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26 April 2021

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

QUARTERLY UPDATE ON ACTIVITIES FOR THE PERIOD TO 31 MARCH 2021

KEY POINTS:

- **Unaudited oil sales revenue (including VAT) during the Quarter totalled approximately ~$US867,000 (34,000 barrels of oil).**
- **The approval process to transition the Akkar North (East Block) field into Commercial Production (under Preparatory Period restrictions) is ongoing. It is still expected that the entire approval process will be completed by late 2Q 2021.**
- **During the Quarter, Jupiter received approval from the Kazakh authorities for the Akkar North (East Block) Field Development Plan and as part of that approval, the Company has been directed to work with neighbour, MMG on a Joint Development Plan for the entire Akkar North field.**
- **Oil continues to be sold via a prepayment contract with a local oil trader with all oil to be sold into the Kazakh domestic oil market.**
- **The Company continues its Strategic Review of the Kazakh operations and in particular the evaluation of possible funding options to enable the ongoing development of Block 31.**

Jupiter Energy Limited (ASX: "JPR") presents the following update on activities for the 3-month period ending 31 March 2021 (the "Quarter"). Also included in this report are details of any subsequent events that have occurred up to the date of this release.

The Quarter in brief:

During the Quarter, Trial Production continued from well J-58, located on the West Zhetybai field. Wells J-51, J-52 and 19 continued constrained commercial production as regulated by "Preparatory Period" restrictions. These wells are located on the Akkar East field.

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The J-50 well was shut in for the Quarter, with the approval process to transition the Akkar North (East Block) field to Commercial Production now underway.

Oil Sales:

During the Quarter unaudited oil sales revenue (including VAT) totalled ~$US867,000 (~$A1.125m) based on sales of approximately 34,000 barrels of oil (average price of ~$US25.50/bbl). Kazakh domestic oil pricing reflected the worldwide oil prices during the Quarter.

Cash receipts for the Quarter were ~$A1.14m. The variance between revenue recognised and cash receipts is due to the timing of the receipt of oil prepayments that are then amortised over several months of oil deliveries.

All oil was sold into the Domestic market, as is required by Kazakh laws, when wells are either producing under a Trial Production Licence or during the "Preparatory Period" of a Commercial Production Licence.

Approximate production of oil, by well, for the Quarter was as follows:

J-50: NIL
J-58: 19,000 barrels
J-51, J-51 and Well 19: 15,000 barrels (flow rates of these 3 wells were constrained due to Preparatory Period restrictions and thus limited to cumulative production of ~150 barrels per day)

Preparation of the Akkar North (East Block) oilfield to transition into Commercial Production:

As previously announced, the Akkar North (East Block) oilfield (J-50 well) was able to produce under Trial Production until the end of December 2020. The well was shut in from late December 2020, as the approval process to transition the field to Commercial Production began.

During the Quarter, the Company received approval from the Central Commission for Exploration and Development of Hydrocarbon Deposits of the Republic of Kazakhstan (the CCED) for the Akkar North (East Block) Field Development Plan.

This Development Plan sets out how the Company intends to transition the Akkar North (East Block) field to Commercial Production.

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As part of this approval, the CCED noted that as the Akkar North accumulation is held in part by Jupiter Energy and in part by Jupiter Energy's neighbour, MangistauMunaiGas (MMG), the Kazakh Sub Surface Code (specifically paragraph 1 of Article 151 of the Code) requires the parties to "conclude an agreement on joint exploration and production or production of a deposit or field as a single object".

The CCED has requested that MMG and the Company conclude a Joint Development Agreement for the future development of the entire Akkar North field "and by the end of 2022 submit a single project document for consideration by the CCED."

Jupiter Energy has already begun dialogue with MMG on this matter.

