
JUPITER ENERGY LIMITED

ACN 084 918 481

NOTICE OF GENERAL MEETING

TIME: 10 am (WST)

DATE: Friday 12 August 2011

PLACE: The Celtic Club
48 Ord Street
WEST PERTH WA 6005

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, Scott Mison on (+61 8) 9322 8222.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10 am (WST) on Friday 12 August 2011 at:

The Celtic Club
48 Ord Street
WEST PERTH WA 6005

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders will be held at 10 am (WST) on Friday 12 August 2011 at The Celtic Club, 48 Ord Street, West Perth, Western Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 5.00pm (WST) (7.00pm Sydney time) on Wednesday 10 August 2011.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

1. RESOLUTION 1 – CONSOLIDATION OF CAPITAL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, pursuant to section 254H of the Corporation Act, clause 10.1(b) of the Constitution, ASX Listing Rules 7.20, 7.21 and 7.22.1 and for all other purposes, Shareholders approve and authorise the Directors to consolidate the issued capital of the Company on the basis that:

- (a) every fifteen (15) Shares be consolidated into one (1) Share;*
- (b) every fifteen (15) Options be consolidated into one (1) Option; and*
- (c) every fifteen (15) Performance Rights be consolidated into one (1) Performance Right,*

and otherwise on the terms and conditions set out in the Explanatory Statement.”

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE – SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 226,500,061 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. **RESOLUTION 3 – ISSUE OF PERFORMANCE RIGHTS – ALASTAIR BEARDSALL**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Directors to allot and issue 10,000,000 Performance Rights (on a pre-Consolidation basis) to Alastair Beardsall (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. **RESOLUTION 4 – ISSUE OF PERFORMANCE RIGHTS – BALTABEK KUANDYKOV**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Directors to allot and issue 10,000,000 Performance Rights (on a pre-Consolidation basis) to Baltabek Kuandykov (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. **RESOLUTION 5 – ISSUE OF PERFORMANCE RIGHTS – GEOFF GANDER**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Directors to allot and issue 10,000,000 Performance Rights (on a pre-Consolidation basis) to Geoff Gander (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. **RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS – SCOTT MISON**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Directors to allot and issue 2,000,000 Performance Rights (on a pre-Consolidation basis) to Scott Mison (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. **RESOLUTION 7 – RE-ELECTION OF DIRECTOR – SCOTT MISON**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Scott Mison, a Director who was appointed on 31 January 2011, retires, and being eligible, is re-elected as a Director.”

DATED: 29 JUNE 2011

BY ORDER OF THE BOARD



SCOTT MISON
DIRECTOR / COMPANY SECRETARY

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 10 am (WST) on Friday 12 August 2011 at The Celtic Club, 48 Ord Street, West Perth, Western Australia.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolution in the Notice of Meeting.

1. RESOLUTION 1 – CONSOLIDATION OF CAPITAL

1.1 Background

Resolution 1 seeks Shareholder approval for the Company to undertake a consolidation of its capital (**Consolidation**).

The purpose of the Consolidation is to implement a more appropriate capital structure for the Company going forward.

The effect of the Consolidation is that each holding of Securities will be reduced by fifteen times its current level (subject to rounding). However, each Securityholder's proportional interest in the Company's capital will remain unchanged as a result of the Consolidation.

In addition, the exercise price of the Options will be increased by fifteen times its current level. There will be no change to the vesting condition of the Performance Rights and their conversion price will remain nil.

1.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

The ASX Listing Rules also require that:

- (a) in respect of convertible securities other than options (i.e. Performance Rights), the number of securities or the conversion price, or both, must be reorganised so that the holders of the convertible securities will not receive a benefit that holders of ordinary securities do not receive; and
- (b) in respect of options, the number of options must be consolidated in the same ratio as the ordinary capital and the exercise price amended in inverse proportion to that ratio.

1.3 Fractional entitlements

Not all Securityholders will hold that number of Shares, Options or Performance Rights which can be evenly divided by fifteen.

Any fractional entitlements of Securityholders as a consequence of the Consolidation will be rounded up to the nearest whole Share, Option or Performance Rights as the context requires.

1.4 Taxation implications

It is not considered that any taxation implications will exist for Securityholders arising from the Consolidation. However, Securityholders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company, nor the Directors (or the Company's advisors) accept any responsibility for the individual taxation implications arising from the Consolidation.

