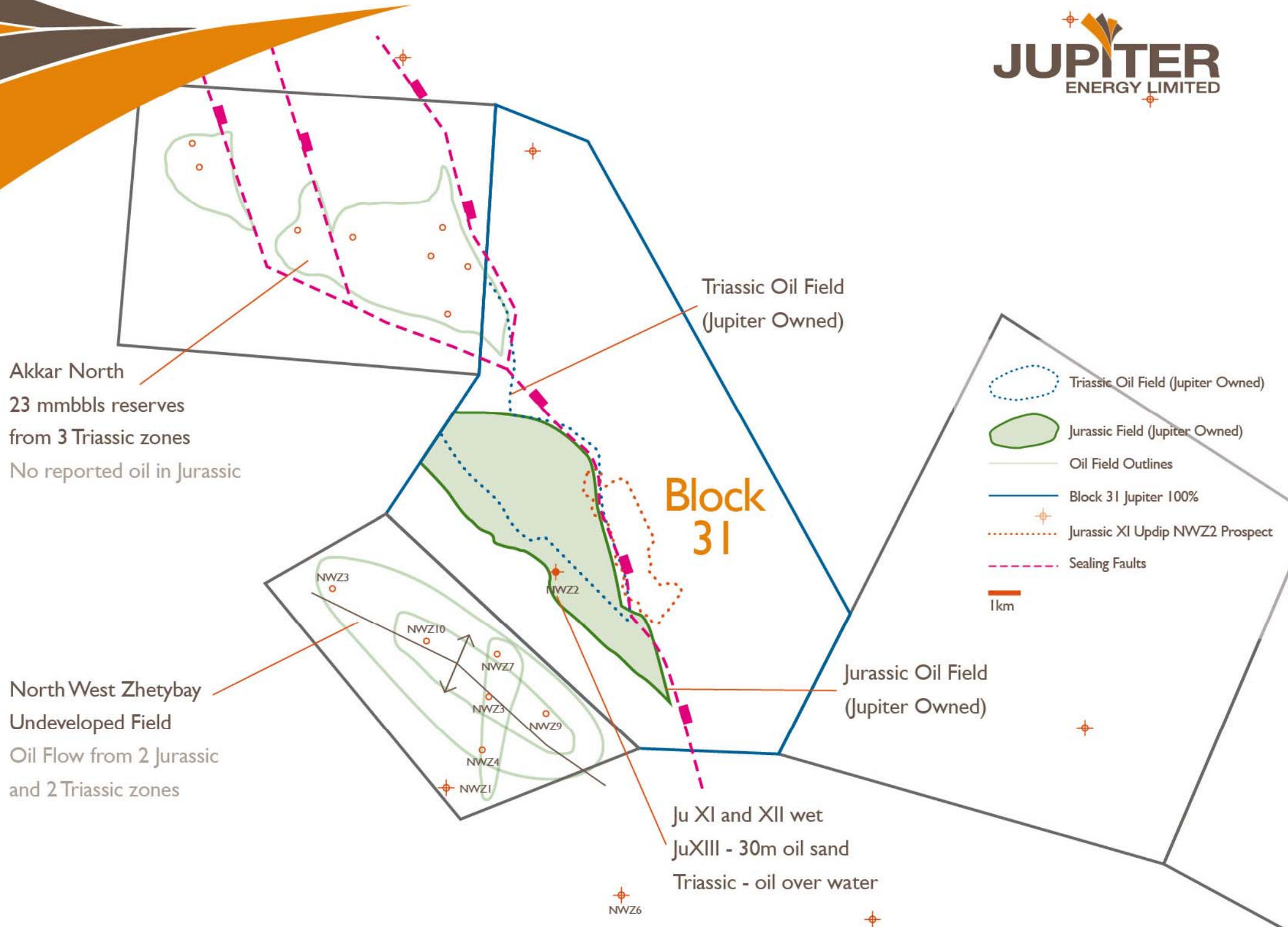
## Ju-XIII Depth Structure

Total prospect of 1129h  
With a potential of 20 mmbls

NWZ#2 – 30m of oil on rock  
Retested in 2009 ~400 bopd on pump

NWZ Oil Field – Ju-XIII oil saturation in 4 wells





Akkar North  
 23 mmbbls reserves  
 from 3 Triassic zones  
 No reported oil in Jurassic

Triassic Oil Field  
 (Jupiter Owned)

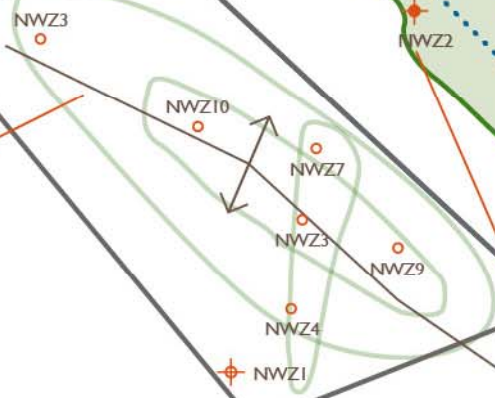
# Block 31

- Triassic Oil Field (Jupiter Owned)
- Jurassic Field (Jupiter Owned)
- Oil Field Outlines
- Block 31 Jupiter 100%
- Jurassic XI Updip NWZ2 Prospect
- Sealing Faults
- 1km

North West Zhetybay  
 Undeveloped Field  
 Oil Flow from 2 Jurassic  
 and 2 Triassic zones

Jurassic Oil Field  
 (Jupiter Owned)

