JUPITER ENERGY LIMITED

ANNUAL REPORT FOR THE YEAR ENDED

30 JUNE 2023

ABN 65 084 918 481

Jupiter Energy Limited
Corporate directory
30 June 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	Suite 2 Level 14, 333 Collins Street Melbourne VIC 3000
Principal place of business	Microdistrict 12, Building 79, BC Zhastar Aktau, Kazakhstan, 130000
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	www.jupiterenergy.com
Corporate Governance Statement	www.jupiterenergy.com

Jupiter Energy Limited
Chairman's letter
30 June 2023

Dear Shareholder,

I am pleased to present the 2023 Annual Report for Jupiter Energy Limited (“Jupiter Energy”, “the Company” or “the Group”).

The operating environment in Kazakhstan has seen some improvement over the past 12 months but continues to be impacted by the geopolitical tension that exists between Russia and Ukraine.

Despite this unfortunate situation, with the focus and dedication of our Aktau based team and the ongoing support of our major shareholder and four Noteholders, the Company is now producing oil at optimal levels and is free to sell its oil into both the Kazakh domestic and certain overseas oil markets.

The Group produced 132,800 barrels of oil during the year (an increase of 46% year on year) and generated revenues of US$3.8 million - approximately $US32 per barrel for oil. Production increased markedly in the last quarter of the year as the Company installed the requisite infrastructure to achieve 100% gas utilisation and was thereby granted approval to return its production wells to optimal levels.

Achieving 100% gas utilisation has been a significant milestone for the Company. From March 2023, production increased to ~85 tonnes (640 barrels) per day and with the various workovers being carried out on existing wells during the next few months, production should increase to over ~100 tonnes (750 barrels) per day.

The Company is now subject to monthly quotas set by the Kazakh Ministry of Energy in terms of what quantity of its oil must be sold into the Kazakh domestic market and what quantity the Company is free to sell via alternative channels. From April 2023, these alternative channels include sales into the export market.

Unfortunately, the pricing of export oil has been impacted by routing restrictions linked to the ongoing situation in Ukraine. As a result, export sales are currently not achieving the best net price for oil. It is hoped that the environment for selling export oil will improve over the coming twelve months.

Another significant milestone achieved during the past year occurred at the December 2022 Annual General Meeting when shareholders approved a significant debt restructure plan. This plan saw Balance Sheet debt reduced from ~$US75m (~$AU106.2m) to ~$US16.5m (~$AU24.4m). The carrying value of the debt at 30 June 2023 is ~$US13.9m (~$AU20.8m). As part of this restructuring, our 4 Noteholders agreed to write off a proportion of their outstanding balance and convert proportion to shares in the company. The restructured Balance Sheet ensures the Company is now in a far better position to seek new investors, if and when seeking new funds is deemed appropriate.

I would like to thank the four Noteholders, our shareholders and all employees for working together to get Jupiter Energy into this much improved operational position and I look forward to the Company continuing to make good progress over the next twelve months.

Sincerely

Geoff Gander
Chairman/CEO

Jupiter Energy Limited
Directors' report
30 June 2023

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'the Group') 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 year ended 30 June 2023.

Directors
The following persons were directors of Jupiter Energy Limited during the whole of the financial 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 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.

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

Review of operations
The profit for the consolidated entity after providing for income tax amounted to $44,192,282 (30 June 2022: loss of $11,511,006).

The profit for year included a gain of $52,726,436 from a restructure of the company's debt.

Review of financial condition

At the end of the 2023 financial year, cash resources were $860,795 (2022: $1,330,334). These accounts have been prepared on a going concern basis, predicated on the Group's ability to raise additional cash. Refer to note 1 for additional information surrounding going concern.

Total assets at 30 June 2023 were $23,238,966 (2022: $20,606,629) and the consolidated entity had net liabilities of $1,922,193 (2022: negative $81,563,998).

Funding and capital management

As at 30 June 2023, the Group had 1,229,850,121 (2022: 153,377,693) listed shares trading under the ASX ticker "JPR". The increase in the number of listed shares reflected the debt for equity shares issued in December 2022 as part of the debt restructure plan approved by shareholders at the 2022 Annual General Meeting (AGM).

Funding for operations during the year came entirely from prepaid oil sales.

As at 30 June 2023 the Company had approximately $US16.57m ($AU25M) in debt, compared to ~$US73m ($AU105.9m) as at 30 June 2022. This remaining debt will be carried interest free until 31 December 2024 and the Company expects to repay the amount, using $US generated from oil sales, over the coming years.

The Company announced on 03 July 2023 that it had agreed a new $US5m facility with major shareholder Waterford Finance & International Limited. This facility is provided interest fee, 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. No monies have been drawn down from this facility as at the date of this report. Any amounts drawn down under this facility will be repaid prior to the company' existing noteholders.

The Group is still reviewing its ongoing funding options to enable it to complete its committed work program for the 2023/2024 financial year.

Status of Production Licences

The Akkar North (East Block) oilfield currently operates under its Commercial Production Licence and this Licence runs until 05 March 2046. The field is currently producing without restrictions. A workover of the J-50 well is scheduled to be carried out in the coming months.

The Akkar East oilfield currently operates under its Commercial Production Licence that runs until 02 March 2045. The field is also currently producing without restrictions, although the J-51 has been shut in for a period as it undergoes a major workover. A workover of the J-52 well is also scheduled to be carried out in the coming months.

The West Zhetybai oilfield returned to production when its 100% gas utilisation infrastructure was installed, late in 1Q 2023.

The West Zhetybai oilfield continues to operate under the "Preparatory Period" of its Commercial Production Licence and this is expected to continue until 01 September 2024. The field will then revert to its full Commercial Production Licence and this Licence will run until 01 September 2049. The field is currently producing without restrictions. A workover of the J-58 well is scheduled to be carried out in the coming months.

As detailed in the summary of production table further below, achieving 100% gas utilisation in 1Q 2023 enabled production to increase from a daily cumulative rate of ~30 tonnes (~225 barrels) to ~85 tonnes (~640 barrels) and it is expected that the planned workovers will increase this daily cumulative rate to over ~100 tonnes (~750 barrels) in the coming months.

Operating review
Production Report

Production – Akkar East (J-51, J-52, J-53 and Well 19):

Oil was produced from the Akkar East J-51, J-52 and 19 wells under the Preparatory Period restrictions of its Commercial Licence until March 2023. These three wells are all located on the northern section of the permit area and are part of the Akkar East oilfield.

Production rates from the wells for the first 8 months of the year were constrained to a cumulative total of ~22 tonnes (~160 barrels) per day from the 3 wells. Once the 100% gas utilisation infrastructure was in place and approved to operate (during March 2023), the cumulative production level improved to ~42 tonnes (~315 barrels) per day. This production came from the J-52 and 19 wells. The J-51 well was shut in during March 2023 in order to carry out a major workover and is expected to return to production during 4Q 2023.

The J-53 well, which is also located on the Akkar East oilfield, was shut in for the entire financial year, awaiting further remedial work before potentially coming back onto production.

Production – Akkar North [East Block] (J-50 well):

Oil was produced from the Akkar North (East Block) J-50 well under the Preparatory Period restrictions of its Commercial Licence until March 2023.

The J-50 production rate for the first 8 months of the year was constrained to ~8 tonnes (~60 barrels) per day. Once the 100% gas utilisation infrastructure was in place and approved to operate (during March 2023), the production level of the well improved to ~18 tonnes (~135 barrels) per day.

The well is scheduled to undergo a workover in the coming months.

Production- West Zhetybai (J-55, 58, 59 wells):

Production recommenced from the J-58 well in January 2023. Flow rates were restricted in January and February 2023 as the 100% gas utilisation infrastructure was installed and the well returned to optimal production in March 2023. Optimal production from this well is ~25 tonnes (~190 barrels) per day.

The well is scheduled to undergo a workover in the coming months.

The J-55 well and J-59 wells are also located on the West Zhetybai oilfield and were both shut in for the entire financial year, awaiting further remedial work before potentially coming back onto production.

A summary of the oil produced from all production wells during the financial year, broken down by quarter, is as follows:

Well Number	Production (1Q) (bbls)	Production (2Q) (bbls)	Production (3Q) (bbls)	Production (4Q) (bbls)	TOTAL bbls for the 2022/2023 Financial Year
J-50	5,600	5,600	5,300	11,300	27,800
J-51	4,800	4,800	6,400	-	16,000
J-52	4,800	4,800	6,400	14,500	30,500
Well 19	4,800	4,800	6,400	14,500	30,500
J-58	-	-	10,300	17,700	28,000
	20,000	20,000	34,800	58,000	132,800

Drilling Report

There was no new drilling during the financial year.

The drilling of any other new wells in the 2023/2024 financial year will require access to additional working capital and/or agreement to deferred payment terms with a turnkey drilling operator. The current forward drilling plan is for no wells to be drilled during 2023, but this is always under review.

Oil Production and Revenues

There were approximately 132,800 barrels of oil produced during the year, achieving revenues of ~$5.6 million This compared with approximately 91,000 barrels produced in the previous reporting period, generating revenues of ~$A4.1 million. All oil produced during the first nine months of the year was sold into the domestic market to a local trader - as per the terms of both the Company's Exploration Period Licence and "the Preparatory Period" restrictions of Jupiter Energy's Commercial Licences.

In March 2023, when 100% gas utilisation infrastructure had been installed and approved by the authorities, oil sales were permitted to be made to both domestic and export markets, subject to quotas that are advised by the Kazakh Ministry of Energy on a month by month basis.

Due to the geopolitical tension in the region, the limited availability of routes for export oil meant that pricing for export oil was not particularly attractive and the Company only sold oil into the export market in April 2023. Since that time, all oil has been sold into the domestic markets to both government refineries and local mini refineries.