1.5 Holding statements and certificates

From the date the Consolidation is approved by Shareholders:

- (a) all holding statements for Shares will cease to have any effect, except as evidence of entitlement to a certain number of Shares on a post-Consolidation basis; and
- (b) all certificates for unlisted Options and Performance Rights will cease to have any effect, except as evidence of entitlement to a certain number of Options or Performance Rights on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange, in accordance with the timetable below, for new holding statements for Shares to be issued to Shareholders and to the extent required new certificates for unlisted Options and Performance Rights to be issued to Optionholders and Performance Right Holders.

It is the responsibility of each Securityholder to check the number of Shares, Options or Performance Rights held prior to disposal or exercise (as the case may be).

1.6 Effect on capital structure

The effect which the Consolidation will have on the capital structure of the Company (assuming the Performance Rights the subject of Resolutions 3 to 6 are issued), which is subject to adjustments for rounding, is as follows:

Type of Security	Current	Post-Consolidation
Shares	1,737,934,742	115,862,316
Total Shares	1,737,934,742	115,862,316
Options (unlisted) (exercise price: \$0.10 (\$1.50 post-Consolidation) (expiry date: 31 December 2012)	6,000,000	400,000
Options (unlisted) (exercise price: \$0.15 (\$2.25 post-Consolidation) (expiry date: 31 December 2012)	4,000,000	266,667
Options (unlisted) (exercise price: \$0.185 (\$2.775 post-Consolidation) (expiry date: 31 December 2012)	3,000,000	200,000
Total Options	13,000,000	866,667
Performance Rights ¹	32,000,000	2,133,334
Total Performance Rights	32,000,000	2,133,334

Notes:

¹ The issue of these Performance Rights remain subject to Resolutions 3 to 6 being passed. As at the date of this Notice of Meeting the Company has on issue 10,000,000 Performance Rights which are not included in the above total on the basis they will be cancelled in the event Resolution 5 is passed. The full terms and conditions, including the vesting condition, of the Performance Rights proposed to be issued are set out in Schedule 1.

1.7 Timetable

Event	Date
Shareholder approval of Consolidation	12 August 2011
ASX advised that Shareholders have approved Consolidation	12 August 2011
Last day for trading in pre-Consolidation Securities	15 August 2011
Trading in post-Consolidation Securities on a deferred settlement basis commences	16 August 2011
Last day for the Company to register transfers on a pre-Consolidation basis	22 August 2011
Certificated holdings (i.e. Options and Performance Rights) <ul style="list-style-type: none"> - Last day for the Company to accept transfers accompanied by certificates issued pre-Consolidation 	
First day for the Company to send notice to each Securityholder	23 August 2011
Uncertificated holdings (i.e. Shares) <ul style="list-style-type: none"> - First day for the Company to register Securities on a post-Consolidation basis and first day for issue of holding statements 	
Certificated holdings (i.e. Options and Performance Rights) <ul style="list-style-type: none"> - First day for the Company to issue new certificates - From this date forward, the Company will reject transfers accompanied by a certificate that was issued pre-Consolidation 	
Despatch date. Deferred settlement market ends.	29 August 2011
Last day for the Company to send notice to each Securityholder	
Last day for Securities to be entered into the Securityholders holdings	
Certificated holdings (i.e. Options and Performance Rights) <ul style="list-style-type: none"> - Last day for the Company to issue new certificates 	
Normal trading in post-Consolidation Securities commences	30 August 2011

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE – SHARES

2.1 General

On 30 May 2011 the Company announced that it had completed a placement of 226,500,061 Shares at an issue price of 4.9 cents per Share to raise a total of \$11,098,592 (before costs) to largely UK based institutions as it begins to broaden its shareholder base to include overseas fund managers (**Placement**).

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares the subject of the Placement (**Share Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

2.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Share Ratification:

- (a) 226,500,061 Shares were allotted;
- (b) the issue price was 4.9 cents per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were allotted and issued to institutional investors as set out below; and

Registered Name	No. Of shares
EFG Bank Limited	20,408,163
CIM Discovery Fund Limited	12,244,898
HSBC Custody Nominees (Aust) Limited	10,000,000
Midocean Holdings Limited	10,204,000
Soyuzneftegas Capital Limited	40,469,000
Waterford Petroleum Limited	112,766,000
First Equity Limited <Caldwell Management AG>	20,408,000
Total shares	226,500,061

- (e) funds raised from the issue are to be used to support the 2011 work program for the development of the Block 31 permit, SW Kazakhstan.

