



## **HALF YEAR FINANCIAL REPORT**

**31 DECEMBER 2023**

ABN 65 084 918 481

**Jupiter Energy Limited**  
**Corporate directory**  
**31 December 2023**

Directors	Geoffrey Gander (Executive Chairman/Chief Executive Officer) Baltabek Kuandykov (Non-Executive Director) Alexey Kruzhkov (Non-Executive Director) Alexander Kuzev (Non-Executive Director) Keith Martens (Non-Executive Director – appointed 5 July 2023) Mark Ewing (Non-Executive Director – resigned 5 July 2023)
Company secretary	James Barrie
Registered office	Level 14 333 Collins Street Melbourne VIC 3000
Principal place of business	Level 14 333 Collins Street Melbourne VIC 3000
Share register	Computershare Investor Services Pty Ltd Level 17, 221 St George's Terrace Perth WA 6000
Auditor	Ernst & Young 11 Mounts Bay Road Perth WA 6000
Solicitors	Steinepreis Paganin Level 4, 16 Milligan Street Perth WA 6000
Bankers	National Australia Bank Ltd UB13.03, 100 St Georges Terrace Perth WA 6000
Stock exchange listing	Jupiter Energy Limited shares are listed on the Australian Securities Exchange (ASX code: JPR)
Website	<a href="http://www.jupiterenergy.com">www.jupiterenergy.com</a>

**Jupiter Energy Limited**  
**Directors' report**  
**31 December 2023**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Jupiter Energy Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

**Directors**

The following persons were directors of Jupiter Energy Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Geoffrey Gander (Executive Chairman/Chief Executive Officer)  
Baltabek Kuandykov (Non-Executive Director)  
Alexey Kruzhkov (Non-Executive Director)  
Alexander Kuzev (Non-Executive Director)  
Keith Martens (Non-Executive Director - appointed 5 July 2023)  
Mark Ewing (Non-Executive Director - resigned 5 July 2023)

**Principal activities**

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- Exploration for oil and gas in Kazakhstan: and
- Appraisal, development and production of oil and gas properties in Kazakhstan.

**Review of operations**

The profit for the consolidated entity after providing for income tax amounted to \$142,750 (31 December 2022: \$45,155,849).

The six month period to 31 December 2023 ("the Review Period") saw the Company continue to produce oil from wells on the Akkar North (East Block), Akkar East and West Zhetybai oilfields.

Both Akkar East and Akkar North (East Block) oilfields operated under their Full Commercial Licences and the West Zhetybai oilfield operated under the Preparatory Period of its Commercial Licence.

Production on the Akkar East field was from wells J-51, J-52 and 19 and production from Akkar North (East Block) was from well J-50. The West Zhetybai oilfield produced from the J-58 well.

All oil produced by the Company was sold into the Kazakh domestic market. Some oil was sold into a major refinery under a monthly quota, mandated by the Kazakh Ministry of Energy, and the remaining oil was sold into a local mini refinery.

There were approximately 113,000 barrels of oil (2022: 41,200 barrels) produced during the Review Period.

**Production Report**

**Production – Akkar North (East Block) Oilfield (J-50 well):**

During the Review Period, approximately 23,000 barrels of oil (2022: 11,200 barrels) were produced from well J-50. This is the only production well located on the East Block of the Akkar North oilfield. The oilfield operates under its full Commercial Licence.

**Production – Akkar East Oilfield (J-51, J-52, J-53 and # 19 wells):**

During the Review Period, approximately 62,000 barrels of oil (2022: 30,000 barrels) were produced from wells J-51, J-52 and well 19. These three wells are located on the northern section of the licence area and form part of the Akkar East oilfield. All three wells operated under their full Commercial Licences.

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 potentially coming back onto production. This work will be carried out when the appropriate funding and approvals are in place.

**Production – West Zhetybai Oilfield (J-55, J-58 and J-59 wells):**

During the Review Period, the J-58 well produced under the Preparatory Period of its Commercial Licence. The well produced approximately 28,000 barrels of oil (2022: nil).