Oil continues to be sold on a prepayment basis.

Status of Exploration and Commercial Licences

As detailed above, the Akkar North (East Block) and Akkar East field are currently operating under their 25 year Commercial Production Licences. The West Zhetybai field is running under the Preparatory Period of its Commercial Licence and is expected to commence operating under its 25 year Full Commercial Production Licence from 1 September 2024.

Creation of Joint Venture for the trading of Domestic Oil

During the year, as a result of Kazakh legislation introduced in January 2023, the Company was required to create a Joint Venture (JV) vehicle with a trader (or traders) to enable it to continue selling oil into the Kazakh domestic market under its Full Commercial Licence. As part of this process, the Company took a 50% shareholding in the JV.

Ongoing Funding

During the year the Company continued to evaluate various opportunities for new sources of funding. Until recently one of the key impediments for attracting potential investors was the lack of 100% gas utilisation infrastructure on the three oilfields and the impact this had on daily oil production.

The other key impediment for attracting further investment was the level of debt on the balance sheet.

With both of these areas now addressed, the Company continues to work with its partners regarding opportunities for attracting new sources of funding.

Debt restructure

Shareholders approved a major debt restructure plan at the 2022 AGM. The four Noteholders agreed to write off a proportion of their outstanding balance and convert proportion to shares in the company. The remaining balance of their principal debts remains on the Balance Sheet – meaning that total debt has been reduced from over $US75m to ~$US16.5m.

The ~$US16.5m debt is interest free until 31 December 2024 and the Company is focused on paying down this amount from oil sales as soon as is possible.

Corporate structure

The Company monitored its personnel numbers during the financial year and ended the year with 42 employees, an increase of 12 over the year. This increase of personnel in Kazakhstan reflected the return to optimal production levels during the year as well as the installation and running of the gas utilisation infrastructure on the three oilfields.

Annual General Meeting

The 2022 AGM was held virtually on 09 December 2022. The delay of the meeting into December was required to ensure that all documentation required to enable the Debt Restructure Plan to be put to shareholders was competed and dispatched as per regulatory requirements.

The Company expects the 2023 AGM to be held during November 2023 – again virtually.

A Notice of Meeting outlining business to be covered at the 2023 AGM will be dispatched to shareholders during October 2023, and the Notice will include details on how to attend online.

Shares for Fee Plan

A General Meeting of shareholders was held on 29 June 2023. At this meeting, shareholders approved a “Shares for Fees” plan that saw ~$A560k of debt removed from the Balance Sheet as participating Directors agreed to accept rights to shares to cover all accrued fees outstanding and due to them. The Directors agreed to this subsequent to year end and the terms and condition were signed off by the Directors in September 2023.

In addition, participating Directors agreed to take rights to shares, instead of deferred cash, to cover Directors Fees from 1 January 2023.

Summary

The 2022/23 Financial Year saw a ~46% increase in the number of barrels of oil produced with revenues increasing from ~A$4.1 million to ~$A5.6 million, year on year. The increase in production was as a result of the installation and approval to operate the requisite infrastructure to achieve 100% gas utilisation on the three oilfields.

The three oilfields were able to operate at optimal production levels from March 2023.

Our team in Aktau did an excellent job in ensuring the gas utilisation infrastructure equipment was brought into the country, installed and approved within tight timelines and taking into account logistical disruptions created by the ongoing COVID lockdowns in China at the beginning of 2023.

The four Noteholders continued their support for the Company during the year in agreeing to a significant Debt Restructure Plan that meant Balance Sheet debt has been reduced from ~$US75m to ~$US16.5m.

<u>Competent Persons Statement</u>

General

Alexey Glebov, PhD, with over 35 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), has 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.

Kazakh State Approved Reserves

Any information in this report which relates to the C^1 and C^2 Block 31 reserve estimations is based on information compiled by Kazakh Institutes, Reservoir Evaluation Services LLP ("RES") and Nauchno Proizvodstvennyi Tsentr ("NPC"). Both are Kazakh based oil & gas consulting Groups that specialise in oil & gas reserve estimations. RES and NPC have used the Kazakh Reserve classification system in determining their estimations. RES and NPC have 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^1 and C^2 reserve estimations. RES and NPC have given and not withdrawn their written consent to the inclusion of the C^1 and C^2 reserve estimations in the form and context in which they appear in this report. RES and NPC have no financial interest in the Group.

Matters subsequent to the end of the financial year
The Company announced on 03 July 2023 that it had agreed a new $US5m facility with major shareholder Waterford Finance & International Limited. This facility is provided interest fee, 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. No monies have been drawn down from this facility as at the date of this report.

On 05 July 2023 Mark Ewing retired from the Board and Keith Martens was appointed as a Non-Executive Director.

At the Company's General Meeting held 29 June 2023, shareholders approved the adoption of a Securities for Fees Plan and associated issuance of securities to certain directors of the Company as consideration for accrued director and consulting fees for the period up to 30 June 2023 and such fees that would otherwise then accrue for the period 1 January 2023 through to 31 December 2024. This shareholder approval has resulted in a further improvement in the balance sheet and future cash expenditure of the Company.

Following the finalisation of required documentation, on 18 September 2023 the company issued 18,646,800 remuneration share rights to certain directors as consideration for accrued fees totalling $559,404 for the period up to 30 June 2023. On 18 September 2023, the company issued 27,980,134 fully paid ordinary shares to Jupiter Employee Securities Pty Ltd in relation to these accrued fees and associated share remuneration rights for the period out to 31 December 2024. These shares are held in trust by that entity until all vesting conditions relating to the remuneration share rights are met and the rights are exercised.

No other matter or circumstance has arisen since 30 June 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.

Likely developments and expected results of operations
The Directors will continue to pursue oil and gas exploration and production opportunities in the Republic of Kazakhstan.

Significant changes in the state of affairs
Except as otherwise set out in this report, the Directors are unaware of any significant changes in the state of affairs or principal activities of the consolidated entity that occurred during the financial year.

Environmental regulation
The consolidated entity is committed to achieving the highest standards of environmental performance. Standards set by the Government of Kazakhstan are comprehensive and highly regulated. The consolidated entity strives to comply not only with all Kazakh government regulations, but also maintain worldwide industry standards.

To maintain these high standards the Group is committed to a locally developed environmental monitoring program. This monitoring program will continue to expand as and when new regulations are implemented and adopted in Kazakhstan. There have been no known breaches of any environmental obligations.

Health and safety

The Group has developed a comprehensive Health and Safety policy for its operations in Kazakhstan and has the appropriate personnel in place to monitor the performance of the Group with compliance under this policy. The Group outsources many of its key drilling and operational functions and as part of any contract entered into with third parties, a commitment to Health & Safety and a demonstrated track record of success and this area is a key performance indicator in terms of deciding on which companies will be contracted.

The Aktau operations team continues to exercise vigilance with respect to employee and contractor safety.

Information on directors

Name:	Geoffrey Gander
Title:	Executive Chairman/CEO
Qualifications:	Mr Gander graduated from the University of Western Australia in 1984 where he completed a Bachelor of Commerce Degree.
Experience and expertise:	Mr Gander was involved in the identification and purchase of the Block 31 licence in Kazakhstan and has driven the development of the business there since 2007. He is currently responsible for the overall Operational Leadership of the Company as well as Investor Relations and Group Corporate Development.
Other current directorships:	Nil
Former directorships (last 3 years):	Powerhouse Ventures Limited (ASX : PVL) – resigned 25 November 2021
Interests in shares:	Nil
Interests in rights:	5,176,700 remuneration share rights

Name:	Baltabek Kuandykov
Title:	Independent Non-Executive Director
Experience and expertise:	Mr Kuandykov has considerable experience in the oil and gas industry in the region, having served as President of Kazakhoil (predecessor of the Kazakh State oil company KazMunaiGas). He was also seconded by the Kazakh Government to work with Chevron Overseas Petroleum on CIS projects. Mr Kuandykov also has extensive government experience in Kazakhstan, having served as Deputy Minister of Geology, Head of the Oil and Gas Directorate at the Ministry of Geology, and was Deputy Minister of Energy and Fuel Resources.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	Nil

Name:	Alexander Kuzev
Title:	Independent Non-Executive Director
Experience and expertise:	Mr Kuzev is an oil industry professional with over 27 years of experience. Most of Alexander's career has been spent working in the Former Soviet Union (FSU) with much of that time responsible for the overall management of field operations with a focus on production sustainability, technology and field maintenance. He has worked with a range of oil and gas companies including Schlumberger and Gazprom Drilling. Alexander brings an important technical skill set to the Jupiter Energy Board as well as in country experience, having been involved with various Kazakhstan based oil and gas operations since the late 1990's.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	Nil

Name:	Alexey Kruzhkov
Title:	Non-Executive Director
Experience and expertise:	Mr Kruzhkov holds an Engineering Degree and an MBA and has over 10 years' experience working in the investment industry, focusing primarily on organisations involved in Oil & Gas, Mining and Real Estate. He has served as a Director on the Boards of companies listed in Canada and Norway. He is a board member and part of the executive team of Waterford Investment and Finance Limited and resides in Cyprus. He holds British and Russian citizenships.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	Nil
Interests in rights:	13,482,100 remuneration share rights

Name:	Mark Ewing
Title:	Independent Non-Executive Director (resigned 5 July 2023)
Qualifications:	Mark has had more than 40 years' experience as a Chartered Accountant.
Experience and expertise:	Mark Ewing is an experienced company director and member of the Institute of Company Directors. Mark has had more than 40 years' working with private and public companies in Australia, Asia, UK and the US. He specialises in the provision of corporate advice to SME's and small ASX listed companies, due diligence, capital raisings and business sales.
Other current directorships:	N/A
Former directorships (last 3 years):	N/A
Interests in shares:	N/A

Name:	Keith Martens
Title:	Independent Non-Executive Director (appointed 5 July 2023)
Qualifications:	B.Sc (University of British Columbia)
Experience and expertise:	Keith has over 40 years of experience as an oil finder and manager around the world. Keith has served a technical advisor and consultant to a number of Australian oil and gas companies.
Other current directorships:	Grand Gulf Energy Limited (ASX: GGE)
Former directorships (last 3 years):	Nil
Interests in shares:	Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
James Barrie (GAICD, Dipl InvRel (AIRA), B. Business) is a professional director and company secretary. He provides the Jupiter Board independent advice and expertise, and is skilled in the areas of corporate governance, company secretary, share registry, employee plans, treasury, capital management, accounting, commercial analysis, strategy, stakeholder relations, sales, business development, IPOs and mergers and acquisitions.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
G Gander	5	5
B Kuandykov	5	5
A Kruzhkov	4	5
A Kuzev	5	5
M Ewing	4	5

Held: represents the number of meetings held during the time the director held office.

