
JUPITER ENERGY LIMITED

ACN 084 918 481

NOTICE OF GENERAL MEETING

TIME: 2:00pm (WST)

DATE: 14 May 2012

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 on (+61 8) 9322 8222.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the general meeting of the Shareholders to which this Notice of Meeting relates will be held at 2:00pm (WST) on 14 May 2012 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 ELIGIBILITY

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 at 10 am (WST) (12:00 pm Sydney time) on 12 May 2012.

VOTING IN PERSON

To vote in person, attend the General Meeting at the time, date and 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.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPROVAL FOR SHARE ISSUE ON CONVERSION OF CONVERTIBLE NOTES

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 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 8,215,000 Shares to Soyuzneftegas Capital Limited (or its nominee) upon the conversion of Convertible Notes on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Soyuzneftegas Capital Limited (or its nominee) or any of its 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.

2. RESOLUTION 2 – AMENDMENT TO THE TERMS OF PERFORMANCE RIGHTS HELD BY MR GEOFF GANDER

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

“That, subject to and conditional upon the passing of Resolutions 3, 4 and 5, for the purposes of Chapter 2E of the Corporations Act, ASX Listing Rule 6.23.2 and for all other purposes, approval is given for the Proposed Amendment to the terms of the Performance Rights held by Director Mr Geoff Gander, as set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Geoff Gander and any of his associates.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

3. **RESOLUTION 3 – AMENDMENT TO THE TERMS OF PERFORMANCE RIGHTS HELD BY MR ALASTAIR BEARDSALL**

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

“That, subject to and conditional upon the passing of Resolutions 2, 4 and 5, for the purposes of Chapter 2E of the Corporations Act, ASX Listing Rule 6.23.2 and for all other purposes, approval is given for the Proposed Amendment to the terms of the Performance Rights held by Director Mr Alastair Beardsall as set out in the Explanatory Memorandum.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Alastair Beardsall and any of his associates.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

4. **RESOLUTION 4 – AMENDMENT TO THE TERMS OF PERFORMANCE RIGHTS HELD BY MR BALTABEK KUANDYKOV**

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

“That, subject to and conditional upon the passing of Resolutions 2, 3 and 5 for the purposes of Chapter 2E of the Corporations Act, ASX Listing Rule 6.23.2 and for all other purposes, approval is given for the Proposed Amendment to the terms of the Performance Rights held by Director Mr Baltabek Kuandykov, as set out in the Explanatory Memorandum.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Baltabek Kuandykov and any of his associates.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or

- (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

5. RESOLUTION 5 – AMENDMENT TO THE TERMS OF PERFORMANCE RIGHTS HELD BY MR SCOTT MISON

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

“That, subject to and conditional upon the passing of Resolutions 2, 3 and 4, for the purposes of Chapter 2E of the Corporations Act, ASX Listing Rule 6.23.2 and for all other purposes, approval is given for the Proposed Amendment to the terms of the Performance Rights held by Director Mr Scott Mison, as set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Scott Mison and any of his associates.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

DATED: 5 APRIL 2012

BY ORDER OF THE BOARD

**MR SCOTT MISON
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

1. RESOLUTION 1 – APPROVAL FOR SHARE ISSUE ON CONVERSION OF CONVERTIBLE NOTES

1.1 General

On 10 October 2011 the Company entered into a convertible note deed (**Deed**) with Soyuzneftegas Capital Limited (**SNG**) pursuant to which SNG subscribed for convertible notes to the value of US\$3,450,000 (**Convertible Notes**).

Pursuant to the terms of the Deed, SNG may, subject to Shareholder approval, convert the Convertible Note at a conversion price of the lower of:

- (a) US\$0.75 per Share; or
- (b) the lower price at which new Shares are issued by the Company between 29 September 2011 and 28 September 2013 (being the maturity date of the Convertible Note).

The Company has not yet received notice from the Noteholder of its intention to convert the Convertible Note.

The Company is proposing to undertake an entitlement issue, the terms of which are yet to be finalised (**Proposed Entitlement Issue**). On this basis, the Noteholder may elect to convert the Note in accordance with (b) set out above, at the issue price of the Entitlement Issue (**Conversion**).

In anticipation of the possible Conversion, the Company has decided to seek Shareholder approval for issue of Shares on Conversion. Specifically, Resolution 1 seeks Shareholder approval for the allotment and issue of up to a maximum of 8,215,000 Shares on Conversion.