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No oil was produced from the J-59 well. Both wells are located on the southern section of the licence area and are part of the West Zhetybai oilfield.

The J-55 well, which is also located on the West Zhetybai oilfield, was shut in for the entire Review Period, awaiting further remedial work before potentially coming back onto production. This work will be carried out when the appropriate funding and approvals are in place.

**Status of Licences:**

Both the Akkar North (East Block) and Akkar East fields are operating under their full Commercial Licences.

The West Zhetybai oilfield is operating under the Preparatory Period of its Commercial Licence. This oilfield is expected to transition to its full Commercial Licence in September 2024. The approval process to complete this transition is already underway.

**Impact of achieving 100% Gas Utilisation:**

Under the Kazakh Sub Surface Code, in order for an oilfield to operate without restrictions under its Commercial Licence(s), the operator must have installed the requisite infrastructure to achieve 100% gas utilisation.

As announced to shareholders in March 2023, the Company began unconstrained production from all three of its oilfields during the 1Q 2023. This meant that all three oilfields had their requisite gas utilisation infrastructure installed and approved as at that date. Oil production during the Review Period reached approximately 113,000 barrels, compared to approximately 41,200 barrels produced in the corresponding period in 2022, reflecting the benefits of unconstrained production.

**Oil Sales:**

During the Review Period, approximately 113,000 barrels of oil were sold. Whilst the Company was entitled to sell some of this oil into the export market, monthly analysis of net back pricing after taxes, logistics and trader discounts to Brent, indicated that sales into the domestic market provided better returns to the Company. All oil sold into the domestic market was on a prepayment basis.

**Drilling Report:**

There was no drilling activity during the Review period.

**Phase 2 Gas Utilisation Implementation:**

During the Review Period, the Company and its neighbour MangistauMunaiGas (MMG) continued discussions, assisted by the Kazakh Ministry of Energy, with regards the potential integration of the Company's gas utilization infrastructure into MMG's larger facilities, located nearby to the Akkar North (East Block) and Akkar East oilfields.

These discussions continue to progress and shareholders will be updated on material progress at the appropriate time.

**Board Changes:**

On 5 July 2023, Non-Executive Director Mark Ewing retired from the Board and was replaced by Keith Martens. Keith has over 40 years' experience as an oil finder and manager around the world. Keith has served as a technical advisor and consultant to a number of Australian oil & gas companies. Keith is very familiar with the Company and was instrumental in the discovery of Jupiter's Akkar East and West Zhetybai oilfields when he worked with the Company between 2007 and 2013.

**2023 Annual General Meeting:**

The 2023 Annual General Meeting was held via Zoom on Wednesday 22 November 2023 and all Resolutions were passed on a poll.

**Jupiter Energy Limited**  
**Directors' report**  
**31 December 2023**

**Funding and Capital Structure:**

As at 31 December 2023, the Company had 1,270,330,255 listed shares trading under the ASX ticker "JPR". Included in this number were 27,980,134 shares held by Jupiter Employee Securities Pty Ltd ("Treasury Shares"). These shares were issued after shareholders approved a "Securities for Fees" plan at a general meeting of shareholders held on 29 June 2023.

Share Rights have been issued to participating Directors to cover unpaid Directors Fees. The Share Rights will convert to Shares if vesting conditions linked with the sale of the Kazakh licence are met. These Shares will be transferred from Jupiter Employee Securities Pty Ltd to the relevant Director once the vesting conditions are met.

As at the date of this report, the Company has 1,273,652,188 listed shares on issue (including Treasury Shares). The increase reflects the issue of 3,321,933 shares, on 9 February 2024, to Non-Executive Director Keith Martens in lieu of his 2023 Consulting and Directors Fees.

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

As at 31 December 2023, the Company's total debt outstanding stood at \$US16,573,261 : this debt is currently carried interest free and repayable on 31 December 2024. This debt has reduced to \$US16,173,261 during February 2024 with the repayment of \$US400,000 to Noteholders.