Due to the small number and geographical spread of the Directors, it was determined that the Board would undertake all of the duties of properly constituted Audit & Compliance and Remuneration Committees.

Remuneration report (audited)
This remuneration report outlines the Director and executive remuneration arrangements of the consolidated entity in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report, key management personnel (KMP) of the consolidated entity are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company. KMP comprise the company's directors which are listed above,

For the purposes of this report, the term 'executive' encompasses the Executive Chairman/Chief Executive Officer.

Principles used to determine the nature and amount of remuneration
The remuneration policy of the consolidated entity has been designed to align Directors and executives interests with the shareholder and business objectives by providing a fixed remuneration component and offering long term incentives based on a key performance area – with a focus to the material improvement in share price performance. The Board of the consolidated entity believes the remuneration policy to be appropriate to attract and retain the best executives and Directors to run and manage the consolidated entity, as well as create goal congruence between Directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the consolidated entity is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board after a review of similar listed and unlisted companies with activities in overseas jurisdictions and taking into account the experience and skill set required to successfully develop operations in these jurisdictions from early-stage development. The consolidated entity does not have a remuneration committee. The Board is of the opinion that due to the size of the consolidated entity, the functions performed by a Remuneration Committee can be adequately handled by the full Board.
- All executives receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits and performance incentives.
- The Board reviews executive packages annually by reference to the consolidated entity's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

Remuneration Structure

Non-Executive Director Remuneration

Objective
The Board seeks to set aggregate remuneration at a level which provides the consolidated entity with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.
Structure
The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by shareholders at the Annual General Meeting. Total remuneration for all non-executive Directors, is not to exceed $350,000 per annum as approved by shareholders at the Annual General Meeting held on 15 November 2010. Fees for non-executive Directors are not linked to performance of the consolidated entity. Non-executive Directors are also encouraged to hold shares in the company. It should be noted that Directors Fees for all Directors, except Mark Ewing who resigned from the Board on 05 July 2023, are currently being deferred and a table summarising the outstanding fees due to Directors can be found on page 13 of this Report.

As approved at a General Meeting of shareholders held on 29 June 2023, as of 1 January 2023, participating Directors (Gander and Kruzhkov) are being issued renumeration share rights as payment for fees and non participating Directors (Kuandykov and Kuzev) are continuing to defer their cash fees. Newly appointed Director (Martens) will be issued fully paid ordinary shares as payment for fees, subject to shareholder approval at the 2023 Annual General Meeting. The Directors agreed to this subsequent to year end and the terms and condition were signed off by the directors in September 2023.

Executive Remuneration

<u>*Objective*</u>
The consolidated entity aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the consolidated entity so as to:
- reward executives for consolidated entity, business unit and individual performance;
- align the interests of executives with those of shareholders;
- link reward with the strategic goals and performance of the consolidated entity; and
- ensure total remuneration is competitive by market standards

<u>*Structure*</u>
In determining the level and make-up of executive remuneration, the Board reviews remuneration packages provided by similar listed and unlisted companies with activities in overseas jurisdictions and taking into account the experience and skill set required to successfully develop operations in these jurisdictions from early stage development as well as the salary levels of local workers in that jurisdiction. It is the Board's policy that employment contracts are entered into with the Chief Executive Officer and all key management personnel.

Fixed Remuneration

The fixed remuneration of executives is comprised of a base salary and superannuation. The fixed remuneration of executives is reviewed annually.

Variable remuneration – Short Term Incentives (STI)

The CEO may be awarded a one off annual bonus payment by mutual agreement and at the discretion of the Board. In the years ended 30 June 2023 and 30 June 2022, no cash bonuses were paid.

Variable Remuneration – Long Term Incentives (LTI)

The objectives of long term incentives are to:

- align executives remuneration with the creation of shareholder wealth;
- recognise the ability and efforts of the Directors, employees and consultants of the consolidated entity who have contributed to the success of the consolidated entity and to provide them with rewards where deemed appropriate;
- provide an incentive to the Directors, employees and consultants to achieve the long term objectives of the consolidated entity and improve the performance of the consolidated entity; and
- attract persons of experience and ability to employment with the consolidated entity and foster and promote loyalty between the consolidated entity and its Directors, employees and consultants.

<u>*Structure*</u>
Long term incentives granted to Directors and senior executives are delivered either in the form of a defined bonus or via the issue of Performance Rights, issued under the Performance Rights Plan. There were no performance rights issued during the current financial year or prior financial year. There is a bonus that forms part of the CEO package which is linked to the sale of the permit area. Under the terms of the package, the CEO is entitled to $US350,000 or 0.5% (whichever is greater) of the value of the consideration received if Jupiter or Contract 2275 (pertaining to the main project) is assigned, transferred or sold to a third party during the term of the agreement.

Use of remuneration consultants
During the financial year ended 30 June 2023, the consolidated entity did not use remuneration consultants.

Voting and comments made at the company's 9 December 2022 Annual General Meeting ('AGM')
At the 9 December 2022 AGM, 99.70% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration
Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2023	Directors fees $	Consulting fees *** $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
A Kruzhkov *	59,396	-	-	-	-	-	59,396
B Kuandykov **	59,396	119,419	-	-	-	-	178,815
A Kuzev **	44,550	104,927	-	-	-	-	149,477
M Ewing	30,000	-	-	-	-	-	30,000
Executive Directors:							
Geoff Gander *	-	360,798	-	-	-	-	360,798
	193,342	585,144	-	-	-	-	778,486

* Directors fees from February 2015 have 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. On 18 September 2023, remuneration share rights were issued to Mr Gander and Mr Kruzhkov settling accrued director fees, outstanding as at 30 June 2023. Ongoing Directors fees, from 1 January 2023, will be payable via remuneration share rights, issued on a 6 monthly in arrears basis.

** Director fees from February 2015 have 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.

*** Consulting fees relate to specific fees paid in relation to the oil and gas industry consultations.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2022	Directors fees $	Consulting fees *** $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
A Kruzhkov *	55,109	-	-	-	-	-	55,109
B Kuandykov **	55,109	116,419	-	-	-	-	171,528
A Kuzev **	41,331	87,192	-	-	-	-	128,523
M Ewing	41,667	-	-	-	-	-	41,667
Executive Directors:							
Geoff Gander *	-	342,094	-	-	-	-	342,094
	193,216	545,705	-	-	-	-	738,921

* Directors fees from February 2015 have 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. On 18 September 2023, remuneration share rights were issued to Mr Gander and Mr Kruzhkov settling accrued director fees, outstanding as at 30 June 2023.

** Director fees from February 2015 have 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.

*** Consulting fees relate to specific fees paid in relation to the oil and gas industry consultations.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration 2023	Fixed remuneration 2022	At risk - STI 2023	At risk - STI 2022	At risk - LTI 2023	At risk - LTI 2022
Non-Executive Directors:						
A Kruzhkov	100%	100%	-	-	-	-
B Kuandykov	100%	100%	-	-	-	-
A Kuzev	100%	100%	-	-	-	-
M Ewing	100%	100%	-	-	-	-
Executive Directors:						
Geoff Gander	100%	100%	-	-	-	-

The total deferred fees owing to each related party are included within Trade and Other Payables in the Statement of Financial Position and have been detailed below:

	Consolidated 2023 $	Consolidated 2022 $
Geoff Gander	148,274	104,941
Baltabek Kuandykov	507,614	430,107
Alexey Kruzhkov	412,571	338,713
Alexander Kuzev	262,443	208,855
	1,330,902	1,082,616

On 18 September 2023, after receiving approval at a General Meeting of shareholders held on the 29 June 2023, the company issued the below remuneration share rights:

- 5,164,700 rights were issued Geoff Gander, valued at 3 cents per right settling accrued fees valued at $154,941; and
- 13,482,100 rights were issued Alexy Kruzhkov, valued at 3 cents per right settling accrued fees valued at $404,463.

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Geoffrey Gander
Title:	Executive Chairman/Chief Executive Officer
Agreement commenced:	8 September 2017
Term of agreement:	Consulting fees of GBP200,000 (A$366,638) per annum, of which A$5,000 per month relates to directors fees. As from 1 January 2023 director fees will be paid via the rights to future shares. On 18 September 2023, Mr Gander was issued 5,164,700 rights, valued at 3 cents per right, settling accrued fees dating from February 2015 to 30 June 2023, totalling $154,941. These rights will vest with Mr Gander when 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. Mr Gander is also entitled to a Bonus of $US350,000 or 0.5% (whichever is greater) of the value of the consideration received by the consolidated entity if the Company or Contract 2275 is assigned, transferred or sold to a third party during the term of the Agreement.