Whilst the Company is seeking approval for the issue of 8,215,000 Shares, the final number of shares issued on Conversion will be determined once the pricing of the Proposed Entitlement Issue has been agreed by the Board. The current quantum equates to a conversion price of approximately A\$0.40 cents per Share. However, Shareholders should note that the actual conversion price will be the same as the pricing on the Proposed Entitlements Issue.

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.

The effect of Resolution 1 will be to allow the Directors to issue the Shares pursuant to the Conversion during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

1.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Conversion:

- (a) the maximum number of Shares to be issued on Conversion is 8,215,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the deemed issue price per Share will be determined once the pricing of the Entitlement Issue has been finalised by the Board. For the purposes of ASX Listing Rule 7.3.3 the minimum price at which the Shares will be allotted and issued upon Conversion is \$0.40;
- (d) the Shares will be allotted and issued to SNG, who is not a related party of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) funds advanced to the Company under the Convertible Notes were used towards the drilling of the J-53 well, the Company's first commitment well for 2012. As the Shares are issued on conversion of the Convertible Notes, no funds will be raised from their issue.

2. RESOLUTIONS 2 - 5 – AMENDMENT TO THE TERMS OF PERFORMANCE RIGHTS HELD BY MESSRS GEOFF GANDER, ALASTAIR BEARDSALL, BALTABEK KUANDYKO AND SCOTT MISON

2.1 Background

The Company issued to Directors Geoff Gander, Alastair Beardsall, Baltabek Kuandyko and Scott Mison (**Participating Directors**) a total of 2,133,335 Performance Rights on 26 August 2011 on the terms and conditions set out in Schedule 1.

The Performance Rights were issued by the Company to provide a performance linked incentive component in the remuneration package of the Participating Directors to motivate and reward the performance of the Participating Directors in achieving specified vesting conditions within a specified period (**Vesting Conditions**).

2.2 Proposed Amendments to terms of Performance Rights

Currently, the Vesting Conditions must be satisfied on or before 25 August 2012.

The Company is proposing to amend the terms of the Performance Rights, subject to Shareholder approval, to extend the date by which the Vesting Conditions must be satisfied. The Company is proposing to amend this date to be on or before 31 December 2013 (**Proposed Amendment**).

As the key Vesting Conditions concern the Company's Share price performance, the Company has decided to seek approval for the Proposed Amendment as the Directors are of the view that the operational performance of the Company has not as yet been accurately reflected in its Share price. The Company's relatively disappointing Share price performance in 2011/2012 has been driven by factors outside the control of the Directors. In particular the lack of share liquidity on the London AIM Market has been a contributing issue. By approving the Proposed Amendment, Directors will be given the necessary time

to ensure this liquidity issue is resolved and a more appropriate link between operational and Share price performance will be established.

2.3 ASX Waiver

ASX Listing Rule 6.23.3 provides that a change which has the effect of reducing the exercise price, increasing the period for conversion or increasing the number of securities received on conversion of the Company's performance rights cannot be made.

The Company was granted a waiver of ASX Listing Rule 6.23.3 to permit the Company to make the Proposed Amendment without breaching ASX Listing Rule 6.23.3.

2.4 Section 208 of the Corporations Act

Section 208 of the *Corporations Act* requires shareholder approval to be obtained for a public company to give a "financial benefit" to a related party.

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.

Under Section 229(2) of the Corporations Act giving a "financial benefit" includes:

- (a) giving a financial benefit indirectly, for example, through one or more interposed entities;
- (b) giving a financial benefit by making an informal agreement, oral agreement or an agreement that has no binding force; and
- (c) giving a financial benefit that does not involve paying money (for example, by conferring a financial advantage).

Section 229(3) provides examples of giving a financial benefit. These include:

- (a) giving or providing finance or property;
- (b) buying, selling or leasing an asset;
- (c) supplying or receiving services;
- (d) issuing securities or granting options; and
- (e) taking up or releasing an obligation.

The term "financial benefit" is to be interpreted broadly. Therefore the payment of money is not an essential component of giving of a financial benefit; the conferring of a financial advantage alone will suffice.

Accordingly, the Proposed Amendment confers an indirect financial benefit on the Participating Directors (as set out below at Section 1.1(b)). For this reason, the Board is seeking Shareholder approval in regards to the Proposed Amendment.