Ju XI and XII wet  
 JuXIII - 30m oil sand  
 Triassic - oil over water



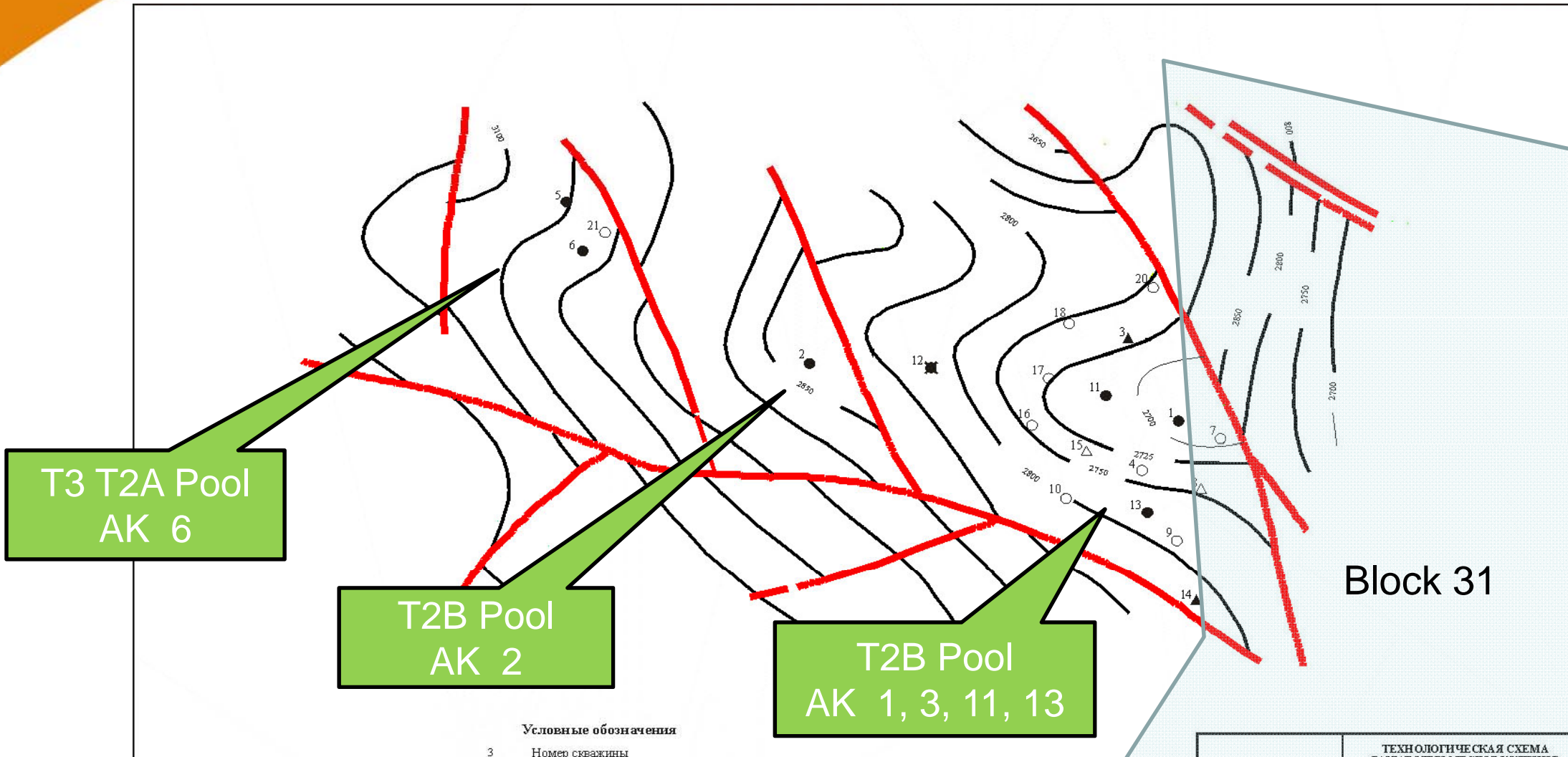
NWZ6



## Next drilling program – SV Akkar well

- Block 31 had 2 parts with the 3D seismic recently shot providing 95 square kms of full fold coverage over the western part (Part 1). No 3D was shot over the eastern part (Part 2). This area will be rrelinquished.
- The 3D survey forms the main data used for prospect identification and the quantifications contained in this presentation.
- The Akkar North oilfield that borders Block 31 is currently producing oil from the Triassic. Its official reserves are 23 mmbbls.
- 3D indicates a clear structure that lies within both Akkar N and Block 31 and this will be the target of a new well to be drilled by JPR during December 2009/January 2010
- Well to be called **Severo-Vostochnyi Akkar** (North East Akkar) – hereafter SV Akkar