Name:	Baltabek Kuandykov
Title:	Non-Executive Director
Agreement commenced:	5 October 2010
Term of agreement:	Mr Kuandykov is entitled to a base fee of US$ 40,000 per annum. Mr Kuandykov's fees are 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. Mr Kuandykov will be reimbursed reasonable expenses incurred in performing his duties, including the cost of attending Board Meetings, travel, accommodation and entertainment where agreed to by the Board. The appointment of Mr Kuandykov as a non-executive Director is otherwise on terms that are customary for an appointment of this nature. In addition, he is entitled to consulting fee of $US60,000 per annum.

Name:	Alexey Kruzhkov
Title:	Non-Executive Director
Agreement commenced:	18 June 2016
Term of agreement:	Mr Kruzhkov is entitled to a base fee of US$ 40,000 per annum and as from 1 January 2023 this fee will be paid via the rights to future shares. On 18 September 2023 13,482,100 rights were issued to Mr Kruzhkov, valued at 3 cents per right, settling accrued fees dating from February 2015 to 30 June 2023, valued at $404,463. These rights will vest with Mr Kruzhkov when 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. Mr Kruzhkov will be reimbursed reasonable expenses incurred in performing his duties, including the cost of attending Board Meetings, travel, accommodation and entertainment where agreed to by the Board. The appointment of Mr Kruzhkov as a non-executive Director is otherwise on terms that are customary for an appointment of this nature.

Name:	Alexander Kuzev
Title:	Non-Executive Director
Agreement commenced:	12 September 2017
Term of agreement:	Mr Kuzev is entitled to a base fee of US$ 30,000 per annum. Mr Kuzev's fees are 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. Mr Kuzev will be reimbursed reasonable expenses incurred in performing his duties, including the cost of attending Board Meetings, travel, accommodation and entertainment where agreed to by the Board. The appointment of Mr Kuzev as a non-executive Director is otherwise on terms that are customary for an appointment of this nature. In addition, he is entitled to consulting fee of $US60,000 per annum.

Name:	Mark Ewing
Title:	Non-Executive Director (resigned 5 July 2023)
Agreement commenced:	24 November 2020
Term of agreement:	Mr Ewing is entitled to a base fee of $A30,000 per annum plus GST.

Name:	Keith Martens
Title:	Non-Executive Director
Agreement commenced:	05 July 2023
Term of agreement:	Mr Martens is entitled to a base fee of $A50,000 per annum and this fee will be payable (subject to shareholder approval at the 2023 AGM) via the issue of fully paid ordinary shares. Mr Martens may also be entitled to consulting fees in relation to performing duties outside his role as a Non-Executive Director. These consulting fees may also be paid via the issue of fully paid ordinary shares, subject to shareholder approval.

The termination provisions of Geoff Gander's contract are as follows:

Reason for termination	Notice Period	Payment in lien of notice
Contractor - initiated termination with reason or for Contractor incapacitation	1 month	12 months
Company - initiated termination without reason	12 months	12 months
Company – initiated termination for serious misconduct	None	None
Contractor – initiated termination with reason	30 days	12 months

Share-based compensation
A General Meeting of shareholders was held on 29 June 2023. At this meeting, shareholders approved a “Shares for Fees” plan were $559,404 accrued directors fees were to settled via the issue of rights to shares in the company. The rights to shares are subject to the same vesting conditions as the previously accrued directors fees.

In addition, participating Directors have agreed to take rights to shares, instead of deferred cash, to cover Directors Fees from 1 January 2023. This arrangement was also approved at the General Meeting of shareholders held on 29 June 2023.

Agreements were signed with the relevant directors in September 2023, and the related shares and rights to shares were only issued on 18 September 2023. For this reason, they have not been recognised in the current year's financial statements and remuneration report.

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2023.

Options
There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2023.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2023.

Additional information
The earnings of the consolidated entity for the five years to 30 June 2023 are summarised below:

	2023 $	2022 $	2021 $	2020 $	2019 $
Sales revenue	5,588,957	4,126,946	4,025,701	5,634,059	8,963,533
Profit /loss after income tax *	44,192,282	(11,511,006)	61,655	(42,352,138)	(8,927,775)
Market capitalisation	22,137,302	3,060,000	6,120,000	2,300,000	942,000

* The profit in current year includes a gain on debt restructure of $52,726,436.

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2023	2022	2021	2020	2019
Share price at financial year end (cents)	1.80	2.00	3.20	1.50	1.10
Basic earnings/(loss) per share (cents per share)	6.17	(7.51)	0.04	(27.61)	(5.82)

Additional disclosures relating to key management personnel

Shareholding
No director or other member of key management personnel of the consolidated entity held any shares in the company during the financial year.

This concludes the remuneration report, which has been audited.

Shares under option
There were no unissued ordinary shares of Jupiter Energy Limited under option outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of Jupiter Energy Limited issued on the exercise of options during the year ended 30 June 2023 and up to the date of this report.

Indemnity and insurance of officers
The company indemnifies the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
To the extent permitted by law, the Group has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the prior financial year by the auditor are outlined in note 21 to the financial statements. There were no non-audit services provided during the current financial year.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 21 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of Ernst & Young
There are no officers of the company who are former partners of Ernst & Young.

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 immediately after this directors' report.

Auditor
Ernst & Young continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Geoffrey Gander
Director

29 September 2023

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 audit of the financial report of Jupiter Energy Limited for the financial year ended 30 June 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 audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

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

Ernst & Young

Ernst & Young

Jared Jaworski
Partner
29 September 2023

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 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 are:

Registered office

Level 14, 333 Collins Street
Melbourne VIC 3000

Principal place of business

Microdistrict 12, Building 79, BC Zhastar
Aktau, Kazakhstan, 130000

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 29 September 2023. The directors have the power to amend and reissue the financial statements.

Jupiter Energy Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	Consolidated 2023 $	Consolidated 2022 $
Revenue			
Revenue from contracts with customers		5,588,957	4,126,946
Cost of sales		(3,959,682)	(2,627,886)
Gross profit		1,629,275	1,499,060
Gain on debt restructure	14	52,726,436	-
Other income		299,426	352,882
Foreign exchange gains (losses)	4	(1,865,082)	(8,346,417)
Finance income		83,953	68,578
Gain on remeasurement of promissory notes	14	-	4,988,472
		(1,481,703)	(2,936,485)
Expenses			
General and administration expenses		(2,329,737)	(1,992,148)
Impairment of exploration and evaluation assets	4	-	(367,892)
Impairment of trade receivables		(96,978)	-
Other expenses		(19,321)	(21,684)
Finance costs	4	(6,235,690)	(7,691,857)
Profit/(loss) before income tax expense		44,192,282	(11,511,006)
Income tax expense	5	-	-
Profit/(loss) after income tax expense for the year attributable to the owners of Jupiter Energy Limited		44,192,282	(11,511,006)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		1,042,317	245,678
Other comprehensive income for the year, net of tax		1,042,317	245,678
Total comprehensive income /(loss) for the year attributable to the owners of Jupiter Energy Limited		45,234,599	(11,265,328)
		Cents	**Cents**
Basic earnings / (loss) per share	31	6.17	(7.51)
Diluted earnings / (loss) per share	31	6.17	(7.51)

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

Jupiter Energy Limited
Consolidated statement of financial position
As at 30 June 2023

	Note	Consolidated 2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents		860,795	1,330,334
Trade and other receivables	6	551,283	68,501
Inventories		63,041	29,920
Other current assets		100,259	70,826
Total current assets		1,575,378	1,499,581
Non-current assets			
Investments accounted for using the equity method		582	-
Other financial assets	7	280,916	253,124
Property, plant and equipment	8	170,317	337,336
Exploration and evaluation assets	9	-	1,389,210
Oil and gas properties	10	21,211,773	17,127,378
Total non-current assets		21,663,588	19,107,048
Total assets		23,238,966	20,606,629
Liabilities			
Current liabilities			
Trade and other payables	11	2,467,221	1,775,830
Contract liabilities	12	1,682,561	3,847
Total current liabilities		4,149,782	1,779,677
Non-current liabilities			
Provisions	13	207,200	363,663
Other financial liabilities	14	20,804,177	100,027,287
Total non-current liabilities		21,011,377	100,390,950
Total liabilities		25,161,159	102,170,627
Net liabilities		(1,922,193)	(81,563,998)
Equity			
Issued capital	15	120,041,141	85,633,935
Reserves	16	(23,942,708)	(24,985,025)
Accumulated losses		(98,020,626)	(142,212,908)
Total deficiency in equity		(1,922,193)	(81,563,998)

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

Jupiter Energy Limited
Consolidated statement of changes in equity
For the year ended 30 June 2023

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total deficiency in equity $
Balance at 1 July 2021	85,633,935	(25,230,703)	(130,701,902)	(70,298,670)
Loss after income tax expense for the year	-	-	(11,511,006)	(11,511,006)
Other comprehensive income for the year, net of tax	-	245,678	-	245,678
Total comprehensive income /(loss) for the year	-	245,678	(11,511,006)	(11,265,328)
Balance at 30 June 2022	85,633,935	(24,985,025)	(142,212,908)	(81,563,998)

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total deficiency in equity $
Balance at 1 July 2022	85,633,935	(24,985,025)	(142,212,908)	(81,563,998)
Profit after income tax expense for the year	-	-	44,192,282	44,192,282
Other comprehensive income for the year, net of tax	-	1,042,317	-	1,042,317
Total comprehensive income for the year	-	1,042,317	44,192,282	45,234,599
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 15)	34,407,206	-	-	34,407,206
Balance at 30 June 2023	120,041,141	(23,942,708)	(98,020,626)	(1,922,193)

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

Jupiter Energy Limited
Consolidated statement of cash flows
For the year ended 30 June 2023

	Note	Consolidated 2023 $	2022 $
Cash flows from operating activities			
Receipts from customers		7,352,713	3,938,073
Payments to suppliers and employees		(5,833,273)	(4,130,330)
Interest received		83,953	68,578
Other revenue		-	352,882
Net cash from operating activities	29	1,603,393	229,203
Cash flows from investing activities			
Payments for equity accounted investments		(582)	-
Payments for property, plant and equipment		(15,893)	(7,685)
Payments for exploration and evaluation assets		-	(165,358)
Payments for oil and gas properties		(1,992,538)	(112,349)
Net cash used in investing activities		(2,009,013)	(285,392)
Cash flows from financing activities			
Proceeds from borrowings		-	694,902
Share issue transaction costs		(39,911)	-
Transactions costs related with debt restructure		(106,800)	-
Net cash from/(used in) financing activities		(146,711)	694,902
Net increase/(decrease) in cash and cash equivalents		(552,331)	638,713
Cash and cash equivalents at the beginning of the financial year		1,330,334	690,949
Effects of exchange rate changes on cash and cash equivalents		82,792	672
Cash and cash equivalents at the end of the financial year		860,795	1,330,334

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

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, 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.