The CCED approval is a significant sign off in the overall approval process in transitioning the Akkar North (East Block) field to Commercial Production. The next step in this process will be to obtain the other necessary local approvals to produce oil from the field during the "Preparatory Period". These include approvals from the ecology and emission departments based in the Mangistau Oblast.

As covered in earlier announcements, the "Preparatory Period" allows an operator to transition between Trial Production (during which time excess gas from production can be flared) to Commercial Production, when an operator must have access to the requisite infrastructure to provide for 100% utilisation of all excess gas produced whilst wells are in production.

During the "Preparatory Period", the Company will be able to produce from any well, or wells, located on the Akkar North (East Block) field without having the requisite gas utilisation infrastructure in place, on the basis that all excess gas that is produced during production is used on the field for power, heating and the like. Currently there is only one well located on the Akkar North (East Block) field: J-50.

The requirement to be able to utilise all the excess gas from production means that when the J-50 well does return to production, the well will not be able to produce at full capacity as the gas that would be produced if the well was operating at full capacity would be more than can be utilised on the field. Instead, the J-50 well is expected to operate at about ~30% of capacity (meaning that it will produce at ~35 barrels per day).

The ultimate objective will be to conclude a Joint Development Plan for Akkar North with MMG by the end of 2022 and as part of this plan address the issue of accessing infrastructure to achieve 100% gas utilisation on the field.

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Commercial Production from the Akkar East oilfield:

All the necessary regulatory approvals to enable the Akkar East oilfield to transition from Trial Production (under Jupiter Energy's Exploration Licence) to Commercial Production (under Jupiter Energy's Commercial Production Licence) have been completed and during the Quarter constrained production from wells J-51, 52 and 19 amounted to a cumulative total of ~150 barrels per day. The rules for constrained production are governed by the restrictions set for operating under the Preparatory Period regime, as covered earlier in this report.

The key criteria to operate under a Commercial Licence without restrictions is the requirement to have the requisite infrastructure installed to enable 100% gas utilisation to take place – 100% gas utilisation means that all excess gas produced during production is used as no flaring of gas at the wellhead is permitted.

Infrastructure requirements for operating under full Commercial Production at the Company's oilfield would include either getting access to a Central Processing Facility and a Gas Separation Plant situated at a neighbouring producer or building this equipment on site. The Company does not currently have this infrastructure in place and continues to discuss potential infrastructure sharing options with other operators in the area.

Forward Plan for the West Zhetybai oilfield:

It is Jupiter Energy's intention to transition the West Zhetybai oilfield to Commercial Production when its Trial Production Licences expires at the beginning of September 2021. The current plan is to transition the West Zhetybai oilfield to Commercial Production under the Preparatory Period restrictions during the 4th Quarter of 2021.

In order for West Zhetybai oilfield to make this transition to Commercial Production a Final Reserves Report will need to be approved for the field and the field will then need be granted all the other necessary approvals to produce during the "Preparatory Period".

During the Quarter, the Company completed the additional field work required to complete the West Zhetybai Final Reserves Report and is now working with a local Aktau Institute to complete the 1st draft of this report by early May 2021.

It is expected that that final version of the West Zhetybai Final Reserves Report will be presented to the Kazakh Committee of Geology during 3Q 2021.

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Strategic Review:

As announced on 06 April 2021, the Company is continuing with its Strategic Review process. A number of parties have opened discussions with the Company over the past months and there are a number of different options being considered in terms of how to best continue the future development of Jupiter Energy's licence area in Kazakhstan.

Whilst discussions have been ongoing, the Board has yet to be presented with a detailed and binding offer that can be taken to a final stage of evaluation. If and when this occurs, the Company will make an appropriate announcement.

Forward Drilling Plan:

The Company is currently reviewing its drilling program for 2021 as well as field operations in general.

As outlined in the Annual Accounts lodged on 07 October 2020, the Company has received a commitment to increase the funding available under its 2017 Funding Agreement with Waterford Finance & Investment Limited by a further $US6m and this money has been used, in part, to complete the field work required prior to the completion of the West Zhetybai Final Reserves Report.