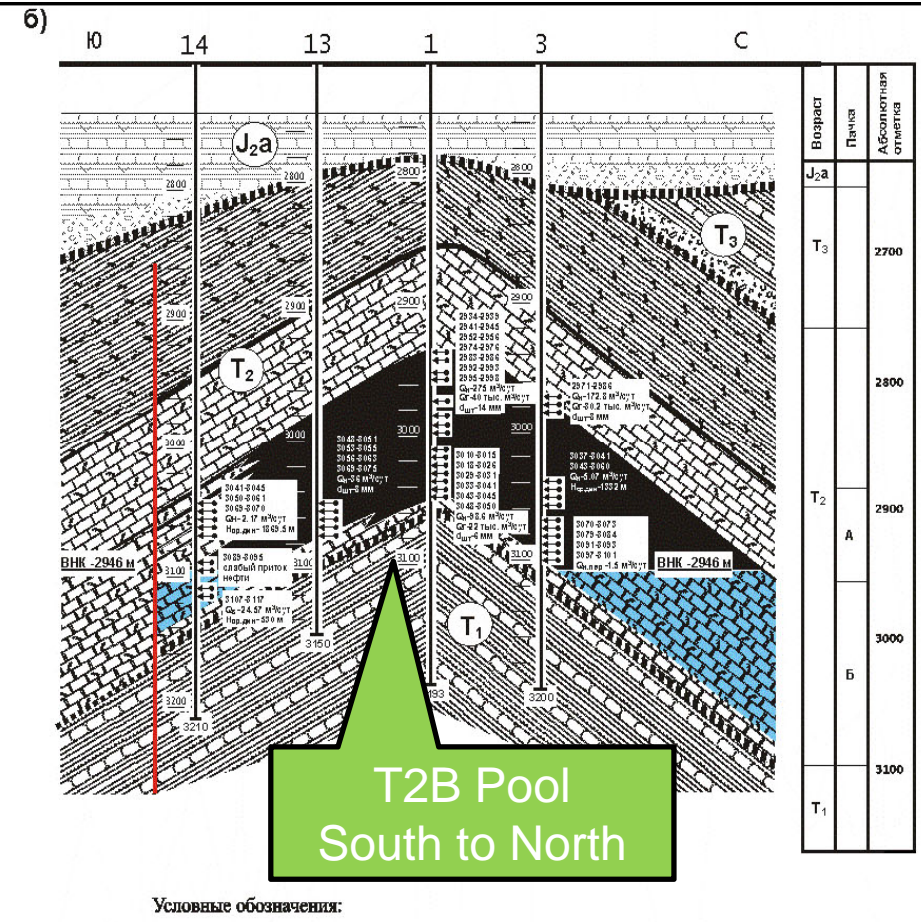
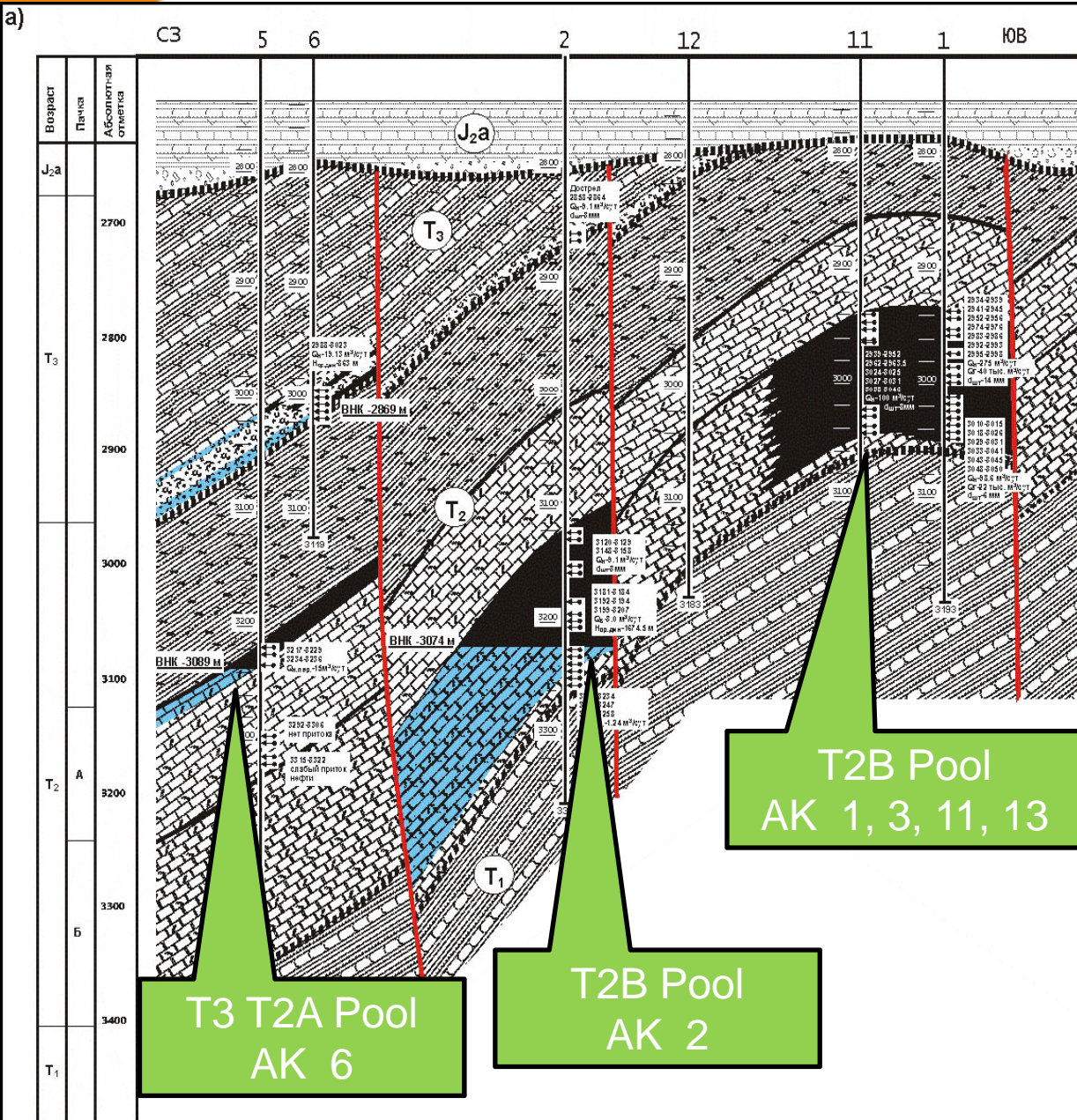
# Akkar N - Official Field Mapping



Booked Reserves of 23 mmbbls  
 6 producers with an aggregate of ~1800 bopd  
 The bulk of reserves and production are in the eastern pool (3 producers)

Инженер	ТЕХНОЛОГИЧЕСКАЯ СХЕМА РАЗРАБОТКИ МЕСТОРОЖДЕНИЯ СЕВЕРНЫЙ АККАР	
	Отчет по договору у 367/59	
Руководитель темы:	Нугиев М.А.	Год сдачи отчета: 2007
СЕВЕРНЫЙ АККАР Карта расположения проектных и пробуренных скважин месторождения Северный Аккар Плотность сетки 32 га/сква.		
Составил:	Старший инженер	Смадинов А.Г.Б.