Going concern
The consolidated financial statements have been prepared on a going concern basis with the Directors of the opinion that the consolidated entity can meet its obligations as and when they fall due.

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 $1,603,393 during the year ended 30 June 2023 and as at 30 June 2023 had a net current liability and net liability position of $2,574,404 and $1,922,193 respectively. Net current liabilities, includes an amount of $1,390,056 in accrued director fees. Subsequent to the year-end, $559,404 of these fees have been settled through the issuance of share-based payment awards. The remaining balance of the accrued director fees has been deferred for future settlement.

During the year the consolidated entity extended the repayment terms of its existing promissory note facilities to December 2024. On 21 December 2022, the Company completed a major debt restructure which significantly improved the consolidated entity's net asset position, refer to note 14 for further details of the debt restructure. On 3 July 2023, a new $US5 million facility was agreed with major shareholder Waterford Finance & International Limited. As of the date of this report, no funds have been drawn down from this facility. The facility is provided interest-free, is unsecured, and any funds utilised must be repaid on or before 31 December 2024, unless mutually extended.

For the consolidated entity to continue to carry out its intended activities and to have sufficient working capital to continue as a going concern the consolidated entity will be required to achieve the following:
- Have access to the US$5 million facility referred to above;
- Continue to produce oil from its three oilfields under the terms of either its Full Commercial Licence (Akkar North (East Block) and Akkar East) or its Preparatory Period Licence (West Zhetybai) on the basis that all three oilfields have the requisite 100% gas utilisation infrastructure in place and approved to operate;
- Continue to sell its oil into either the Kazakh Domestic Market (state owned refineries and local mini refineries) and/or the international export market; and
- 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

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.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Note 1. Significant accounting policies (continued)

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 25.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Jupiter Energy Limited ('company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Jupiter Energy Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
An operating segment is a component of an entity that engages in business activities from which it may earn revenue and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the Board of Directors (the chief operating decision makers) to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the executive management team.

Operating segments are identified based on the information provided to the chief operating decision makers. Currently the consolidated entity has only one operating segment, being the consolidate entity.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Jupiter Energy Limited's functional and presentation currency.

Functional and presentation currency
Both the functional and presentation currency of Jupiter Energy Limited and each of its Australian subsidiaries are Australian dollars ($). The results and financial position of foreign subsidiaries whose functional currencies are not Australian dollars are translated to the presentation currency of the consolidated entity, being Australian dollars ($).

Note 1. Significant accounting policies (continued)

Transactions and balances
Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Translation of consolidated entity Companies' functional currency to presentation currency
The results of the foreign subsidiaries are translated into Australian Dollars (presentation currency of the consolidated entity) using weighted average rates. Assets and liabilities are translated at exchange rates prevailing at reporting date. Exchange variations resulting from the translation are recognised in the foreign currency translation reserve in equity.

On consolidation, exchange differences arising from the translation of the net assets in the foreign subsidiaries are taken to the foreign currency translation reserve. If a foreign subsidiary was disposed, the related cumulative amount of exchange differences would be reclassified to profit or loss.

Revenue recognition
The consolidated entity recognises revenue as follows:

Sale of oil
Revenue from the sale of oil is recognised at a point in time when the control of the product is transferred to the customer, this occurs at the well head for local sales to the mini refinery and at the time the oil enters the KTO pipeline for domestic sales. Revenue is recognised at the amount to which the consolidated entity expects to be entitled.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue and income
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The consolidated entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit adjusted for any non-assessable or disallowed items.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. No deferred income tax will be recognised in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled by the company and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of profit or loss and other comprehensive income except where it relates to items that is credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Taxation receivables are considered statutory in nature and are measured at the tax rate when the transaction subject to tax occurred.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Note 1. Significant accounting policies (continued)

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and short-term deposits in the balance sheet comprise cash at bank. A deposit is defined as short-term, if it has a maturity of three months or less from the date of acquisition.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Trade and other receivables
Trade receivables, which generally have 30-90 day terms, are recognised and carried at amortised cost amount less an allowance for expected credit losses. A receivable represents the consolidated entity's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Inventories
Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and any estimated selling costs.

Joint ventures
A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

Financial assets and liabilities
Financial assets are classified as measured at amortised cost, fair value through profit or loss, or fair value through other comprehensive income. The classification is based on two criteria: the consolidated entity’s business model for managing the assets; and whether the instruments’ contractual cash flows represent ‘solely payments of principal and interest’ on the principal amount outstanding. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest are made based on the facts and circumstances at initial recognition of the assets.

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Note 1. Significant accounting policies (continued)

Impairment
Under AASB 9, impairments of financial assets classified as measured at amortised cost are recognised on an expected loss basis which incorporates forward-looking information when assessing credit risk. Movements in the expected loss reserve are recognised in profit or loss.

For trade receivables, a simplified approach is used and for all other receivables, a general approach is used whereby the consolidated entity recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. If the credit risk on the financial instrument has not increased significantly since initial recognition, the consolidated entity measures the loss allowance for the financial instrument at an amount equal to expected credit losses within the next 12 months. Expected credit losses are a probability-weighted estimated of credit losses over the expected life of the financial instrument. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the consolidated entity expects to receive). Expected credit losses are discounted at the effective interest rate of the financial asset.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss ('FVTPL'), loans and borrowings, or as derivatives, as appropriate. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. After initial recognition, loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate ("EIR") amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

The consolidated entity's financial liabilities include trade and other payables and loans and borrowings. The consolidated entity did not recognise any financial liabilities as at FVTPL.

Borrowings are classified as current liabilities unless the consolidated entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the part is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-10 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected to be derived from its use or disposal on a prospective basis. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the asset is derecognised.

Note 1. Significant accounting policies (continued)

Exploration and evaluation assets
Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Unsuccessful exploration in the area of interest is expensed as incurred even if activities in this area of interest are continuing. Accumulated costs in relation to an abandoned area are written off in full to profit or loss in the year in which the decision to abandon the area is made.

When a discovered oil or gas field enters the development phase or an individual well is assessed as being in production (once a trial production licence is granted) the accumulated exploration and evaluation expenditure is transferred to oil and gas properties or property plant and equipment, depending on its nature. Field costs that do not specifically relate to a well, are transferred to oil and gas properties once the well enters commercial production.

Oil and gas properties
Oil and gas properties usually comprise single oil or gas fields being developed for future production or which are in the production phase. Where several individual oil fields are to be produced through common facilities, the individual oil field and the associated production facilities are managed and reported as a single oil and gas asset.

Assets in development
When the technical and commercial feasibility of an undeveloped oil or gas field has been demonstrated, the field enters its development phase. The costs of oil and gas assets in the development phase are accounted for as tangible assets and include past exploration and evaluation costs, development drilling and plant and equipment and any associated land and buildings.

Producing assets
The costs of oil and gas assets in production are accounted for as tangible assets and include past exploration and evaluation costs, pre-production development costs and the ongoing costs of continuing to develop reserves for production and to expand or replace plant and equipment and any associated land and buildings. Producing assets are depreciated over total proved and probable reserves on a unit of production basis.

Impairment of assets
At each reporting date, the consolidated entity reviews the carrying values of its tangible and intangible assets (excluding goodwill) to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

Trade and other payables
Trade payables and other payables are carried at amortised costs and due to their short-term nature are not discounted. They represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year that are unpaid and arise when the consolidated entity becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the consolidated entity has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the consolidated entity transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the consolidated entity performs under the contract. The consolidated entity applies a practical expedient available under AASB 15 by which the consolidated entity does not adjust the promised amount of consideration for the effects of a significant financing component because the consolidated entity expects, at contract inception, that the period between when the consolidated entity transfers the goods or services to a customer and when the customer pays for those goods or services will be one year or less.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Note 1. Significant accounting policies (continued)

Provisions
Provisions are recognised when the consolidated entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the consolidated entity expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Restoration
Costs of site restoration are provided over the life of the field or facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the permits. Such costs have been determined based on current legal requirements and technology. In calculating the provision the future estimated costs are discounted to present value.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled wholly within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date. They are measured at the nominal amounts based on current wage and salary rates, and include related on-costs. Liabilities for non-accumulating sick leave are recognised when the leave is taken.

Fair value measurement
Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings/loss per share

Basic loss/earnings per share
Basic earnings/loss per share is calculated as net profit/loss attributable to members of the parent, adjusted to exclude any preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted loss/earnings per share
Diluted earnings/loss per share is calculated as net profit attributable to members of the parent, adjusted for:

Note 1. Significant accounting policies (continued)

- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in income or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Other taxes
Revenues, expenses and assets are recognised net of the amount of GST or VAT except:

- where the GST or VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST or VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST or VAT included.