3. RESOLUTIONS 3 TO 6 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTORS UNDER PLAN

3.1 General

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue a total of 32,000,000 Performance Rights (on a pre-Consolidation basis) to Alastair Beardsall, Baltabek Kuandykov, Geoff Gander and Scott Mison (**Eligible Participants**) pursuant to the Performance Rights Plan (**Plan**) previously adopted by Shareholders at the Company's annual general meeting held on 25 November 2009 and on the terms and conditions set out below.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

The issue of Performance Rights to the Eligible Participants requires the Company to obtain Shareholder approval because this issue constitutes giving a financial benefit and, as Directors, Alastair Beardsall, Baltabek Kuandykov, Geoff Gander and Scott Mison are related parties of the Company.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of Performance Rights to the Eligible Participants.

3.2 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.14)

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of Performance Rights to the Eligible Participants:

- (a) the related parties are Alastair Beardsall, Baltabek Kuandykov, Geoff Gander and Scott Mison and they are related parties by virtue of being Directors;
- (b) the maximum number of Performance Rights on a pre-Consolidation basis (being the nature of the financial benefit being provided) to be issued to the Eligible Participants (or their nominees) is:
 - (i) 10,000,000 Performance Rights to Alastair Beardsall;

- (ii) 10,000,000 Performance Rights to Baltabek Kuandykov;
 - (iii) 10,000,000 Performance Rights to Geoff Gander;
 - (iv) 2,000,000 Performance Rights to Scott Mison; and
- (c) the Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the vesting of the Performance Rights on the achievement of the specified performance criteria. Accordingly, no loan will be provided by the Company to the Eligible Participants no funds will be raised from the issue or vesting of the Performance Rights;
- (d) the following Performance Rights have been issued under the Plan (all for nil cash consideration) since its approval at the Company's annual general meeting held on 25 November 2009:
- (i) 15,000,000 Performance Rights to Geoff Gander – the Company notes that 5,000,000 of these Performance Rights have lapsed and the balance of 10,000,000 will be cancelled subject to the passing of Resolution 5;
 - (ii) 15,000,000 Performance Rights to Yerkin Subayev – the Company notes all of these Performance Rights have lapsed; and
 - (iii) 15,000,000 Performance Rights to David Thorpe – the Company notes all of these Performance Rights have lapsed;
- (e) any employee of the Company, or a subsidiary (if any), who is declared by the Board to be eligible is entitled to participate in the Plan. As at the date of this Notice of General Meeting, Alastair Beardsall, Baltabek Kuandykov, Geoff Gander and Scott Mison are eligible to participate in the Plan;
- (f) the Performance Rights will be issued to the Eligible Participants no later than 12 months after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Performance Rights will be issued on one date;
- (g) the terms and conditions of the Performance Rights are set out in Schedule 1;
- (h) the value of the Performance Rights and the pricing methodology is set out in Schedule 2;
- (i) the relevant interests of the Eligible Participants in Securities (on a pre-Consolidation basis) as at the date of this Notice of Meeting are set out below;

Eligible Participant	Shares	Performance Rights	Options
Alastair Beardsall	10,000,000	Nil	Nil
Baltabek Kuandykov	Nil	Nil	Nil
Geoff Gander	38,266,668	10,000,000 ¹	Nil

Scott Mison	4,694,812	Nil	1,000,000 ²
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¹ 5,000,000 Performance Rights vest upon \$200m market cap or 300,000 cumulative barrels of oil expiring 31 Dec 2011 and 5,000,000 Performance Rights vest upon \$300m market cap or 500,000 cumulative barrels of oil expiring 31 Dec 2012. Subject to the passing of Resolution 5 these Performance Rights will be cancelled and replaced with 10,000,000 Performance Rights on the terms and conditions set out in Schedule 1.

² Exercisable at \$0.185 each on or before 31 December 2012.

- (j) the remuneration and emoluments from the Company to the Eligible Participants for both the current financial year and previous financial year are set out below:

Eligible Participant	Current Financial Year	Previous Financial Year
Alastair Beardsall	\$30,000	Nil
Baltabek Kuandykov	\$30,000	Nil
Geoff Gander	\$303,440	\$381,151
Scott Mison	\$140,350	\$142,465

- (k) if the vesting condition relating to the Performance Rights issued to the Eligible Participants is satisfied in full, a total of 32,000,000 Shares (on a pre-Consolidation basis) would be allotted and issued. This will increase the number of Shares on issue from 1,737,934,742 to 1,769,934,742 (assuming that no Options are exercised and no other Shares issued and noting the Consolidation will have no impact on dilution) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1.84% comprising 0.575% by Alastair Beardsall, 0.575% by Baltabek Kuandykov, 0.575% by Geoff Gander and 0.115% by Scott Mison.