# Akkar N - Official Cross Sections

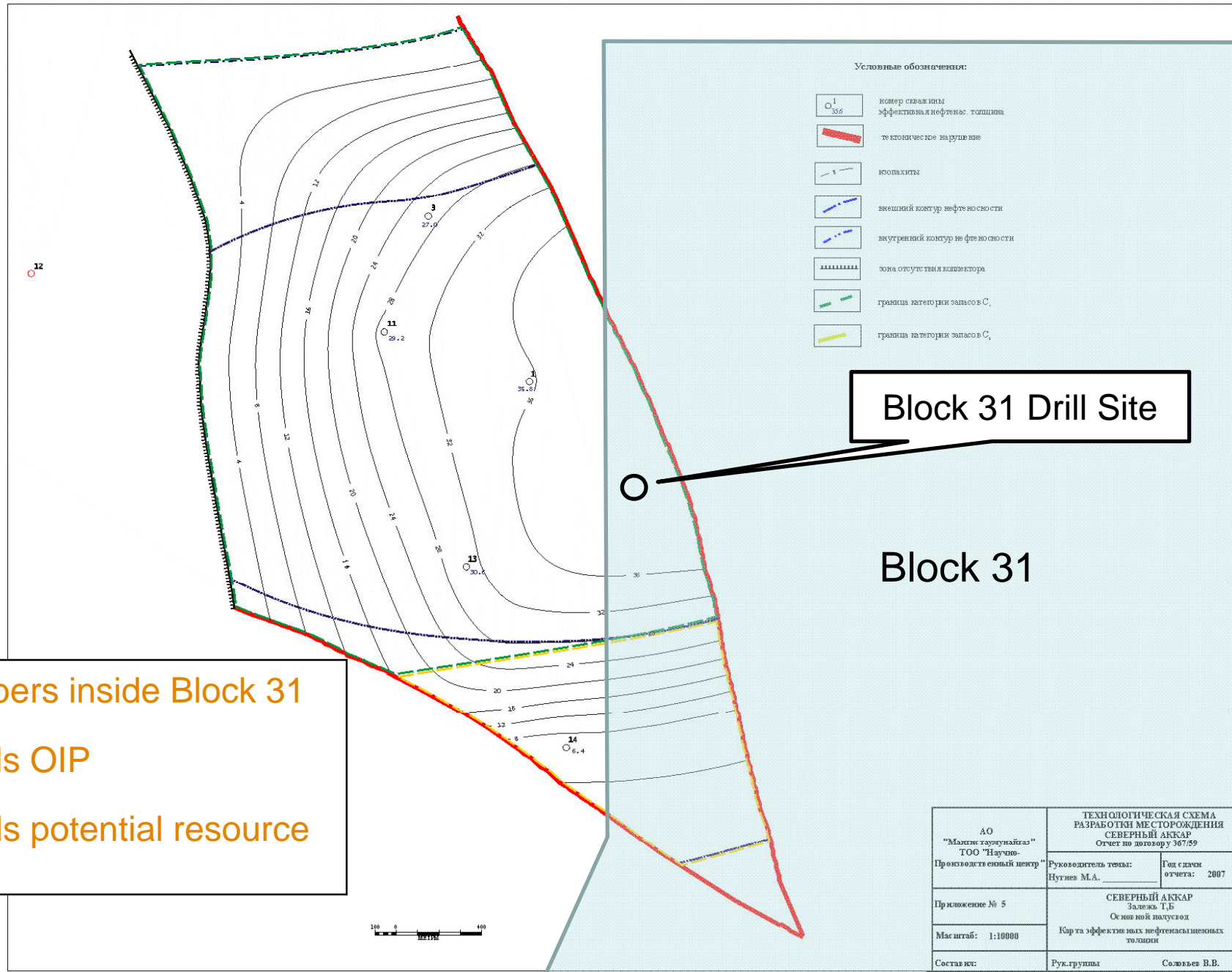


**T<sub>2</sub>B zone flowed at 500-600 bopd on test**

- Песчанки
- Аллювиолы
- Доломиты
- Туфоглины
- Туфы
- Нефтегазовые коллекторы
- Водонасыщенные коллекторы
- Вскрыши скважины и результаты скважин
- Технологические нарушения

АО «Мангистауэнерго» ТОО «Науца» производственный центр	ТЕХНОЛОГИЧЕСКАЯ СХЕМА РАЗРАБОТКИ МЕСТОРОЖДЕНИЯ СЕВЕРНЫЙ АККАР	
	Отчет по договору 367/59	
Приложение № 1 Масштабы: горизонтальный 1:25000 вертикальный 1:2500	Руководитель темы: Нугиев М.А.	Год сдачи отчета: 2007
	Северный Аккар Геологический профиль по линии скважин а) 5.4-2.12.11-1 б) 14-13-1-3	
Составил:	Ведущий геолог	Джаннаев А.А.

