

13 August 2010

Jupiter welcomes strategic cornerstone investor and confirms plans to raise \$16.67 million to fund the drilling of J-51 and J-52 wells

Highlights:

- The Waterford Group ("Waterford") takes 13% stake in Jupiter via placement of 132.9m shares @ 2.70 cents per share, raising \$3.59 million.
- Jupiter to enter into two Converting Loan Agreements to raise a further \$3.91 million, convertible into 144.8m Jupiter shares at 2.70 cents, subject to shareholder approval. The Shareholders meeting to approve this conversion will be held in September.
- Jupiter announces 1 for 3 non renounceable Rights Issue priced at 2.70 cents to raise \$9.17 million. The Rights Issue will be fully underwritten by Waterford.
- Total funds to be raised expected to be \$16.67 million (before costs)
- Jupiter will have sufficient working capital to drill 2 wells; J-51 to enhance production and J-52 to explore a new prospective area of the block.
- Waterford to nominate 2 directors to the Jupiter Board.

The Board of Jupiter Energy Limited (ASX: JPR) ("Jupiter" or "the Company") is pleased to provide shareholders with an important corporate and operational update.

\$16.67m Capital Raising with Strategic Cornerstone Investor

The Waterford Group ("Waterford"), a private holding company which invests, with a long term view, in international resource projects including oil & gas exploration, development and production companies, has taken a strategic stake in Jupiter.

The Boards of both Jupiter and Waterford have agreed to work together to continue the development of Block 31 and further the evolution of Jupiter into a leading E&P company in Kazakhstan. As part of this commitment, Waterford has taken an initial placement of 132,933,059 shares. This placement is being carried out under Jupiter's 15% capacity (in accordance with ASX Listing Rule 7.1) and will be completed as soon as is practical. The placement has been priced at 2.70 cents and will raise \$3,589,193 (before costs).

Jupiter has also entered into two Converting Loan Agreements, one with Waterford and a second with Soyuzneftegas Limited ("SNG"), an unrelated and unassociated party, to raise an additional \$3.91 million. Conversion of these loans is subject to shareholder approval. Once shareholder approval has been obtained, they will automatically convert into shares. The expectation is that these loans will be converted into a further 144.8 million shares (at an effective price of 2.70 cents per share) after approval of the conversion of the loans by shareholders. If shareholder approval is not obtained, the loans will be repayable, along with all interest (which accrues at 10% p.a.) and a \$1,000,000 establishment fee for each loan.

A Notice of Meeting will be mailed to shareholders during August containing a number of resolutions including the approval of the conversion of the converting loans. The Meeting is expected to convene in late September.

Fully Underwritten 1 for 3 non renounceable Rights Issue

As part of this fund raising, the Company is also pleased to advise shareholders of its intention to lodge a prospectus in late August 2010 for a 1 for 3 non renounceable Rights Issue, priced at 2.70 cents per share. This will ensure existing shareholders, as at the Record Date, will be able to participate in this overall fund raising at the same price as the placements. The Rights Issue will be fully underwritten by Waterford.

Corporate and Operational Strategy

As was announced to shareholders on 13 July 2010, the Company recently received notification of a 37 mmbo (million barrels of oil) increase in the P50 recoverable resources of Jupiter's Block 31 Triassic reservoirs. The Jurassic and Triassic formations in Block 31 are now estimated to contain up to 80 mmbo P50 recoverable resources, which is a significant increase from the previously announced 43 mmbo. The total of independently verified Mid Triassic P50 resources in Block 31 now stands at 58 mmbo recoverable and Jupiter also maintains an internal assessment of the Jurassic prospective P50 resource of 22 mmbo recoverable.

With the combination of the new prospectivity identified on Block 31 and the additional funding being announced today, the Company is now more confident that it will be able to develop the permit to the point that its operations will become cashflow positive during 2011.

The Company will also take this opportunity to strengthen the Board with the creation of this new relationship with Waterford by inviting Waterford to nominate two directors to join the Jupiter Board. Both Jupiter and Waterford have also agreed that it is important that Jupiter has increased exposure to the European investment community and the new Jupiter Board

will explore opportunities to dual list Jupiter on either the Official List or Alternative Investment Market ("AIM") in London.

Commenting on the arrival of Waterford on the Jupiter register, Executive Chairman Geoff Gander said, "The Jupiter Board is delighted to welcome Waterford as a strategic cornerstone investor and we look forward to working with them to continue to develop Jupiter into a leading E&P company in Kazakhstan. Their contacts and expertise in Kazakhstan give us great confidence that they will add significant value to Jupiter at both a Board and operational level."

Waterford Director, Michael Kroupeev said, "We are impressed with the progress Jupiter has achieved in Kazakhstan to date and believe that with access to increased working capital and some additional experience at Board level, we can, together, add a great deal of value to the Company as Block 31 continues to be developed."

The two organisations were introduced to each other by Perth based Pursuit Capital Pty Ltd, a corporate & strategic advisory group that has followed Jupiter for the past year and first initiated research coverage on Jupiter in March 2010. Pursuit is acting as Lead Arranger and Manager to the Capital Raising.

Summary

The key focus for the Company in the immediate term is to commence the drilling of J-51, the 2010 commitment well. The new funding package will also enable Jupiter to complete the drilling of J-52, Jupiter's 2011 commitment well. The Company will work to distribute all the relevant documentation to shareholders as soon as is practical and the Board looks forward to receiving strong shareholder support for the Rights Issue.

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Competent Person Statements

The information in this document which relates to Triassic oil reserves (2P) and prospective resource (P50) is based on information compiled by Senergy Limited and also Reservoir Evaluation Services LLP. Both companies are international oil & gas consulting companies that specialise in oil and gas reserve estimations.

Senergy Limited has sufficient experience which is relevant to reserve estimations and to the specific exploration permit in Kazakhstan to qualify as competent to verify information pertaining to the Triassic oil reserves (2P) and prospective resource (P50). Senergy Limited has given and not withdrawn its written consent to the inclusion of its name and the Triassic 2P reserves and prospective resource (P50) figures in the form and context in which they appear in this announcement. Senergy Limited has no material interest in the Company.

Reservoir Evaluation Services LLP has sufficient experience which is relevant to reserve estimations and to the specific exploration permit in Kazakhstan to qualify as competent to verify information pertaining to the Triassic oil reserves (2P) and prospective resource (P50). Reservoir Evaluation Services LLP has given and not withdrawn its written consent to the inclusion of its name and the Triassic 2P prospective resource (P50) figures in the form and context in which they appear in this announcement. Reservoir Evaluation Services LLP has no material interest in the Company.

The information in this document which relates to the Jurassic potential resource 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 & gas reserve estimation and to the specific permit in Kazakhstan to qualify as competent to verify the information pertaining to the Jurassic potential resource. Mr. Keith Martens has given and not withdrawn his written consent to the inclusion of the Jurassic potential resource in the form and context in which it appears. Keith Martens has no material interest in the Company.