The net amount of GST or VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST or VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST or VAT recoverable from, or payable to, the taxation authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2023. The consolidated entity has reviewed the changes and believes that they will not have a material impact.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Production start date
The consolidated entity assesses each well to determine when the well moves into the production stage. This is when the well is substantially completed and ready for intended use. The consolidated entity considers various criteria in determining the production start date, including but not limited to, results of well testing, the ability of the well to sustain ongoing production, installation of the relevant well infrastructure and receiving the relevant regulatory approvals.

When the well moves into the production stage the capitalisation of certain development costs ceases and costs incurred are expensed as a production cost. It is also at this point when that the well commences depreciation. Any proceeds received from oil sales prior to the production start date as part of any well testing, are deducted from the asset.

Recovery of deferred tax assets
Judgement is required in determining whether deferred tax assets are recognised in the statement of financial position. Deferred tax assets, including those arising from unutilised tax losses, require the consolidated entity to assess the likelihood that the consolidated entity will generate sufficient taxable earnings in future periods, in order to utilise recognised deferred tax assets. Judgment is also required in respect of the application of existing tax laws in each jurisdiction.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes oil prices, reserves, operating costs, closure and rehabilitation costs, capital expenditure, and other capital management transactions). To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the consolidated entity to realise the deferred tax assets recorded at the reporting date could be impacted.

In addition, future changes in tax laws in the jurisdictions in which the consolidated entity operates could limit the ability of the consolidated entity to obtain tax deductions in future periods.

Exploration and evaluation assets
The consolidated entity's accounting policy for exploration and evaluation assets is set out in note 1. The application of this policy necessarily requires management to make certain judgements, estimates and assumptions as to future events and circumstances, in particular the assessment of whether economic quantities of reserves may be found. Any such, estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the consolidated entity's policy, management concludes that the consolidated entity is unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to the profit and loss. Management have reviewed the carrying value of exploration and evaluation assets at 30 June 2023, and concluded that there were no indicators of impairment.

Management reviewed the carrying value of exploration and evaluation assets at 30 June 2022. No further exploration and evaluation expenditure was budgeted for the J55 and J 59 wells, which represented an indicator of impairment. The carrying value of both assets was reviewed and written-off in full in the prior year, as the value in use was assessed to be nil with no future cash flows are currently expected to be recovered from further exploration and development.

Provision for restoration
Costs of site restoration are provided over the life of the field and related facilities from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the permits.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

Units of production depreciation of oil and gas properties
Oil and gas properties are depreciated using the units of production (UOP) method over total proved and probable hydrocarbon reserves. This results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining production from the field/well.

Each item's life, which is assessed annually, has regard to both its physical life limitations and to present assessments of economically recoverable reserves of the field at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves. The calculation of the UOP rate of depreciation could be impacted to the extent that actual production in the future is different from current forecast production based on total proved and probable reserves. Changes to proved and probable reserves could arise due to changes in the factors or assumptions used in estimating reserves, including:

- The effect on proved and probable reserves of differences between actual commodity prices and commodity price assumptions; or
- Unforeseen operational issues.

Changes are accounted for prospectively.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Recoverability of oil and gas properties
The consolidated entity assesses each asset or cash generating unit (CGU) (excluding goodwill, which is assessed annually regardless of indicators) every reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs of disposal and value in use. These assessments require the use of estimates and assumptions such as long-term oil prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements, decommissioning costs, exploration potential, reserves operating performance (which includes production and sales volumes).

These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGUs. Management has assessed Block 31 as being an individual CGU, which is the lowest level for which cash inflows are largely independent.

In measuring the recoverable amount, future cashflows are sensitive to changes in the following key assumptions;

- Forecast commodity prices and exchange rates;
- Production volumes, reserves and timing of export sales;
- Recoverable reserves;
- Cost assumptions; and
- Discount rate

Management have reviewed the carrying value of oil and gas properties at 30 June 2023 and are satisfied that there are no indicators of impairment.

Debt restruture
On 9 December 2022, the company entered into a debt restructure. The fair value of the new debt was measured using a market rate of debt of 13%, refer to note 14 for further details.

Note 3. Operating segments

Identification of reportable operating segments
Operating segments are identified based on the information provided to the chief operating decision makers.

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 oil sales are with one oil trader in Kazakhstan.

Geographical information

	Sales to external customers		Geographical non-current assets	
	2023 $	2022 $	2023 $	2022 $
Kazakhstan	5,588,957	4,126,946	21,663,588	19,107,048

All significant property, plant and equipment, oil and gas properties and exploration and evaluation assets are domiciled in Kazakhstan.

Note 4. Expenses

	Consolidated 2023 $	2022 $
Profit/(loss) before income tax includes the following specific expenses:		
Depreciation and amortisation		
Depreciation and amortisation (charged to cost of sales)	436,646	476,899
Depreciation and amortisation (charged to general and administration expense)	8,438	9,137
Total depreciation and amortisation	445,084	486,036
Impairment		
Exploration and evaluation assets	-	367,892
Trade receivables	96,978	-
Total impairment	96,978	367,892
Employee benefits included in are summarised below		
Expensed in cost of sales	723,946	687,127
Expensed in general and administration	422,017	49,917
	1,145,963	737,044
Finance costs		
Interest and finance charges paid/payable on promissory note (prior to restructure)	4,852,769	7,684,021
Unwinding of discount on promissory notes (post restructure)	1,350,942	-
Unwinding of the discount on provisions	31,979	7,836
Finance costs expensed	6,235,690	7,691,857
Foreign exchange gains and (losses)		
Unrealised gains and losses on promissory notes	(1,853,532)	(8,264,740)
Other foreign exchange differences	(11,550)	(81,677)
Foreign exchange gains and (losses)	(1,865,082)	(8,346,417)

Note 5. Income tax expense

	Consolidated 2023 $	2022 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit/(loss) before income tax expense	44,192,282	(11,511,006)
Tax at the statutory tax rate of 25%	11,048,071	(2,877,752)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Effect of tax rates in foreign jurisdictions	53,984	41,368
Interest expense	1,213,192	1,921,004
Temporary differences and tax losses not brought to account as a deferred tax asset	528,627	2,162,498
Gain on remeasurement of promissory notes	-	(1,247,118)
Gain on debt restructure	(13,181,609)	-
Unwinding of discount	337,735	-
Income tax expense	-	-

Note 5. Income tax expense (continued)

	Consolidated 2023 $	Consolidated 2022 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Unrealised FX (gain) / loss	2,229,665	1,776,282
Tax losses – Australia	9,153,748	8,967,822
Tax losses – Foreign Subsidiaries	5,849,024	5,677,155
Provisions	41,440	72,733
Total deferred tax assets not recognised	17,273,877	16,493,992

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Note 6. Trade and other receivables

	Consolidated 2023 $	Consolidated 2022 $
Current assets		
Trade receivables	224,873	10,489
Less: Allowance for expected credit losses	(100,399)	-
	124,474	10,489
Other indirect taxes receivable	426,809	58,012
	551,283	68,501

Allowance for expected credit losses
The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

Consolidated	Expected credit loss rate 2023 %	Expected credit loss rate 2022 %	Carrying amount 2023 $	Carrying amount 2022 $	Allowance for expected credit losses 2023 $	Allowance for expected credit losses 2022 $
0 to 3 months overdue	50%	-	200,798	-	100,399	-

For trade receivables, a simplified approach is used and for all other receivables, a general approach is used whereby the consolidated entity recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition.

Note 7. Other financial assets

	Consolidated 2023 $	Consolidated 2022 $
Non-current assets		
Liquidation fund	280,916	253,124

Note 7. Other financial assets (continued)

The consolidated entity has a deposit for the purpose of a liquidation fund. The deposit is to be used for land restoration when required. Under the laws of Kazakhstan, the deposit previously had to be replenished in the amount of 1% of the annual investments. The amount required in the fund is now calculated on the basis of the field development project in proportion to the actual hydrocarbon production. The carrying value approximates the fair value.

Note 8. Property, plant and equipment

	Consolidated 2023 $	Consolidated 2022 $
Non-current assets		
Plant and equipment - at cost	2,445,884	2,038,160
Less: Accumulated depreciation	(2,275,567)	(1,700,824)
	170,317	337,336

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

Consolidated	Plant & equipment $
Balance at 1 July 2021	541,261
Additions	7,685
Exchange differences	5,412
Depreciation expense	(217,022)
Balance at 30 June 2022	337,336
Additions	15,893
Exchange differences	34,538
Depreciation expense	(217,450)
Balance at 30 June 2023	170,317

Note 9. Exploration and evaluation assets

	Consolidated 2023 $	Consolidated 2022 $
Non-current assets		
Exploration and evaluation - at cost	-	1,389,210

Note 9. Exploration and evaluation assets (continued)

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

Consolidated	Exploration & evaluation $
Balance at 1 July 2021	1,558,934
Additions	165,358
Exchange differences	32,810
Impairment of assets	(367,892)
Balance at 30 June 2022	1,389,210
Change in estimate	72,708
Exchange differences	89,365
Transfers to oil and gas properties (note 10)	(1,551,283)
Balance at 30 June 2023	-

The consolidated entity assesses each asset or cash generating unit (CGU) every reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs of disposal and value in use. Management has assessed Block 31 as being an individual CGU, which is the lowest level for which cash inflows are largely independent.

Impairment
Management reviewed the carrying value of exploration and evaluation assets at 30 June 2022. No further expenditure has presently been budgeted for the J55 and J 59 wells, which represents an indicator of impairment. The carrying value of both assets was reviewed and written-off in full in the prior year as the value in use was assessed to be nil with no future cash flows are currently expected to be recovered from further exploration and development.