# Akkar N – Net Pay on Main Sand



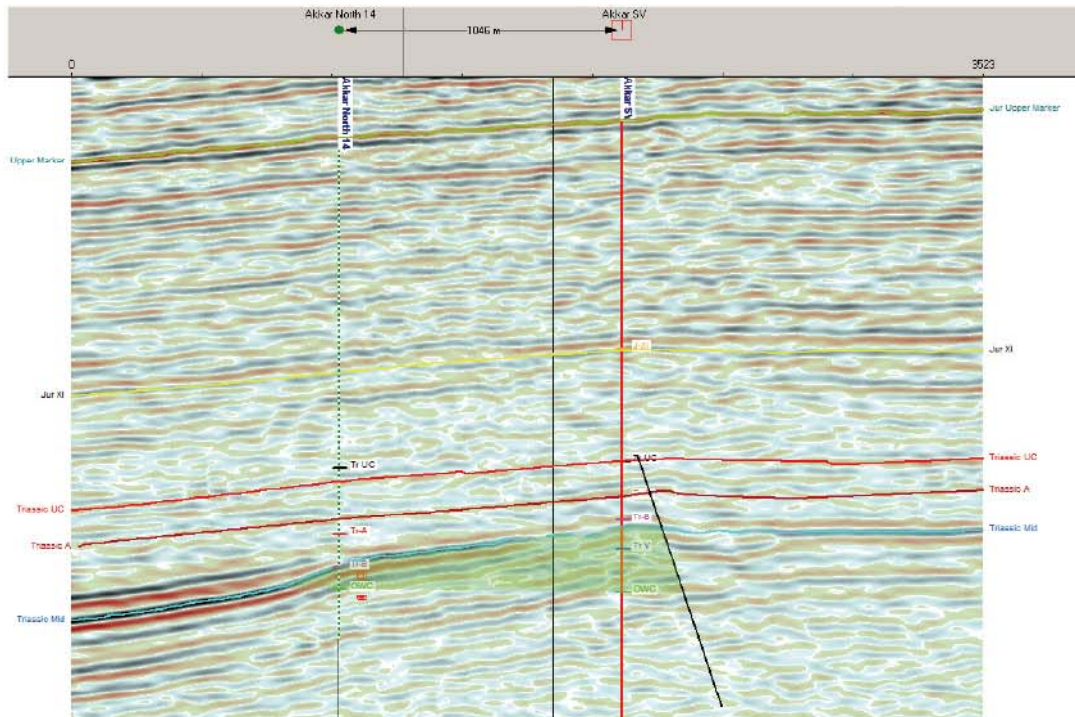
Official Numbers inside Block 31  
 19.98 mmbbls OIP  
 5.995 mmbbls potential resource

АО "Мангистауэрэйдэс" ТОО "Науچیно" Производственный центр	ТЕХНОЛОГИЧЕСКАЯ СХЕМА РАЗРАБОТКИ МЕСТОРОЖДЕНИЯ СЕВЕРНЫЙ АККАР Отчет по договору 367/09	
	Руководитель темы: Нугиев М.А.	Год сдачи отчета: 2007
Приложение № 5	СЕВЕРНЫЙ АККАР Залежи Т,Б Основные показатели	
Масштаб: 1:10000	Карта эффективных нефтенасыщенных толщин	
Составил:	Рук. группы	Сольев В.В.