The Company expects all Noteholders to agree to extend the debt repayment date to 31 December 2026. Letters of Variation have already been sent to the four Noteholders and, as at the date of this report, three of the Noteholders have signed their Variation Agreements, accounting for approximately 77.5% of the total debt. It is expected that the fourth Noteholder will also sign their Variation Agreement in the near future.

In terms of available short-term funding: as at 31 December 2023, the Company had a \$US5,000,000 facility with Waterford Finance & Investment Limited (Waterford) in place and \$US300,000 had been drawn down. The \$US300,000 was repaid in full during January 2024, meaning as at the date of this report, the Company has access to the full \$US5,000,000 facility.

**Operations Budget:**

The Company continues to operate under an approved Operations Budget using the net revenues from prepaid oil sales. The Company expects to remain funded at an operational level, based on current and forecasted oil production, for the foreseeable future.

Future drilling work will require access to additional working capital and/or securing deferred payment terms with a local turnkey drilling operator and/or prepayment of additional oil sales by the local oil trader.

**Summary:**

The Company had a productive 6 month period from 1 July to 31 December 2023.

Being able to produce at optimal levels from its three oilfields was an extremely positive step forward for the Company.

Since acquiring an exploration permit in 2008, independent reserve reports continue to confirm that that Jupiter has now discovered three sizeable oilfields with significant reserves and resources. Details of the most recent independent reserves report are detailed in the "Matters subsequent to the end of the financial half-year" section below.

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. The Company will continue to focus on this goal during the remainder of 2024 and into 2025.

**Competent Persons Statement:**

General

The information in this report is based on information compiled or reviewed by Mr Keith Martens, a Non-Executive Director of Jupiter Energy Limited. Mr Martens is a qualified oil and gas geologist/geophysicist with over 45 years of Australian, North American, and other international executive oil and gas experience in both onshore and offshore environments. He has extensive experience of oil and gas exploration, appraisal, strategy development and reserve/resource estimation. Mr Martens has a BSc. (Dual Major) in geology and geophysics from The University of British Columbia, Vancouver, Canada.

Keith Martens is qualified in accordance with ASX Listing Rule 5.41.

Kazakh State Approved Reserves

The information in this report which relates to the C<sup>1</sup> and C<sup>2</sup> Block 31 reserve estimations is based on information compiled by Reservoir Evaluation Services LLP ("RES"), a Kazakh based oil & gas consulting Group 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 C<sup>1</sup> and C<sup>2</sup> reserve estimations. RES has given and not withdrawn its written consent to the inclusion of the C<sup>1</sup> and C<sup>2</sup> reserve estimations in the form and context in which they appear in this report. RES has no financial interest in the Group.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

**Matters subsequent to the end of the financial half-year**

On 11 January 2024, the Company released a summary of the results of a Competent Persons Report (CPR) prepared by Sproule International Limited (Sproule). The results showed a significant increase across the 1P, 2P and 3P reserve categories when compared to the last SPE/PRMS CPR released by Jupiter in 2013, thereby confirming the prospectivity of Jupiter's licence area.

Sproule was engaged by Jupiter to evaluate the Proved, Probable and Possible reserves for the Company's three oilfields in Kazakhstan and to prepare a CPR as to its findings.

Sproule is an independent sub surface consultancy based in Calgary, Canada and possesses the technical skills and certifications required for this type of work.

The CPR was prepared in accordance with the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the SPE and is provided in accordance with and, in Sproule's view, meets the requirements necessary for Jupiter's compliance with the classification and definitions of the PRMS and the Australian Stock Exchange (ASX) reporting rules.

The effective date of the CPR was 31 December 2023.