The effect of Resolutions 2-5 will be to allow the Proposed Amendment.

2.5 Shareholder approval (Chapter 2E of the Corporations Act)

Pursuant to and in accordance with the requirements of Section 219 of the Corporations Act, the following information is provided in relation to the Proposed Amendment:

- (a) the related parties are the Participating Directors as they are related parties by virtue of being directors of the Company;
- (b) the nature of the financial benefit proposed to be given is the Proposed Amendment to extend the date by which the Vesting Conditions for the conversion of the Performance Rights into a total of 2,133,335 Shares on a one (1) for one (1) basis can be achieved from 25 August 2012 to 31 December 2013 ;
- (c) the Performance Rights have already been granted to the Participating Directors. However, the Proposed Amendment will be made to the Performance Rights immediately upon the passing of Resolutions 2-5;
- (d) the Participating Directors will not be providing any consideration for the Proposed Amendment, accordingly no funds will be raised;
- (e) the terms and conditions of the Performance Rights together with the Vesting Conditions, are set out in Schedule 1;
- (f) the value of the Performance Rights together with the Proposed Amendments and the pricing methodology is set out in Schedule 2.
- (g) based on the value of the Performance Rights as disclosed in the notice of meeting issued by the Company dated 29 June 2011, the financial benefit to be received by the Participating Directors upon approval of Resolutions 2 -5 is set out in the table below:

Director	Value of Performance Rights upon issue	Value of Performance Rights with Proposed Amendment	Financial benefit received
Geoff Gander	\$216,000	\$267,000	\$51,000
Alastair Beardsall	\$216,000	\$267,000	\$51,000
Baltabek Kuandyko	\$216,000	\$267,000	\$51,000
Scott Mison	\$43,200	\$53,400	\$10,200
Total	\$691,200	\$854,400	\$163,200

Note:

The Performance Rights were initially valued on 28 June 2011 based on the then market price of Shares being 4.8 cents. The Performance Rights with the Proposed Amendment were valued on 19 March based on a market price of Shares being 71 cents. Consequently, the financial benefit received by the Participating Directors pursuant to Resolutions 2 – 5 is affected by this variation in Share price.

- (h) the relevant interests of the Participating Directors in securities of the Company are as set out below:

Participating Director	Shares	Options	Performance Rights
Geoff Gander	2,551,113	Nil	666,667
Alastair Beardsall	666,667	Nil	666,667
Baltabek Kuandyko	Nil	Nil	666,667
Scott Mison	312,987	66,667 ¹	133,334

¹ Options exercisable at \$2.775 each on or before 31 December 2012.

- (i) the remuneration and emoluments from the Company to the Participating Directors for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Director	Amount	
	Current financial year	Previous financial year
Geoff Gander	\$310,000 ¹	\$465,018
Alastair Beardsall	\$40,000	\$30,000
Baltabek Kuandykov	\$90,000	\$30,000
Scott Mison	\$130,000 ²	\$152,850

1. Based on an exchange rate of 1.55 GBP to every 1 AUD.

2. Represents \$40,000 for Director's fees and \$90,000 for chief financial officer/ Company secretarial services.

- (j) the effect of the Proposed Amendment would be to amend the Vesting Conditions. There will be no further increase in the number of Performance Rights on issue. There will be no effect on the shareholding of existing Shareholders;
- (k) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$1.17	21 April 2011
Lowest	\$0.37	10 January 2012
Last	\$0.67	4 April 2012

- (l) the primary purpose for the Proposed Amendments is to allow the Directors the necessary time to ensure this liquidity issue is resolved and a more appropriate link between operational and Share price performance will be established.
- (m) Mr Geoff Gander declines to make a recommendation to Shareholders in relation to Resolution 2 due to his material personal interest in the outcome of the Resolution on the basis that the Vesting Conditions attaching to the Performance Rights he holds will be amended should Resolution 2 be passed. However, in respect of Resolutions 3, 4 and 5, Mr Geoff Gander recommends that Shareholders vote in favour of those Resolutions for the following reasons:
- (i) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in implementing the Proposed Amendment;
- (ii) it is the Company's interest to align its incentive plans with the overall strategy for its projects,
- (n) Mr 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 on the basis that the Vesting Conditions attaching to the Performance Rights he holds will be amended should Resolution 3 be passed. However, in respect of Resolutions 2, 4 and 5, Mr Geoff Gander recommends that Shareholders vote in favour of those Resolutions for the reasons set out in subparagraphs (j)(i) and (j)(ii) above;
- (o) Mr 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 on the basis that the Vesting Conditions attaching to the Performance Rights he holds will be amended should Resolution 4 be passed. However, in respect of Resolutions 2, 3 and 5, Mr Geoff Gander recommends that Shareholders vote in favour of those Resolutions for the reasons set out in subparagraphs (j)(i) and (j)(ii) above;