# Independent Mapping on Jupiter 2009 3D Seismic confirms potential

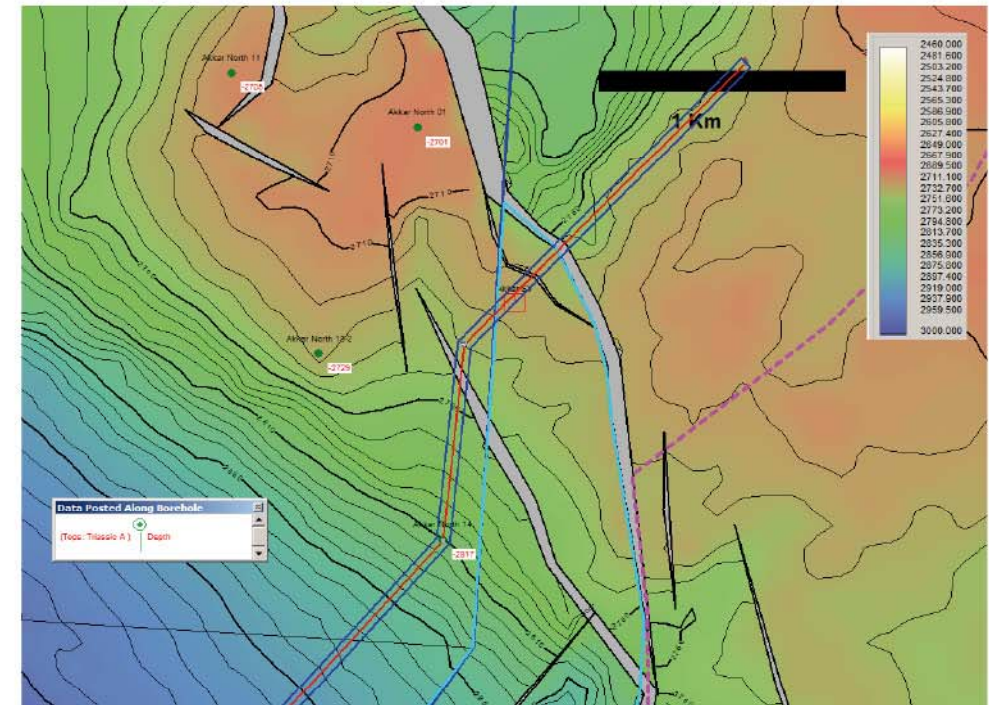
## Akkar North Field Extension

– Drill Line – Arbitrary Lane



## Near Triassic Pay Sand Depth Structure

– North Akkar Extension



## Akkar North Ext.

Formation : Triassic

Area (hectares) : 936

Porosity : 9.5%

Net Pay (m) : 30

Sw % : 42%

Recovery % " 30%

Geometric Correction : 80%

Oil-in-place : 66.9

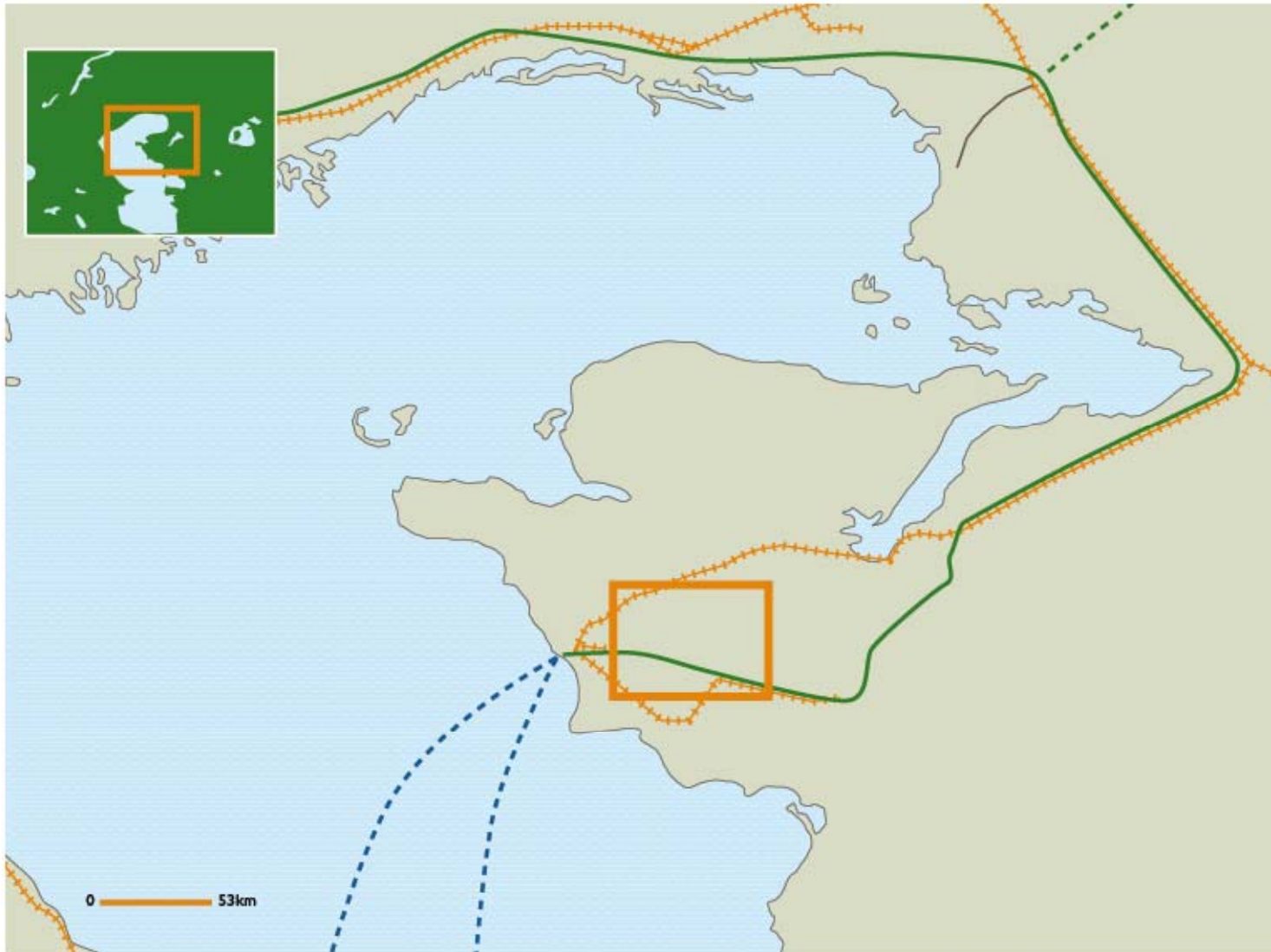
Recoverable Oil Potential : 20.1 mmbbls

## Details of Contractors involved in the drilling of the SV Akkar well

- Turnkey Drilling Operator: Astra Star Drilling
  - Able to start in mid December
  - Rig appropriate to drill a 3200m well
  - Rig is winterised
  - Contractors proposed by Astra Star for drilling fluids and cementing are both well recognised in the Mangistau area
  - Good safety record
  - Competitive price
- Coring Services: Baker Hughes
  - Excellent reputation
  - Competitive price
- Mudlogging Services: Drill-Lab Kazakhstan LLC
  - Good local reputation
  - Aggressive price
  
- Budget for completed well: \$US5.7m (\$US1m has already been prepaid)

## Local Operations

- JPR has a local office in Almaty which administers the local operation and interfaces into government authorities for approvals and general reporting. JPR has now opened an office in Aktau and already has a staff of 6. Aktau is ~ 75kms from site.
- Quality of local turn key operators in the Mangistau is high and JPR has already engaged a range of companies that offer a comprehensive range of support services including:
  - Reservoir modeling
  - Drilling
  - Engineering design
  - Installation, construction and management of production facilities and pipelines