- (l) the trading history of the Shares on ASX in the 12 months before the date of this Notice of General Meeting is set out below:

	Price	Date
Highest	7.8 cents	21 April 2011
Lowest	2.8 cents	23 & 27 August 2010 & 6 September 2010
Last	4.8 cents	28 June 2011

- (m) the Board acknowledges the grant of Performance Rights to Alastair Beardsall, Baltabek Kuandykov and Scott Mison is contrary to Recommendation 8.2 of the ASX Corporate Governance Councils *Corporate Governance Principles and Recommendations* (2nd Edition). However, Executive Director Geoff Gander, considers the grant of Performance Rights to these Eligible Participants is reasonable in the circumstances for the reason set out in subparagraph (o)(ii);
- (n) the primary purpose of the issue of Performance Rights to the Eligible Participants is to provide a performance linked incentive component in

the remuneration package for the Eligible Participants to motivate and reward the performance of the Eligible Participants in their respective roles as Directors in achieving specified vesting conditions within a specified period;

- (o) Alastair Beardsall declines to make a recommendation to Shareholders in relation to Resolution 3 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 4, 5 and 6, Alastair Beardsall recommends that Shareholders vote in favour of those Resolutions for the following reasons:
 - (i) the vesting conditions of the Performance Rights will align the interests of the Eligible Participants with those of Shareholders;
 - (ii) the issue of Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Eligible Participants; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights upon the terms proposed;
- (p) Baltabek Kuandykov declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 3, 5 and 6, Baltabek Kuandykov recommends that Shareholders vote in favour of those Resolutions for the reasons set out in subparagraphs (o)(i) to (o)(iii);
- (q) Geoff Gander declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 3, 4 and 6, Geoff Gander recommends that Shareholders vote in favour of those Resolutions for the reasons set out in subparagraphs (o)(i) to (o)(iii);
- (r) Scott Mison declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 3, 4 and 5, Scott Mison recommends that Shareholders vote in favour of those Resolutions for the reasons set out in subparagraphs (o)(i) to (o)(iii);
- (s) In forming their recommendations, each Director considered the experience of each other Eligible Participant, the current market practices when determining the number of Performance Rights to be granted as well as the vesting conditions and vesting period of those Performance Rights;
- (t) The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 3 to 6; and
- (u) It is the intention of the Board, to issue a further 8,000,000 Performance Rights on a pre-Consolidation basis (or 533,333 Performance Rights on a post-Consolidation basis) to key management and executives (although

not related parties) under the previously approved Performance Rights Plan. These parties and the individual quantity of Performance Rights they will receive has not been determined as at the date of this Notice of Meeting, nor has the timing of the issue (and therefore whether they will be on a pre-Consolidation or post-Consolidation basis). These Performance Rights to be issued will be on the terms and conditions set out in Schedule 1.

4. RESOLUTION 7 – RE-ELECTION OF DIRECTOR – SCOTT MISON

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following general meeting and is then eligible for re-election.

Scott Mison will retire in accordance with clause 13.4 of the Constitution and being eligible seeks re-election.

5. ENQUIRIES

Shareholders are required to contact either Geoff Gander or Scott Mison on (+ 61 8) 9322 8222 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Company means Jupiter Energy Limited (ACN 084 918 481).

Consolidation means the consolidation of capital to be undertaken by the Company subject to Shareholder approval and as further described in Section 1 of the Explanatory Statement.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

General Meeting means the meeting convened by the Notice of Meeting.

Notice of Meeting or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Performance Right means a right to a Share subject to the satisfaction of specified vesting conditions.

Performance Right Holder means a holder of a Performance Right.

Proxy Form means the proxy form accompanying the Notice.

Resolution means the resolution set out in the Notice of Meeting, or any one of them, as the context requires.

Securities means Shares, Options and Performance Rights or any one or more of them as the context requires.

Securityholder means a holder of Securities.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

The Performance Rights entitle the holder to Shares on the following terms and conditions:

- (a) Subject to the satisfaction of the vesting condition set out in paragraph (b), each Performance Right vests to one Share.
- (b) Subject to a minimum increase of 25%, the Performance Rights for each holder shall vest in proportion to the % increase in the Share price of the Company above 4.9 cents on a pre-Consolidation basis or 73.5 cents on a post-Consolidation basis (**Vesting Condition**). In respect of the Vesting Condition, the % increase in the Share price of the Company will be calculated by reference to the volume weighted average price of Shares in the 20 consecutive trading days immediately prior to the Expiry Date.
- (c) The Board may, in its absolute discretion, determine that all or a specified number of a holder's Performance Rights automatically vest in the event of:
 - (i) a takeover bid in respect of the Company under Chapter 6 of the Corporations Act is made;
 - (ii) a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
 - (iii) any person becomes bound or entitled to acquire shares in the Company under:
 - i. section 414 of the Corporations Act; or
 - ii. Chapter 6A of the Corporations Act;
 - (iv) the Company passes a resolution for voluntary winding up; or
 - (v) an order is made for the compulsory winding up of the Company, andsuch a determination shall be notified to the holder in writing. If no determination is made or if the Board determines that some or all of a holder's Performance Rights do not vest, those Performance Rights shall automatically lapse.
- (d) In the event the holder ceases to be a Director, consultant or employee prior to the satisfaction of the Vesting Condition, all Performance Rights shall automatically lapse unless the holder ceases to be a Director as a result of being removed from office by Shareholders other than for misconduct in which case the Board may, in its absolute discretion, determine that all or a specified number of a holder's Performance Rights automatically vest.
- (e) The Performance Rights shall expire at 5.00 pm (WST) on that date which is 12 months after the date of issue of the Performance Rights (**Expiry Date**). Any Performance Right not vested before the Expiry Date shall automatically lapse on the Expiry Date and the holder shall have no entitlement to Shares pursuant to those Performance Rights.
- (f) The Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the vesting of the Performance Rights on the satisfaction of the Vesting Condition.

- (g) Immediately following the Expiry Date the Company shall notify the holder of that proportion of Performance Rights that have vest and shall, unless otherwise directed by the holder, allot the associated number of Shares within 10 Business Days of the Expiry Date.
- (h) The Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the vesting of Performance Rights on ASX within 10 Business Days after the date of allotment of those Shares.
- (i) All Shares allotted upon the vesting of Performance Rights will upon allotment rank pari passu in all respects with other Shares.
- (j) The Performance Rights are not transferable except with the prior written consent of the Board.
- (k) If Shares are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment) involving capitalisation or reserves or distributable profits, the number of Performance Rights to which each holder is entitled, or any amount payable on vesting of the Performance Rights, or both as appropriate, will be adjusted in the manner determined by the Board to ensure that no advantage accrues to the holder as a result of the bonus issue and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.
- (l) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Performance Rights to which each Participant is entitled, or any amount payable on vesting of the Performance Rights, or both as appropriate, will be adjusted in the manner determined by the Board to ensure that no advantage or disadvantage accrues to the holder as a result of such corporate actions and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (m) Subject to paragraphs (k) and (l), there are no participating rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights unless the Vesting Condition have been satisfied and the relevant Shares have been issued prior to the records date for determining entitlements. However, the Company will give notice to the holders of any new issues of capital prior to the records date for determining entitlements.
- (n) A Performance Right does not confer the right to vote or receive dividends.

SCHEDULE 2 – VALUATION OF PERFORMANCE RIGHTS

The Performance Rights to be issued to the Eligible Participants pursuant to Resolutions 3 to 6 have been independently valued by BDO.

Using a hybrid model that incorporates a trinomial option valuation and a Monte Carlo simulation and based on the assumptions set out below, the Performance Rights were ascribed values, as follows:

Assumptions:	
Valuation date	28 June 2011
Market price of Shares	4.8 cents
Conversion price	Nil
Expiry date (from issue)	12 months
Risk free interest rate	4.8%
Discount (volatility)	80%
Indicative value per Performance Right	2.16 cents
Total Value of Performance Rights	
- Alastair Beardsall	\$216,000
- Baltabek Kuandykov	\$216,000
- Geoff Gander	\$216,000
- Scott Mison	\$43,200

Note: The valuations noted above are not necessarily the market prices that the Performance Rights could be traded at and they are not automatically the market prices for taxation purposes.

000001 000 JPR
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

For your vote to be effective it must be received by 10:00am (WST) Wednesday 10 August 2011

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
 FLAT 123
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Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Jupiter Energy Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Jupiter Energy Limited to be held at The Celtic Club, 48 Ord Street, West Perth, WA 6005 on Friday, 12 August 2011 at 10:00am (WST) and at any adjournment of that meeting.

Important for Resolutions 3, 4, 5 & 6: If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Resolutions 3, 4, 5 & 6 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Resolutions 3, 4, 5 & 6 and your votes will not be counted in computing the required majority if a poll is called on these Resolutions. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 3, 4, 5 & 6.

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

STEP 2

Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of Prior Issue - Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Performance Rights - Alastair Beardsall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Performance Rights - Baltabek Kuandykov	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Performance Rights - Geoff Gander	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Performance Rights - Scott Mison	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Re-election of Director - Scott Mison	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____ / ____ / ____

J P R

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Computershare