- (p) Mr Scott Mison declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution on the basis that the Vesting Conditions attaching to the Performance Rights he holds will be amended should Resolution 5 be passed. However, in respect of Resolutions 2, 3 and 4, Mr Geoff Gander recommends that Shareholders vote in favour of those Resolutions for the reasons set out in subparagraphs (j)(i) and (j)(ii) above; and
- (q) 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 2 - 5.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

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

Constitution means the Company's constitution.

Convertible Note means the convertible note issued to Soyuzneftegas Capital Limited (**SNG**) pursuant to the convertible note deed executed by the Company and SNG on 10 October 2011.

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.

General Meeting or **Meeting** means the meeting convened by the Notice.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

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

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 specific milestones and vesting conditions as detailed in Schedule 1.

Proposed Amendment has the meaning as set out in Section 2.2 of the Explanatory Statement.

Proxy Form means the proxy form accompanying the Notice.

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

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

Shareholder means a holder of a Share.

US\$ means US dollars.

Vesting Condition means the vesting conditions attaching to the Performance Rights as set out in Schedule 1.

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 \$0.735 cents (Vesting Condition). Shares must reach a level of at least \$0.92 for any Rights to vest. All Rights will vest if a share price of \$1.50 is achieved. 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 31 December 2013 (**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 PROPOSED AMENDMENT TO PERFORMANCE RIGHTS

The Proposed Amendment to the Performance Rights pursuant to Resolutions 2 – 5 have been independently valued.

Using a pricing model that incorporates a trinomial option valuation and a Monte Carlo simulation and based on the assumptions set out below, the Proposed Amendments were ascribed the following value:

Assumptions:	
Valuation date	19 March 2012
Market price of Shares	71 cents
Conversion price	Nil
Expiry date (length of time from issue)	1.79 years
Risk free interest rate	3.78%
Volatility (discount)	80%
Indicative value per Performance Right	\$0.4005
Total Value of Performance Rights	
- G Gander	\$267,000
- A Beardsall	\$267,000
- B Kuandykoc	\$267,000
- S Mison	\$53,400

Note: The valuation noted above is not necessarily the market price that the Proposed Amendments could be traded at and is not automatically the market price for taxation purposes.

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

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

Proxy Form

For your vote to be effective it must be received by 2:00pm (WST) Saturday 12 May 2012

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: I999999999



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

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

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

IND

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 Monday, 14 May 2012 at 2:00pm (WST) and at any adjournment of that meeting.

Important for Items 2 - 5 - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default
 By marking this box, you are expressly authorising the Chairman of the Meeting to exercise your proxy on Items 2 - 5.

If you do not mark this box, and you have not directed your proxy how to vote on Items 2 - 5, the Chairman of the Meeting will not cast your votes on Items 2 - 5 and your votes will not be counted in computing the required majority if a poll is called on these Items. If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote by either marking the boxes in Step 2 below (for example if you wish to vote against or abstain from voting) or by marking this box (in which case the Chairman of the Meeting will vote in favour of Items 2 - 5).

The Chairman of the Meeting intends to vote all available proxies in favour of Items 2 - 5 of business.

I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy on Items 2 - 5. I/we acknowledge that the Chairman of the Meeting may exercise my proxy even though Items 2 - 5 are connected directly or indirectly with the remuneration of a member of key management personnel and/or even if the Chairman of the Meeting has an interest in the outcome of these items and that votes cast by the Chairman, 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.

ORDINARY BUSINESS

	For	Against	Abstain
Item 1 Approval for Share Issue on Conversion of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 Amendment to the Terms of Performance Rights held by Mr Geoff Gander	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Amendment to the Terms of Performance Rights held by Mr Alastair Beardsall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Amendment to the Terms of Performance Rights held by Mr Baltabek Kuandykov	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Amendment to the Terms of Performance Rights held by Mr Scott Mison	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available 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 / / _____