■ **Transport Infrastructure is close to Block 31 permit**

■ **Pipeline**

- Eastern Europe
- Baltic
- Black Sea
- Proposed Eastern Link to China

■ **Caspian Trade - tanker**

- Baku
- Iran (oil swap)

■ **Rail**

- Aktau - Caspian trade

■ **Road**

- Aktau - Caspian trade

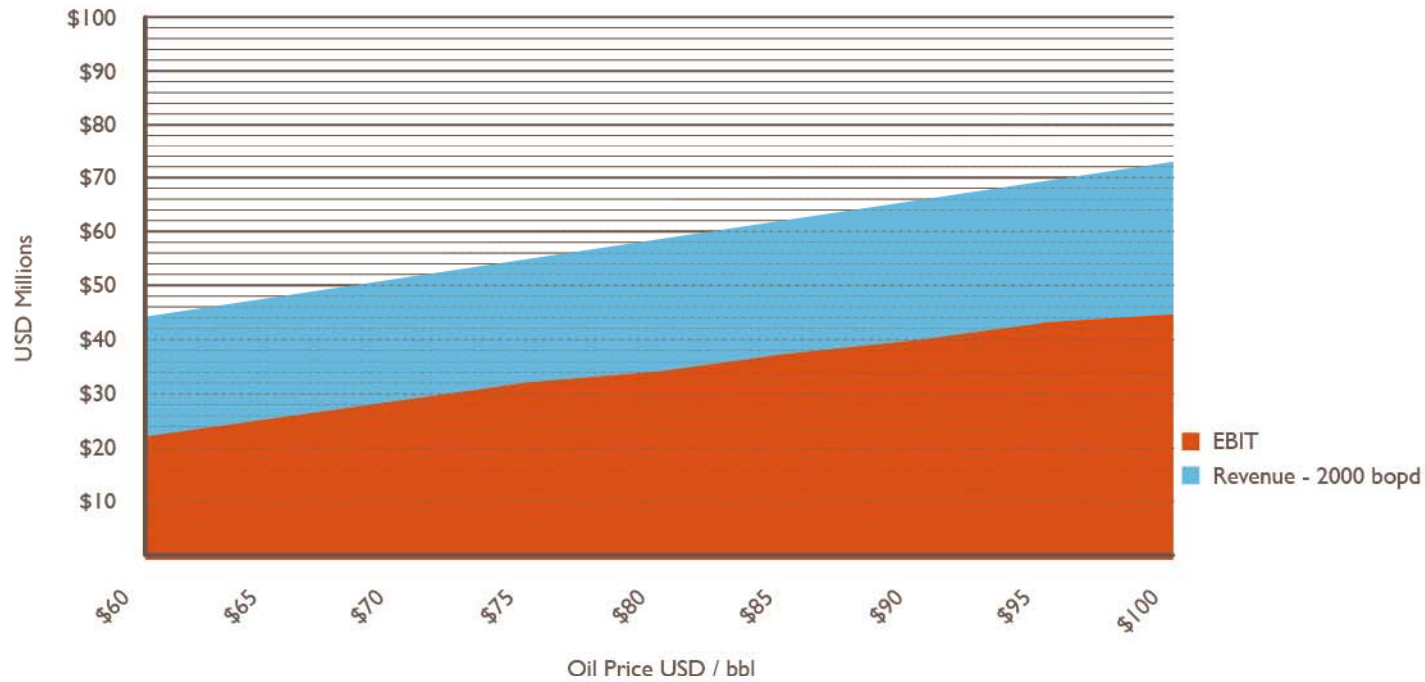


## Kazakh Fiscal Regime

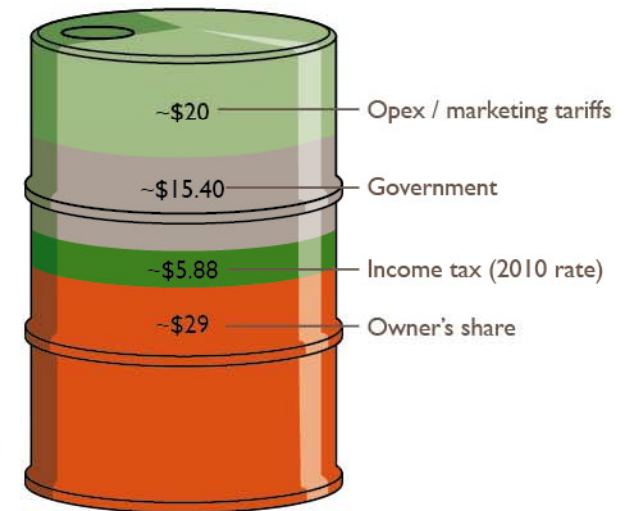
- Corporate income tax has been reduced to 20% in 2009 and will continue to drop to 17.5% in 2010 and then to 15% in 2011.
- Rent tax on Oil Exports rates set at 0 – 32%, with higher rates applied to larger amounts of exports .(JPR has used a rate of 14% in its model based on \$US70 / barrel)
- Excess Profit Tax (EPT) – EPT is applicable to the part of net profit when the ratio of aggregate annual income / deductions > 1.25 and uses a sliding progressive scale of tax rate from 0% - 60%. (The JPR model assumes 0%)
- Asset acquisition costs as well as capital costs and losses are tax deductible.
- Minerals Extraction Tax (MET) – The tax base will be the value of extracted minerals determined upon average world oil price using a sliding progressive scale of tax rate from 5% - 18% (6% - 19% in 2010). JPR model assumes 8% based on up to 1m tonnes/7m barrels per year.
- Value added tax rate in 2009 is 12%.