In summary, the recoverable reserves associated with Jupiter's fields in Kazakhstan are as follows:

<b>1P: Proved (bbls)</b>	<b>2P: Proved &amp; Probable (bbls)</b>	<b>3P: Proved, Probable &amp; Possible (bbls)</b>
14,691,000	36,487,000	46,796,000

Note: Jupiter holds a 100 percent working interest in its fields and therefore 100% of the reserves are attributable to the Company.

Based on the modelling of the Field Development Plan (FDP) for the 2P category (Proved and Probable) over a ~17-year life and using a discount rate of 20%, the After-Tax Net Present Value (NPV) of the Project is calculated at approximately \$US180,000,000.

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No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 7.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



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Geoffrey Gander  
Director

15 March 2024



**Building a better  
working world**

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## **Auditor's independence declaration to the directors of Jupiter Energy Limited**

As lead auditor for the review of the half-year financial report of Jupiter Energy Limited for the half-year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Jupiter Energy Limited and the entities it controlled during the financial period.

A handwritten signature in black ink that reads 'Ernst &amp; Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'Mark Cunningham' in a cursive style.

Mark Cunningham  
Partner  
15 March 2024



## **Jupiter Energy Limited**

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### **General information**

The financial statements cover Jupiter Energy Limited as a consolidated entity consisting of Jupiter Energy Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Jupiter Energy Limited's functional and presentation currency.

Jupiter Energy Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 14  
333 Collins Street  
Melbourne VIC 3000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 15 March 2024.

**Jupiter Energy Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2023**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
		<b>\$</b>	<b>\$</b>
Sales	3	5,128,934	1,512,633
Less cost of goods sold		<u>(3,156,776)</u>	<u>(1,670,247)</u>
<b>Gross Margin</b>		1,972,158	(157,614)
Other income		419,730	109,192
Interest revenue calculated using the effective interest method		70,321	53,391
Net gain /(loss) on foreign exchange		731,358	(1,408,410)
Gain on debt restructure		-	52,726,436
<b>Expenses</b>			
General and administrative costs		(1,714,676)	(1,172,703)
Finance costs		<u>(1,336,141)</u>	<u>(4,994,443)</u>
<b>Profit before income tax expense</b>		142,750	45,155,849
Income tax expense		<u>-</u>	<u>-</u>
<b>Profit after income tax expense for the half-year attributable to the owners of Jupiter Energy Limited</b>		142,750	45,155,849
<b>Other comprehensive income/(loss)</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>(687,475)</u>	262,438
Other comprehensive income/(loss) for the half-year, net of tax		<u>(687,475)</u>	262,438
<b>Total comprehensive income/(loss) for the half-year attributable to the owners of Jupiter Energy Limited</b>		<u><u>(544,725)</u></u>	<u><u>45,418,287</u></u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	13	0.01	21.31
Diluted earnings per share	13	0.01	21.31

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Jupiter Energy Limited**  
**Statement of financial position**  
**As at 31 December 2023**

	<b>Consolidated</b>	
	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,267,154	860,795
Trade and other receivables	394,824	551,283
Inventories	61,810	63,041
Other	222,443	100,259
<b>Total current assets</b>	<u>1,946,231</u>	<u>1,575,378</u>
<b>Non-current assets</b>		
Investments accounted for using the equity method	582	582
Other financial assets	302,551	280,916
Property, plant and equipment	146,701	170,317
Oil and gas properties	4	20,763,782
<b>Total non-current assets</b>	<u>21,213,616</u>	<u>21,663,588</u>
<b>Total assets</b>	<u>23,159,847</u>	<u>23,238,966</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	1,815,529	2,467,221
Contract liabilities	5	536,903
Borrowings	6	511,074
Other financial liabilities	7	21,438,246
<b>Total current liabilities</b>	<u>24,301,752</u>	<u>4,149,782</u>
<b>Non-current liabilities</b>		
Provisions	251,239	207,200
Other financial liabilities	7	-
<b>Total non-current liabilities</b>	<u>251,239</u>	<u>20,804,177</u>
<b>Total liabilities</b>	<u>24,552,991</u>	<u>25,161,159</u>
<b>Net liabilities</b>	<u>(1,393,144)</u>	<u>(1,922,193)</u>
<b>Equity</b>		
Issued capital	8	120,412,007
Reserves	9	(23,927,275)
Accumulated losses		(97,877,876)
<b>Total deficiency in equity</b>	<u>(1,393,144)</u>	<u>(1,922,193)</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Jupiter Energy Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2023**