A lack of further drilling could mean some of the West Zhetybai Contract Area is relinquished.

Licence Information:

As is required under ASX disclosure rules, the Company confirms that it currently holds the following licence:

Country	Block / Licence	Interest held as at 31 December 2020	Interest acquired / disposed of during the Quarter	Interest held as at 31 March 2021
Kazakhstan	Contract 2275	100%	Nil	100%

Payments to Related Parties:

Payments made to related parties and their associates during the Quarter were:

- Fees paid to Geoff Gander, Baltabek Kuandykov and Alexey Kruzhkov for Consulting Services provided to the Company.

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Capital Structure and Finances:

As at 31 March 2021, the Company had 153,377,693 listed shares trading under the ASX ticker "JPR".

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

As at 31 March 2021, total Company debt outstanding (principal + accrued interest) stood at approximately $US64.67m through the following funding agreements:

	US$
2017 Funding Agreement (max $US5m + an additional commitment of up to $US16m)	5.83m
2016 Funding Agreement (max $US5m+overrun)	5.77m
Refinanced Series B Promissory Note	17.1m
Refinanced convertible notes	35.97m
	$US64.67m

The repayment dates for the outstanding Convertible Notes is 1 July 2022.

In terms of available short term funding: As at 31 March 2021, the Company had drawn down $US5.83m[1] under the 2017 Funding Agreement. Based on a total of $US16m being available under this Agreement, $US10.17m is still available.

As at 31 March 2021, the 2016 Funding Agreement had been fully drawn and had an overrun of $US0.77m. This overrun will be funded by the 2017 Funding Agreement, meaning that the total additional funding amount available to the Company, as at 31 March 2021, is a nett **~$US9.4m**.

Operations Budget:

The Company continues to operate under an approved Operations Budget using the combined net revenues from prepaid oil sales and the remaining debt facility available (and committed) through the 2017 Funding Agreement.

The Company expects to remain funded at an operational level based on current and forecasted oil production, under differing well production scenarios, well into 2022.

Future drilling work will require access to additional working capital which has now been committed by Waterford Finance & Investment Limited as well as securing

[1] Including accrued interest

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deferred payment terms with a local Kazakh turnkey drilling operator and/or prepayment of additional oil sales by the local trader.

Unaudited net cash reserves as at 31 March 2021 stood at approximately $A0.352m.

Summary:

Progress during the Quarter was measured.

Unaudited revenue from oil sales (including VAT) for the Quarter amounted to ~$US867,000 (~$A1.125m) which was secured via prepayments from a local oil trader.

Cash receipts for the Quarter were ~$A1.14m. The variance between revenue recognised and cash receipts is due to the timing of the receipt of oil prepayments that are then amortised over several months of oil deliveries.

The Company has now begun the approval process of transitioning the Akkar North (East Block) oilfield from Trial Production to Commercial Production. The Company has also commenced discussions with its neighbour, MMG, regarding a Joint Development Plan for the entire Akkar North field.

The Company, working in part with JSC VTB Capital, continues with the Strategic Review of its operations and will keep shareholders informed of material progress.

If there are any questions regarding this Quarterly report, shareholders are welcome to contact the Company on +61 3 9592 2357.

Geoff Gander
Chairman/CEO

ENDS

Authorised by the Board of Jupiter Energy Limited

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. 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 (Contract 2275), 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 gain access to a group production facility 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.

About JSC VTB Capital:

JSC VTB Capital is part of the VTB Group, the Russian financial conglomerate, made up of more than 20 credit and financial companies operating in all segments of financial markets.

Between 2016-2019, VTB Capital advised on ~US$38bn of oil & gas transactions and during that time also successfully executed a large number of transactions with companies from Kazakhstan in a wide range of investment banking products, including capital market transactions, M&A advisory, financing and the like.

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