# Financial Snapshot

## Revenue and EBIT

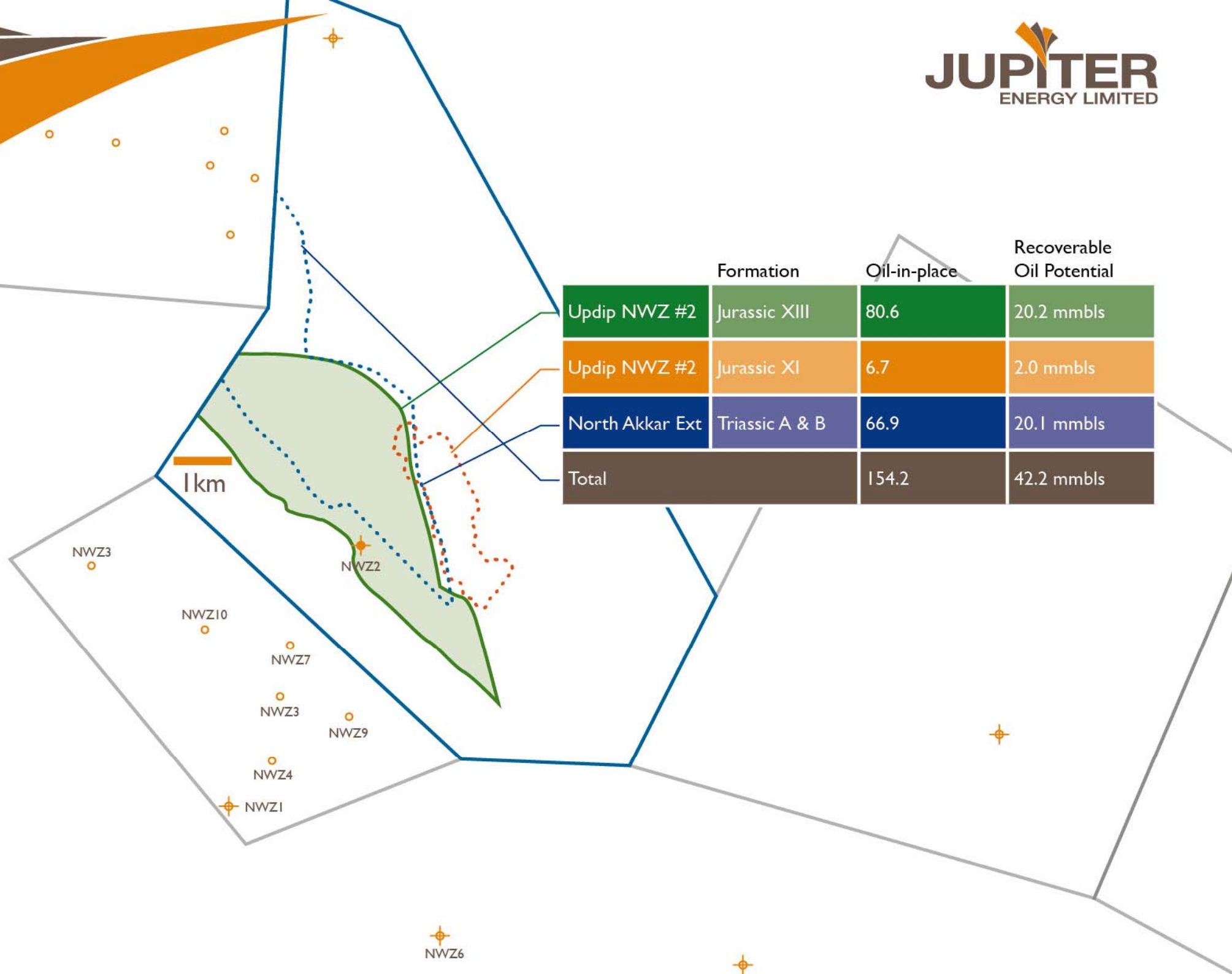


## Allocations based on \$US 70/barrel



## Summary of the Next Milestone Opportunity

- 3D seismic on Block 31 is complete and specific targets have been identified.
- 1<sup>st</sup> phase of the re entry of the old NWZ 2 well has been successfully completed
- New well is planned to be drilled, commencing in December 2009.
- Data available on Akkar N wells, when combined with JPR's 3D seismic and general understanding of the area, suggests SV Akkar target has 6 mmbbls recoverable and the wells will flow at ~ 500 bopd (on full production).
- Overall prospectivity of the permit has now been upgraded to ~ 42 mmbbls.
- JPR will drill additional wells on this and other targets on the permit during 2011 and 2012. Funding for 3 new wells should come from the exercise of the JPROA options (\$A24m) in June 2010.



## What is planned for 2010?

- 2010 drilling program has been approved by the regional office of the Ministry of Energy and Mineral Resources (MEMR).
- Working commitment for the 2010 year is \$US5.7m (ie 1 well)
- A 3<sup>rd</sup> well will be drilled mid year – final decision on the target to be made 1Q 2010 and may be influenced by the results of the SV Akkar and NWZ 2 production testing.
- Funding will come via the exercise of 300m options expiring 30 June 2010 (\$A24m)
  
- New acreage is currently under evaluation.
- Preference is to focus in the Mangistau region where JPR has developed a good knowledge of the Jurassic and Triassic zones, we have a local presence, we understand the capability of local contractors and where transport infrastructure is well established.
- 100% ownership of any permit area is preferred, majority ownership is a must.

## Further Questions?

**Geoff Gander**

Chairman

Jupiter Energy Limited

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E: [geoff@jupiterenergy.com.au](mailto:geoff@jupiterenergy.com.au)

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## Competent Person Statement

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