	<b>Issued capital</b>	<b>Reserves</b>	<b>Accumulated losses</b>	<b>Total deficiency in equity</b>
<b>Consolidated</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2022	85,633,935	(24,985,025)	(142,212,908)	(81,563,998)
Profit after income tax expense for the half-year	-	-	45,155,849	45,155,849
Other comprehensive income for the half-year, net of tax	-	262,438	-	262,438
Total comprehensive income for the half-year	-	262,438	45,155,849	45,418,287
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	34,407,206	-	-	34,407,206
Balance at 31 December 2022	<u>120,041,141</u>	<u>(24,722,587)</u>	<u>(97,057,059)</u>	<u>(1,738,505)</u>
	<b>Issued capital</b>	<b>Reserves</b>	<b>Accumulated losses</b>	<b>Total deficiency in equity</b>
<b>Consolidated</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2023	120,041,141	(23,942,708)	(98,020,626)	(1,922,193)
Profit after income tax expense for the half-year	-	-	142,750	142,750
Other comprehensive loss for the half-year, net of tax	-	(687,475)	-	(687,475)
Total comprehensive income/(loss) for the half-year	-	(687,475)	142,750	(544,725)
<i>Transactions with owners in their capacity as owners:</i>				
Issuance of shares, net of transaction costs (note 8)	370,866	-	-	370,866
Share based payments	-	702,908	-	702,908
Balance at 31 December 2023	<u>120,412,007</u>	<u>(23,927,275)</u>	<u>(97,877,876)</u>	<u>(1,393,144)</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Jupiter Energy Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2023**

	<b>Consolidated</b>	
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	4,413,513	3,701,203
Payments to suppliers and employees	<u>(4,360,109)</u>	<u>(2,722,335)</u>
	53,404	978,868
Interest received	70,321	53,389
Interest and other finance costs paid	<u>(2,131)</u>	<u>-</u>
Net cash from operating activities	<u>121,594</u>	<u>1,032,257</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	<u>(166,181)</u>	<u>(912,193)</u>
Net cash used in investing activities	<u>(166,181)</u>	<u>(912,193)</u>
<b>Cash flows from financing activities</b>		
Debt restructure transactions costs	-	(106,800)
Proceeds from borrowings	472,152	-
Share issue transaction costs	<u>(7,120)</u>	<u>-</u>
Net cash from/(used in) financing activities	<u>465,032</u>	<u>(106,800)</u>
Net increase in cash and cash equivalents	420,445	13,264
Cash and cash equivalents at the beginning of the financial half-year	860,795	1,330,334
Effects of exchange rate changes on cash and cash equivalents	<u>(14,086)</u>	<u>21,045</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>1,267,154</u></u>	<u><u>1,364,643</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**Note 1. Material accounting policy information**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of the new and amended standards and interpretations, did not result in any significant changes to the consolidated entity's accounting policies.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Going concern**

The consolidated financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The consolidated entity had net cash inflows from operating activities of \$121,594 during the half-year ended 31 December 2023 (31 December 2022: \$1,032,257) and as at 31 December 2023 had a net current liability and net liability position of \$22,355,521 (30 June 2023: \$2,574,404) and \$1,393,144 (30 June 2023: \$1,922,193) respectively. Net current liabilities, includes an amount of \$853,226 in accrued director fees. The remaining balance of the accrued director fees has been deferred for future settlement, or will be settled via the issue of remuneration rights.