Note 10. Oil and gas properties

	Consolidated 2023 $	Consolidated 2022 $
Non-current assets		
Oil and gas properties - at cost	23,686,876	19,240,591
Less: Accumulated amortisation	(2,475,103)	(2,113,213)
	21,211,773	17,127,378

Note 10. Oil and gas properties (continued)

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

Consolidated	Oil and gas properties $
Balance at 1 July 2021	16,757,259
Additions	113,080
Change in estimate of restoration liability	(731)
Exchange differences	406,037
Amortisation expense	(148,267)
Balance at 30 June 2022	17,127,378
Additions	1,837,808
Change in estimate of restoration liability	(123,035)
Exchange differences	1,045,973
Transfers from exploration and evaluation (note 9)	1,551,283
Amortisation expense	(227,634)
Balance at 30 June 2023	21,211,773

Note 11. Trade and other payables

	Consolidated	
	2023 $	**2022 $**
Current liabilities		
Trade payables	1,211,319	1,060,937
Accrued expenses and other payables	1,255,902	714,893
	2,467,221	1,775,830

Refer to note 18 for further information on financial instruments.

Note 12. Contract liabilities

	Consolidated	
	2023 $	**2022 $**
Current liabilities		
Contract liabilities	1,682,561	3,847

Unsatisfied performance obligations
The contract liability refers to amounts received in advance for oil sales. As at 30 June 2023, there is approximately 5,411 tonnes of oil to be delivered under the contract (2022: 12 tonnes). This obligation is expected to be fulfilled within the quarter ending 30 September 2023 (2022 :30 September 2022).

Note 13. Provisions

	Consolidated 2023 $	2022 $
Non-current liabilities		
Rehabilitation	207,200	363,663

Rehabilitation
The consolidated entity accrues provisions for the forthcoming costs of rehabilitation of the territory. The timing of rehabilitation is likely to depend on when the field ceases to produce at economically viable rates which is currently estimated to be 2044 (2022: 2044). This will depend upon future oil and gas prices, which are inherently uncertain. The underlying rehabilitation costs are denominated in Tenge and in calculating the provision at 30 June 2023 a discount rate of 8.57% (2022: 5.05%)

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

Consolidated - 2023	Rehabilitation $
Carrying amount at the start of the year	363,663
Change in estimates	(205,058)
Exchange differences	16,616
Accretion expense	31,979
Carrying amount at the end of the year	207,200

Note 14. Other financial liabilities

	Consolidated 2023 $	2022 $
Non-current liabilities		
Promissory notes	20,804,177	100,027,287

On 9 December 2022, the company entered into a debt restructure. A total of 1,076,472,428 fully paid ordinary shares valued at $34,447,117 were issued to note holders. The fair value of the shares were based on the market value of the company's shares at the date of the shareholder approval. The new shares are subject to voluntary trading escrow with 25% under escrow for 6 months from the date of issue, 50% under escrow for 12 months from the date of issue and 25% under escrow for 18 months from the date of issue. The conditions of voluntary escrow may be amended, at the absolute discretion of the Jupiter Board of Directors.

In addition to the shares issued, a new unsecured interest free promissory note with a fair value of AU$18,963,074 was recognised that 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 subsequently measured at amortised cost.

A gain on debt restructure of $52,726,436 (net of $106,800 of transaction costs) has been recognised for the difference between the carrying amount of the old promissory note and the consideration, which consists of the fair value of shares issued and new interest-free promissory note.

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

Note 14. Other financial liabilities (continued)

Opening balance at 1 July 2022	100,027,287
Interest accrued	4,852,769
Foreign exchange differences up to date of restructure	1,363,371
	106,243,427
Extinguishment of the old debt arising from the debt restructure	(106,243,427)
Recognition of new financial liability	18,963,074
Unwinding of discount	1,350,942
Foreign exchange differences since date of restructure	490,161
	20,804,177

Note 15. Issued capital

	Consolidated			
	2023 Shares	2022 Shares	2023 $	2022 $
Ordinary shares - fully paid	1,229,850,121	153,377,693	120,041,141	85,633,935

Movements in ordinary share capital

Details	Date	Shares	$
Balance	1 July 2022	153,377,693	85,633,935
Issue of shares from debt restructure	21 December 2022	1,076,472,428	34,447,117
Less cost of capital raised		-	(39,911)
Balance	30 June 2023	1,229,850,121	120,041,141

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.

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

Capital risk management
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

Note 15. Issued capital (continued)

The consolidated entity is not subject to externally imposed capital requirements. The capital risk management policy remains unchanged from the 30 June 2022 Annual Report

Note 16. Reserves

	Consolidated 2023 $	Consolidated 2022 $
Foreign currency reserve	(29,706,722)	(30,749,039)
Share-based payments reserve	5,764,014	5,764,014
	(23,942,708)	(24,985,025)

Foreign currency reserve
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.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency $	Share-based payments $	Total $
Balance at 1 July 2021	(30,994,717)	5,764,014	(25,230,703)
Foreign currency translation	245,678	-	245,678
Balance at 30 June 2022	(30,749,039)	5,764,014	(24,985,025)
Foreign currency translation	1,042,317	-	1,042,317
Balance at 30 June 2023	(29,706,722)	5,764,014	(23,942,708)

Note 17. Dividends

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

Note 18. Financial instruments

Financial risk management objectives
The main purpose of these financial instruments is to provide finance for the consolidated entity's operations. The consolidated entity has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The main risks arising from the consolidated entity's financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews the risks identified below, including the setting of limits for trading in derivatives, hedging cover of foreign currency and interest rate risk, credit allowances, and future cash flow forecast projections.

Note 18. Financial instruments (continued)

Market risk

Foreign currency risk
The consolidated entity has transactional currency exposures. Such exposure arises from sales or purchases by an operating entity in currencies other than the functional currency.

At balance date, the consolidated entity had the following exposure to United States Dollars that is not designated in cash flow hedges:

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2023	2022	2023	2022
Consolidated	$	$	$	$
US dollars	1,128,571	542,688	20,804,177	100,027,287

The following tables summarise the sensitivity of financial instruments held at balance date to movement in the exchange rate of the Australian dollar to the United States Dollar, with all other variables held constant.

	AUD strengthened			AUD weakened		
Consolidated - 2023	% change	Effect on profit before tax	Effect on equity	% change	Effect on profit before tax	Effect on equity
US Dollars	10%	(1,967,560)	(1,967,560)	10%	1,967,560	1,967,560

	AUD strengthened			AUD weakened		
Consolidated - 2022	% change	Effect on profit before tax	Effect on equity	% change	Effect on profit before tax	Effect on equity
US Dollars	10%	(9,948,459)	(9,948,459)	10%	9,948,459	9,948,459

Price risk
The consolidated entity is not exposed to any significant price risk.

Interest rate risk
The consolidated entity's exposure to market risk for changes in interest rates is only on cash and cash equivalents, which given the current level of cash and cash equivalents does not present a material risk. Other financial liabilities in the form of Promissory notes are interest free and are therefore not subject to interest rate risk.

Credit risk
Credit risk represents the loss that would be recognised if counterparties fail to perform as contracted.

With respect to credit risk arising from the financial assets of the consolidated entity, which comprise cash and cash equivalents, a liquidation fund and trade receivables, the consolidated entity's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The consolidated entity continuously monitors the credit quality of counterparties. Where available, external credit ratings and/or reports on the counterparty are obtained and used. The consolidated entity's policy is to deal only with credit worthy counterparties. Credit terms are subject to an internal approval process which considers the credit rating of the customer. The ongoing credit risk is managed through regular review of ageing analysis.

Note 18. Financial instruments (continued)

Liquidity risk
Management and the Board monitor the consolidated entity's liquidity on the basis of expected cash flow. The information that is prepared by senior management and reviewed by the Board includes monthly and annual cash flow budgets.

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2023	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	2,467,221	-	-	-	2,467,221
Promissory note	-	-	24,977,375	-	-	24,977,375
Interest-bearing - fixed rate						
Promissory notes	-	-	-	-	-	-
Total non-derivatives		2,467,221	24,977,375	-	-	27,444,596

Consolidated - 2022	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	1,775,830	-	-	-	1,775,830
Interest-bearing - fixed rate						
Promissory notes	15.00%	-	123,027,248	-	-	123,027,248
Total non-derivatives		1,775,830	123,027,248	-	-	124,803,078

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

The Company announced on 03 July 2023 that it had agreed a new $US5m facility 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. No monies have been drawn down from this facility as at the date of this report.

Note 19. Fair value measurement

Fair value hierarchy
The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2023	Level 1 $	Level 2 $	Level 3 $	Total $
Liabilities				
Promissory notes	-	20,804,177	-	20,804,177
Total liabilities	-	20,804,177	-	20,804,177

There were no transfers between levels during the financial year.

Note 20. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2023 $	**2022 $**
Short-term employee benefits	778,486	738,921

Note 21. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Ernst & Young, the auditor of the company, and its network firms:

	Consolidated	
	2023 $	**2022 $**
Audit services - Ernst & Young Australia		
Audit or review of the financial statements	126,990	103,190
Audit services - overseas member firms		
Audit or review of the financial statements	49,399	42,830

Note 22. Contingent liabilities

The consolidated entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Note 23. Commitments

	Consolidated 2023 $	Consolidated 2022 $
Drilling commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	5,742,081	3,181,286

Drilling Commitments

As at 30 June 2023, the consolidated entity has commitments to drill 3 wells under one sidetrack under it licenses in Kazakstan during the calendar year 2023. The estimated costs of meeting those commitments to be met by the end of the calendar year is disclosed above. In the event these commitments are not met by the end of the calendar year, penalties are expected to be applied and charged against the consolidated entity.

Note 24. Related party transactions

Parent entity
Jupiter Energy Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 26.

Joint ventures
Interests in joint ventures are set out in note 27.

Key management personnel
Disclosures relating to key management personnel are set out in note 20.

