

27 August 2009

Dear JPR shareholder

As you may be aware, Jupiter Energy Limited (**JPR or the Company**) recently issued an Entitlement Issue Prospectus for a non-renounceable entitlement issue of 1 Share for every 1 Share held by JPR Shareholders registered at 5.00 pm (WST) on 3 September 2009. These Entitlement Shares will be issued at a price of 2 cents per Share and the Prospectus is seeking to raise up to approximately \$7,237,204 (with a minimum subscription of \$3,000,000) (**Offer**).

The timetable for the Offer is as follows:

Lodgement of Prospectus with the ASIC	20 August 2009
Lodgement of Prospectus and Appendix 3B with ASX	20 August 2009
Notice sent to Optionholders	20 August 2009
Notice sent to Shareholders	On or before 27 August 2009
Ex date	28 August 2009
Record Date for determining Entitlements	5.00 pm (WST) on 3 September 2009
Prospectus despatched to Shareholders	9 September 2009
Closing Date*	5.00 pm (WST) on 23 September 2009
Shares quoted on a deferred settlement basis	24 September 2009
ASX notified of under subscriptions	28 September 2009
Despatch of holding statements	Before 12.00 pm (WST) on 1 October 2009
Date of quotation of Shares issued under the Offer*	2 October 2009

*\* The Directors may extend the Closing Date by giving at least 6 business days notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.*

All of the Shares offered under the Prospectus will rank equally with the Shares on issue at the date of the Prospectus. The Prospectus contains further information regarding the rights and liabilities attaching to the Shares.

The Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue the Prospectus. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

The closing price of JPR shares on the trading day prior to the lodgment of the Prospectus was 4.5 cents, so the entitlement is attractively priced and gives existing JPR shareholders an excellent opportunity to increase their stake in the Company in the lead up to what will be a pivotal period in its brief history.

It is intended that the funds raised via the Offer will be used primarily to fund the drilling of the Akkar North extension well on the Block 31 permit in Kazakhstan. As announced in July 2009, the Akkar N extension well will be drilled in a position adjacent to the already proven Akkar N oilfield. The Akkar N oilfield is producing ~ 2,000 barrels of oil per day and has booked 1P reserves of 23 million barrels of oil (mmbbls). The 3D seismic program carried out

on Block 31 by JPR in late 2008/early 2009 has clearly shown that there is an extension of the Akkar N field that runs into the Block 31 permit and a review of all the available data indicates a potential ~ 6 mmbbls recoverable from this target.

The JPR Board is of the opinion that this will be the location of least risk on which to commence the new well drilling program and when combined with the re entry program that will soon commence on the NWZ 2 well also located on the permit, the Company now has the opportunity to have two producing wells on stream during 2010.

In the event an amount is raised that is insufficient to fund the drilling of the Akkar North extension well the Company intends to develop topside infrastructure for the NWZ 2 well (assuming successful re-entry). Shareholders are referred to Section 5.1 of the Prospectus for further details on the use of funds.

The capital structure of the Company on completion of the Offer (assuming all Shares offered under the Prospectus are issued and no Options are exercised prior to the Record Date) will be as follows:

	<b>Number</b>
Shares currently on issue	361,860,189
Shares offered pursuant to the Offer	361,860,189
Shares to be issued to Indian Ocean Capital Pty Ltd <sup>1</sup>	12,500,000
<b>Total Shares on issue after completion of the Offer</b>	<b>736,220,378</b>

*1 The Company has appointed Indian Ocean Capital Pty Ltd (IOC) as manager to the Offer. The fee payable to IOC under the mandate is 3.5% of the amount raised under the Prospectus. This consideration is to be provided to IOC by the Company by the issue of Shares up to a maximum of 12,500,000 Shares. Based on the issue price under the Offer of 2 cents per Share this equates to a maximum fee of \$250,000.*

	<b>Number</b>
Options (listed) (ASX Code: JPROA) (exercise price 8 cents / expiry date 30 June 2010)	300,000,000
Options (unlisted) (exercise price 8 cents / expiry date 30 June 2011) <sup>1</sup>	20,000,000
Options (unlisted) (exercise price 20 cents / expiry date 31 December 2012)	3,000,000
Options offered pursuant to the Offer	Nil
<b>Total Options on issue after completion of the Offer</b>	<b>323,000,000</b>

*1 Pursuant to the terms and conditions of this category of Options, 5,000,000 will have vested as at the Record Date and 15,000,000 do not vest until 13 June 2010 provided consultants Keith Martens (7,500,000 Options) and Sergey Sinitsin (7,500,000 Options) remain employed by the Company as at that date.*

As a shareholder you are entitled to take up Entitlement Shares on a 1 for 1 basis. For example, this means if you hold 10,000 JPR shares as at the Record Date (as set out in the timetable above) then you are entitled to subscribe for an additional 10,000 entitlement shares at 2 cents per share.

The Prospectus, together with a personalised entitlement and acceptance form, will be sent to Eligible Shareholders on the date set out in the timetable above. Instructions on how and when to apply under the Offer are set out in the Prospectus. The Prospectus has also been lodged with ASX and is available on the ASX website at [www.asx.com.au](http://www.asx.com.au) and on the Company's website at [www.jupiterenergy.com.au](http://www.jupiterenergy.com.au).

The Company has applied to ASX for quotation of the Shares to be issued pursuant to the Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

A few important points:

- If you are unsure what to do, please seek advice from your broker or professional financial advisor before you do anything.
- The Entitlement Shares will only be issued to shareholders that are registered at the Record Date. If you are contemplating increasing your current shareholding in the Company in order to get access to a larger entitlement issue, you will need to have purchased your additional JPR shares on or before this date.
- Shareholders who wish to apply for more than their Entitlement Shares will need to apply for additional Shares under the Shortfall Offer (ie Entitlement shares not taken up by other JPR shareholders) and are invited to complete the appropriate field on their personalised Entitlement and Application Form accompanying this Prospectus and return it to the Company together with a cheque for the value of Shares applied for. Whilst priority for this shortfall allocation will be given to existing shareholders, there is no guarantee your application for these shortfall shares will be successful.

If you have any questions relating to this letter, please contact Jupiter Energy Limited on 08 9322 8222.

Sincerely

A handwritten signature in black ink, appearing to read 'GG' followed by a long horizontal flourish.

Geoff Gander  
Chairman