The directors have reviewed the cashflow forecasts and believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern due to the following factors:

- An agreement from the four Noteholders to extend the repayment date of the current balance debt from 31 December 2024 to 31 December 2026 has been sought. Subsequent to period end but prior to signing this financial report, Variation Agreements have already been signed by three Noteholders holding a majority of the debt and it is expected that the other Variation Agreement will be concluded in the near future;
- The consolidated entity's Kazakhstan operations are generating positive cash flows are expected to continue to do so;
- The company will only carry out the drilling of new wells if it has the appropriate funding in place, whether that be via access to additional working capital and/or agreement to deferred payment terms with a turnkey drilling operator; and
- The company has access to a \$US5,000,000 facility (\$A7,309,941) provided by Jupiter Energy's major shareholder Waterford Finance & International Limited. This facility is provided interest free, is unsecured and any funds drawn on the facility will be repayable on or before 31 December 2024, unless this date is extended by mutual agreement. As at the date of this report, the full \$US5,000,000 (\$A7,309,941) is available to the Company.

As at the date of this report, the directors are satisfied there is a reasonable basis to believe that the above matters can be achieved.

Should the consolidated entity not achieve the matters set out above, there is significant uncertainty as to whether the consolidated entity 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 asset amounts nor to the amounts or classification of liabilities that might be necessary should the consolidated entity not be able to continue as a going concern.

**Jupiter Energy Limited**  
**Notes to the financial statements**  
**31 December 2023**

**Note 2. Operating segments**

*Identification of reportable operating segments*

The consolidated entity has identified its operating segments based on the internal reports that are used by the chief operating decision makers in assessing performance and determining the allocation of resources.

The consolidated entity has identified that it has one operating segment being related to the activities in Kazakhstan, on the basis that the operations in Australia relate to running the Corporate Head Office only.

All significant Oil and Gas and Exploration and evaluation expenditure are domiciled in Kazakhstan. All oil sales are with one customer in Kazakhstan.

**Note 3. Revenue**

*Disaggregation of revenue*

The disaggregation of revenue from contracts with customers is as follows:

	<b>Consolidated</b>	
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	\$	\$
<i>Major product lines</i>		
Sale of oil	<u>5,128,934</u>	<u>1,512,633</u>

Revenue pertains solely to the sale of oil in Kazakhstan. Revenue from the sale of oil is recognised at a point in time when the control of the product is transferred to the customer, which occurs at the well head.

**Note 4. Oil and gas properties**

	<b>Consolidated</b>	
	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	\$	\$
<i>Non-current assets</i>		
Oil and gas properties - at cost	23,408,052	23,686,876
Less: Accumulated amortisation	<u>(2,644,270)</u>	<u>(2,475,103)</u>
	<u>20,763,782</u>	<u>21,211,773</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

<b>Consolidated</b>	Oil and gas properties \$
Balance at 1 July 2023	21,211,773
Additions	377,986
Change in estimate	28,189
Exchange differences	(605,846)
Amortisation expense	<u>(248,320)</u>
Balance at 31 December 2023	<u>20,763,782</u>

**Jupiter Energy Limited**  
**Notes to the financial statements**  
**31 December 2023**

**Note 5. Contract liabilities**

	<b>Consolidated</b>	
	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	\$	\$
<i>Current liabilities</i>		
Contract liabilities	<u>536,903</u>	<u>1,682,561</u>

The contract liability refers to amounts received in advance for oil sales. As at 31 December 2023, there is approximately 1,300 tonnes of oil to be delivered under the contract (June 2023: 5,411 tonnes). This obligation is expected to be fulfilled within the quarter ending 31 March 2024 (2022: 31 March 2023).

