

20 August 2009

Dear JPR option holder

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**).

As an option holder you are NOT entitled to participate in the Offer. However, as an option holder you are in a position whereby you can convert your options to shares. The exercise price of your options is 8 cents, thereby meaning that the conversion of 1 option into a share prior to the Record Date (as set out in the timetable below) plus the take up of 1 entitlement share at 2 cents means that in effect you are able to purchase 2 shares for 10 cents or 5 cents per share. If this is less than the prevailing market price there may be a benefit to you converting some or all of your options at this time.

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.*

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 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 is soon to 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 Prospectus, together with a personalised entitlement and acceptance form, will only be sent to Eligible Shareholders on the date set out in the timetable above. If you have not exercised your options at this time and are not otherwise a shareholder you will not receive a copy of the Prospectus. You may however obtain a copy of the Prospectus from the ASX website at www.asx.com.au and the Company's website at www.jupiterenergy.com.au.

A few important points:

- Before deciding whether to exercise any Options you hold prior to the Record Date and participate in the Offer you should consider the terms of the Offer carefully and if in doubt please seek advice from your broker or professional financial advisor before you do anything.
- All options must be converted to shares on or before the Record Date in order for you to be able to get access to the Entitlement Shares. In order to ensure this occurs, it is your responsibility to ensure the attached conversion form and relevant payment are received by JPR in reasonable time to ensure these funds clear the option conversion process is completed on or before the Record Date.

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', with a long horizontal flourish extending to the right.

Geoff Gander
Chairman