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

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

	Consolidated 2023 $	Consolidated 2022 $
Current payables:		
Total directors fees payable*	1,390,056	1,148,897

* Of these fees a total $1,330,902 (2022:$1,082,616) 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. On 18 September 2023, the company issued remuneration share rights extinguishing $559,404 of this deferred amount.

Note 24. Related party transactions (continued)

Loans to/from related parties
The following transactions and balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated 2023 $	Consolidated 2022 $
Non-current borrowings:		
Promissory note with Waterford Finance and Investment Ltd (an entity that significant influence over the company)	14,733,370	-
Promissory note with the Blackbird Trust (an entity that significant influence over the company)	4,675,731	-

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 25. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2023 $	Parent 2022 $
Profit/(loss) after income tax	43,254,131	(12,281,551)
Total comprehensive income /(loss)	43,254,131	(12,281,551)

Statement of financial position

	Parent 2023 $	Parent 2022 $
Total current assets	112,042	93,338
Total assets	17,470,437	18,740,152
Total current liabilities	1,585,154	1,293,096
Total liabilities	22,389,331	101,320,383
Equity		
Issued capital	120,041,141	85,633,935
Share-based payments reserve	5,764,014	5,764,014
Accumulated losses	(130,724,049)	(173,978,180)
Total deficiency in equity	(4,918,894)	(82,580,231)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2023 and 30 June 2022.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Note 25. Parent entity information (continued)

Commitments
The parent entity had no commitments as at 30 June 2023 and 30 June 2022.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 26. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 2023 %	Ownership interest 2022 %
Jupiter Energy (Victoria) Pty Ltd	Australia	100.00%	100.00%
Jupiter Biofuels Pty Ltd	Australia	100.00%	100.00%
Jupiter Energy (Kazakhstan) Pty Ltd	Australia	100.00%	100.00%
Jupiter Energy Pte Ltd	Singapore	100.00%	100.00%
Jupiter Energy (Services) Pte Ltd	Singapore	100.00%	100.00%

Note 27. Interests in joint ventures

Interests in joint ventures are accounted for using the equity method of accounting. Information relating to joint ventures that are material to the consolidated entity are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest 2023 %	Ownership interest 2022 %
Jupiter Refining Limited Liability Partnership	Kazakhstan	50.00%	-

Note 28. Events after the reporting period

The Company announced on 03 July 2023 that it had agreed a new $US5m facility with major shareholder Waterford Finance & International Limited. This facility is provided interest fee, 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. No monies have been drawn down from this facility as at the date of this report.

On 05 July 2023 Mark Ewing retired from the Board and Keith Martens was appointed as a Non-Executive Director.

At the Company's General Meeting held 29 June 2023, shareholders approved the adoption of a Securities for Fees Plan and associated issuance of securities to certain directors of the Company as consideration for accrued director and consulting fees for the period up to 30 June 2023 and such fees that would otherwise then accrue for the period 1 January 2023 through to 31 December 2024. This shareholder approval has resulted in a further improvement in the balance sheet and future cash expenditure of the Company.

Following the finalisation of required documentation, on 18 September 2023 the company issued 18,646,800 remuneration share rights to certain directors as consideration for accrued fees totalling $559,404 for the period up to 30 June 2023. On 18 September 2023, the company issued 27,980,134 fully paid ordinary shares to Jupiter Employee Securities Pty Ltd in relation to these accrued fees and associated share remuneration rights for the period out to 31 December 2024. These shares are held in trust by that entity until all vesting conditions relating to the remuneration share rights are met and the rights are exercised.

Note 28. Events after the reporting period (continued)

No other matter or circumstance has arisen since 30 June 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 29. Reconciliation of profit/(loss) after income tax to net cash from operating activities

	Consolidated	
	2023 $	2022 $
Profit/(loss) after income tax expense for the year	44,192,282	(11,511,006)
Adjustments for:		
Depreciation and amortisation	445,084	365,289
Impairment of exploration and evaluation assets	-	367,892
Write off of receivable	96,978	-
Foreign exchange differences	1,853,532	8,264,740
Non cash finance costs	6,235,690	7,691,857
Gain on remeasurement of promissory notes	-	(4,988,472)
Gain on debt restructure	(52,726,436)	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(583,181)	12,467
Decrease/(increase) in inventories	(33,121)	7,206
Decrease/(increase) in other operating assets	(29,433)	163,566
Increase in trade and other payables	473,284	10,838
Increase/(decrease) in contract liabilities	1,678,714	(201,340)
Increase in other provisions	-	46,166
Net cash from operating activities	1,603,393	229,203

Note 30. Changes in liabilities arising from financing activities

Consolidated	Promissory notes $
Balance at 1 July 2021	88,372,096
Net cash from financing activities	694,902
Gain on remeasurement	(4,988,472)
Exchange differences	8,264,740
Accrued interest	7,684,021
Balance at 30 June 2022	100,027,287
Accrued interest	4,852,769
Extinguishment of debt upon restructure	(106,243,427)
Recognition of new debt	18,963,074
Exchange differences	1,853,532
Unwinding of discount	1,350,942
Balance at 30 June 2023	20,804,177

Note 31. Earnings per share

	Consolidated 2023 $	Consolidated 2022 $
Profit/(loss) after income tax attributable to the owners of Jupiter Energy Limited	44,192,282	(11,511,006)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	716,682,443	153,377,693
Weighted average number of ordinary shares used in calculating diluted earnings per share	716,682,443	153,377,693
	Cents	**Cents**
Basic earnings / (loss) per share	6.17	(7.51)
Diluted earnings / (loss) per share	6.17	(7.51)

Jupiter Energy Limited
Directors' declaration
30 June 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable, subject to matters disclosed in note 1 Going Concern.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

____
Geoffrey Gander
Director

29 September 2023

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

Report on the audit of the financial report

Opinion

We have audited the financial report of Jupiter Energy Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2023 the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2023 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

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

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial report.

Gain on debt restructure

Why significant	How our audit addressed the key audit matter
At 30 June 2023, the Group had a financial liability of \$20,804,177 (2022: \$100,027,287) relating to promissory note facilities as disclosed in Note 14. On 3 October 2022, the Group entered into a settlement deed with Promissory Note holders regarding promissory notes issued in prior-years. The agreement involved converting a portion of the debt into shares and new promissory notes, with the remaining balance written off. This transaction was accounted for as an extinguishment of the old promissory notes, resulting in the derecognition of their carrying value. A gain on debt restructure of \$52,726,436 was recorded in the statement of profit or loss, representing the difference between the carrying value of the old promissory notes and the combined fair value of the shares and new promissory notes issued, determined at the date of obtaining shareholder approval on 9 December 2022. A total of 1,076,472,428 fully paid shares and US\$16.6 million in new promissory notes were issued. Given the significance of the debt structure and the estimation involved in measuring the fair value of the new promissory notes, this matter was considered a key audit matter.	We evaluated the appropriateness of the accounting for the settlement deed transaction, including the measurement of the Group's new promissory note facilities. In performing our procedures, we: ▸ Considered the key terms of the settlement agreements and assessed whether the Group's accounting treatment for the transaction complied with the requirements of Australian Accounting Standards ▸ Assessed the methodology and inputs used to determine the market interest rate for calculating the fair value of the new promissory notes ▸ Recalculated the gain on debt restructure ▸ Confirmed the completeness and accuracy of the balance owing to the holders of the promissory notes at 30 June 2023 ▸ Assessed the adequacy of disclosure in Note 14 to the financial report.

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Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2023 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the Director's report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Jupiter Energy Limited for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Jared Jaworski
Partner
Perth
29 September 2023

Jupiter Energy Limited
Shareholder information
30 June 2023

The shareholder information set out below was applicable as at 20 September 2023.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Ordinary shares	
	Number of holders	% of total shares issued
1 to 1,000	416	0.01
1,001 to 5,000	425	0.09
5,001 to 10,000	198	0.12
10,001 to 100,000	339	0.99
100,001 and over	66	98.79
	1,444	100.00
Holding less than a marketable parcel	1,222	0.46

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
FISKE NOMINEES LIMITED	1,091,041,821	85.89
FISKE NOMINEES LIMITED (FISKPOOL A/C)	40,734,581	3.21
JUPITER EMPLOYEE SECURITIES PTY LTD	27,980,134	2.20
FISKE NOMINEES LIMITED	19,837,751	1.56
CITICORP NOMINEES PTY LIMITED (580214-1 A/C)	14,007,536	1.10
SLEIPNIR TECHNOLOGIES	12,500,000	0.98
FISKE NOMINEES LIMITED	11,068,130	0.87
CITICORP NOMINEES PTY LIMITED	9,517,273	0.75
COLLEGE SEARCH PTY LTD	4,539,905	0.36
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,287,804	0.18
MR JOHN NORMAN ACKLAND	2,000,000	0.16
MR GLENN WILLIAM TWOMEY + MRS KAREN LYNNE TWOMEY	1,870,000	0.15
BNP PARIBAS NOMS PTY LTD (DRP)	1,497,445	0.12
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	1,205,295	0.09
MR SOON JEUNG YUEN	946,021	0.07
MR RICHARD DONALD MILLAR	815,162	0.06
MR KULDEEP SINGH MALIK + MRS SUDESH MALIK (UDAY SINGH MALIK A/C)	633,754	0.05
MR STEVY TRENT MAYALL + MS RACHELLE LEA WALTON	523,000	0.04
ALDENHAM HOLDINGS LIMITED	506,450	0.04
MR BARRY PAUL AHERNE	500,000	0.04
	1,244,012,062	97.92

Unquoted equity securities
The company also has 18,646,800 remuneration share rights on issue

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
WATERFORD FINANCE AND INVESTMENT LIMITED	769,400,664	60.57
WEIGHBRIDGE TRUST LIMITED	268,485,779	21.14

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares
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.

Remuneration share rights
Remuneration share rights do not have voting rights.

There are no other classes of equity securities.