**Note 6. Borrowings**

	<b>Consolidated</b>	
	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	\$	\$
<i>Current liabilities</i>		
Insurance Premium Funding	72,478	-
Waterford facility	<u>438,596</u>	<u>-</u>
	<u>511,074</u>	<u>-</u>

The Company announced on 03 July 2023 that it had agreed a new \$US5,000,000 facility (\$A,7,309,941) with major shareholder Waterford Finance & International Limited. This facility is provided interest free, is unsecured and any funds drawn on the facility will be repayable on or before 31 December 2024, unless this date is extended by mutual agreement. As at 31 December 2023, a total of \$US300,000 (\$A438,596) had been drawn down under this facility. This amount was repaid in full during January 2024 and, as at the date of this report, the full facility is available to the Company.

**Note 7. Other financial liabilities**

	<b>Consolidated</b>	
	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	\$	\$
<i>Current liabilities</i>		
Promissory notes	<u>21,438,246</u>	<u>-</u>
<i>Non-current liabilities</i>		
Promissory notes	<u>-</u>	<u>20,804,177</u>
	<u>21,438,246</u>	<u>20,804,177</u>

The promissory note is interest free is due and payable on 31 December 2024. The fair value of the new debt was measured using a market rate of debt of 13%. Should management fail to pay the new debt, a penalty interest of 15% per annum will be charged against the company. The debt is at amortised cost.

Subsequent to period end, an agreement from the four Noteholders to extend the repayment date of the current balance debt from 31 December 2024 to 31 December 2026 has been sought. Subsequent to period end, Variation Agreements have been signed by three Noteholders holding a majority of the debt and discussions are ongoing in respect of the other Variation Agreement.

Reconciliation of the carrying values at the beginning and end of the current financial half- year is set out below:



**Jupiter Energy Limited**  
**Notes to the financial statements**  
**31 December 2023**

**Note 7. Other financial liabilities (continued)**

Opening balance at 1 July 2023	20,804,177
Unwinding of discount	1,334,010
Foreign exchange differences	(699,941)
	<u>21,438,246</u>

**Note 8. Issued capital**

	Consolidated			
	31 Dec 2023 Shares	30 Jun 2023 Shares	31 Dec 2023 \$	30 Jun 2023 \$
Ordinary shares - fully paid	1,242,350,121	1,229,850,121	120,412,007	120,041,141
Treasury shares	27,980,134	-	-	-
	<u>1,270,330,255</u>	<u>1,229,850,121</u>	<u>120,412,007</u>	<u>120,041,141</u>

*Movements in ordinary share capital*

Details	Date	Shares	\$	
Balance	1 July 2023	1,229,850,121	120,041,141	
Shares in relation to gas utilisation project	16 August 2023	12,500,000	\$0.03	377,986
Less cost of capital raised		-	\$0.00	(7,120)
Balance	31 December 2023	<u>1,242,350,121</u>	<u>120,412,007</u>	

*Movements in treasury shares*

Details	Date	Shares	Issue price	\$
Balance	1 July 2023	-		-
Issue of remuneration shares to Jupiter Employee Securities Pty Ltd held in trust	18 September 2023	27,980,134	\$0.00	-
Balance	31 December 2023	<u>27,980,134</u>		<u>-</u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Treasury shares*

Treasury shares are the Group's own equity instruments, which are used in employee/director share-based payment arrangements. These shares are deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own equity interests.

*Share buy-back*

There is no current on-market share buy-back.

**Jupiter Energy Limited**  
**Notes to the financial statements**  
**31 December 2023**

**Note 9. Reserves**

	<b>Consolidated</b>	
	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	\$	\$
Foreign currency reserve	(30,354,197)	(29,706,722)
Share-based payments reserve	6,426,922	5,764,014
	<u>(23,927,275)</u>	<u>(23,942,708)</u>

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

*Share-based payments reserve*

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

The reserve is used to recognise the value of remuneration rights provided directors as settlement of directors fees.

*Movements in reserves*

Movements in each class of reserve during the current financial half-year are set out below:

<b>Consolidated</b>	Foreign currency \$	Share-based payments \$	Total \$
Balance at 1 July 2023	(29,706,722)	5,764,014	(23,942,708)
Foreign currency translation	(687,475)	-	(687,475)
Share based payments	-	702,908	702,908
	<u>(30,394,197)</u>	<u>6,466,922</u>	<u>(23,927,275)</u>
Balance at 31 December 2023	<u>(30,394,197)</u>	<u>6,466,922</u>	<u>(23,927,275)</u>

**Note 10. Dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

**Note 11. Related party transactions**

*Parent entity*

Jupiter Energy Limited is the parent entity.

*Transactions with related parties*

There were no transactions with related parties during the current and previous financial half-year.

*Receivable from and payable to related parties*

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	<b>Consolidated</b>	
	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	\$	\$
Current payables:		
Total directors fees payable*	904,170	1,390,056

\* Of these fees a total \$853,226 (30 June 2023: \$1,330,902) has been deferred until such time that at least US\$10,000,000 in new equity is raised or alternatively the consolidated entity sells the Block 31 licence and receives the funds associated with that sale. The deferred director fees will be paid in cash.

**Jupiter Energy Limited**  
**Notes to the financial statements**  
**31 December 2023**

**Note 11. Related party transactions (continued)**

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

**Note 12. Events after the reporting period**

On 11 January 2024, the Company released a summary of the results of a Competent Persons Report (CPR) prepared by Sproule International Limited (Sproule). The results showed a significant increase across the 1P, 2P and 3P reserve categories when compared to the last SPE/PRMS CPR released by Jupiter in 2013, thereby confirming the prospectivity of Jupiter's licence area.

Sproule was engaged by Jupiter to evaluate the Proved, Probable and Possible reserves for the Company's three oilfields in Kazakhstan and to prepare a CPR as to its findings.

Sproule is an independent sub surface consultancy based in Calgary, Canada and possesses the technical skills and certifications required for this type of work.

The CPR was prepared in accordance with the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the SPE and is provided in accordance with and, in Sproule's view, meets the requirements necessary for Jupiter's compliance with the classification and definitions of the PRMS and the Australian Stock Exchange (ASX) reporting rules.

The effective date of the CPR was 31 December 2023.

In summary, the recoverable reserves associated with Jupiter's fields in Kazakhstan are as follows:

<b>1P: Proved (bbls)</b>	<b>2P: Proved &amp; Probable (bbls)</b>	<b>3P: Proved, Probable &amp; Possible (bbls)</b>
14,691,000	36,847,000	46,796,000

Note: Jupiter holds a 100 percent working interest in its fields and therefore 100% of the reserves are attributable to the Company.

Based on the modelling of the Field Development Plan (FDP) for the 2P category (Proved and Probable) over a ~17-year life and using a discount rate of 20%, the After-Tax Net Present Value (NPV) of the Project is calculated at approximately \$US180,000,000.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 13. Earnings per share**

	<b>Consolidated</b>	
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>\$</b>	<b>\$</b>
Profit after income tax attributable to the owners of Jupiter Energy Limited	<u>142,750</u>	<u>45,155,849</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	1,239,157,186	211,881,629
Adjustments for calculation of diluted earnings per share:		
Treasury shares	<u>15,814,858</u>	<u>-</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,254,972,044</u>	<u>211,881,629</u>

**Jupiter Energy Limited**  
**Notes to the financial statements**  
**31 December 2023**

**Note 13. Earnings per share (continued)**

	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	0.01	21.31
Diluted earnings per share	0.01	21.31

**Jupiter Energy Limited**  
**Directors' declaration**  
**31 December 2023**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- subject to the matters described in note 1 above, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Geoffrey Gander  
Director

15 March 2024



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working world**

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

### **Conclusion**

We have reviewed the accompanying half-year financial report of Jupiter Energy Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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.

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 the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial 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*.

### **Basis for conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### **Material uncertainty related to going concern**

We draw attention to Note 1 Going concern in the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

### **Directors' responsibilities for the half-year 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 control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



## Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 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*.

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.

A handwritten signature in black ink that reads 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Mark Cunningham'.

Mark Cunningham  
Partner  
Perth  
15 March 2024