

JUPITER ENERGY LIMITED

ABN 65 084 918 481

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY STATEMENT

AND

PROXY FORM

**For the Annual General Meeting to be held on
Thursday 15th November 2007 at 12.30pm (WST) at
The Celtic Club
48 Ord Street, West Perth
Western Australia**

CONTENTS PAGE

	PAGE
Time and Place of Meeting and How to Vote	3
Notice of General Meeting (setting out the proposed resolutions)	4
Explanatory Statement (explaining the resolutions)	8
Proxy Form	Attached

This is an important document. Please read it carefully.

If you are unable to attend the Annual General Meeting, please complete the form of proxy enclosed and return it in accordance with the instructions set out on that form.

If you have any questions regarding the matters set out in this document, please contact the Company Secretary, Mr Scott Mison on (08) 9421 2111, your stockbroker or other professional adviser.

TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

The Annual General Meeting of the shareholders of Jupiter Energy Limited will be held at:

**The Celtic Club
48 Ord Street
West Perth, Western Australia**

**Commencing at
12.30 pm (WST)
on Thursday 15th November 2007**

How to Vote

You may vote by attending the meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the meeting on the date and at the place set out above. The meeting will commence at 12.30pm.

Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of General Meeting as soon as possible and either:

- Send the proxy by facsimile to the Company on facsimile number (08) 9322 8244 (International: + 61 8 9322 8244) or to Computershare Investor Services Pty Ltd on facsimile number (08) 9323 2033 (International: + 61 8 9323 2033);
- Deliver the proxy to the registered office of the Company at Level 1, 1275 Hay Street, West Perth, Western Australia 6005 or Computershare Investor Services Pty Ltd at Level 2, 45 St George's Terrace, Perth, Western Australia 6000;
- Mail the proxy to the Company at PO Box 1282, West Perth, Western Australia 6872 or Computershare Investor Services Pty Ltd at GPO Box D182, Perth, Western Australia 6840 (reply paid envelope),

so that it is received not later than 12.30pm on Tuesday, 13th November 2007 (48 hours prior to commencement of the meeting).

Your proxy form is enclosed.

JUPITER ENERGY LIMITED

ABN 65 084 918 481

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of shareholders of Jupiter Energy Limited will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia at 12.30pm (WST) on Thursday 15th November 2007.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual 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 Annual General Meeting are those who are registered shareholders of the Company as at the close of business on Tuesday 13th November 2007.

Terms used in this Notice have the meanings set out in section 3 of the Explanatory Statement.

AGENDA

The Explanatory Statement that accompanies and forms part of the Notice describes the matters to be considered as special business.

ORDINARY BUSINESS

To receive and consider the Financial Statements of the Company, the Directors' Report and the Independent Audit Report for the year ended 30 June 2007.

Resolution 1 - Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of Section 250R (2) of the Corporations Act, the Company adopt the Remuneration Report as set out in the Annual Report for the year ended 30 June 2007."

Resolution 2 - Re Election of Mr Andrew Childs

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

"That, Andrew Childs, having being appointed as an additional Director of the Company on 9 July 2007 and being eligible for re election, be reappointed as a Director of the Company."

Resolution 3 – Re election of Mr Erkin Svanbayev

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

“That, Erkin Svanbayev, having being appointed as an additional Director of the Company on 15 June 2007 and being eligible for re election, be reappointed as a Director of the Company.”

Resolution 4 – Issue of Shares to Zher Munai & K LLP

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

“That, for the purposes of Rule 7.1 of the Listing Rules of ASX Limited, and for all other purposes, the shareholders of the Company hereby approve and authorise the Directors to issue 16,000,000 fully paid ordinary shares to Zher Munai & K LLP (or nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

In respect of this resolution the Company shall disregard any votes cast by any person who may participate in the issue of shares and any person who might obtain a benefit (except a benefit solely in the capacity of a security holder) if that resolution is passed and any associate of those persons.

Resolution 5 – Approval of Share Placement

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

“That, for the purposes of Rule 7.1 of the Listing Rules of ASX Limited, and for all other purposes, the shareholders of the Company hereby approve and authorise the Directors to issue within 3 months after the date of this meeting up to 50,000,000 fully paid ordinary shares at a price that is not less than 80% of the weighted average market price of the Company’s Shares as quoted on ASX during the 5 business days immediately preceding the date of issue of the shares and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

In respect of this resolution the Company shall disregard any votes cast by any person who may participate in the issue of shares and any person who might obtain a benefit (except a benefit solely in the capacity of a security holder) if that resolution is passed and any associate of those persons.

Resolution 6 – Approval of Issue of Options

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

“Subject to the passing of resolution 5, that, for the purposes of Rule 7.1 of the Listing Rules of ASX Limited, and for all other purposes, the shareholders of the Company hereby approve and authorise the Directors to issue up to 50,000,000 listed options at an exercise price of 8 cents per option and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

In respect of this resolution the Company shall disregard any votes cast by any person who may participate in the issue of options and any person who might obtain a benefit (except a benefit solely in the capacity of a security holder) if that resolution is passed and any associate of those persons.

Resolution 7 – Approval of Employee Share Option Plan

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

“That, for the purposes of Rule 7.2 (Exception 9) of the Listing Rules of ASX Limited, and for all other purposes, the shareholders of the Company hereby approve the Jupiter Energy Limited Employee Share Option Plan on the terms and conditions set out in the Explanatory Statement.”

Resolution 8 – Issue of Options to Mr 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 Rule 10.11 of the Listing Rules of ASX Limited and Section 208 of the Corporations Act and for all other purposes, the Company approves and authorises the Directors to issue to Mr Geoff Gander (or his nominee) 2,000,000 options to be issued on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

In respect of this resolution the Company shall disregard any votes cast by Mr Gander and any of his associates.

Resolution 9 – Issue of Options to Mr Andrew Childs

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

“That, for the purposes of Rule 10.11 of the Listing Rules of ASX Limited and Section 208 of the Corporations Act and for all other purposes, the Company approves and authorises the Directors to issue to Mr Andrew Childs (or his nominee) 1,000,000 options to be issued on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

In respect of this resolution the Company shall disregard any votes cast by Mr Childs and any of his associates.

Resolution 10 – Issue of Options to Mr Erkin Svanbayev

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

“That, for the purposes of Rule 10.11 of the Listing Rules of ASX Limited and Section 208 of the Corporations Act and for all other purposes, , the Company approves and authorises the Directors to issue to Mr Erkin Svanbayev (or his nominee) 2,000,000 options to be issued on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

In respect of this resolution the Company shall disregard any votes cast by Mr Svanbayev and any of his associates.

DATED 12 OCTOBER 2007

BY ORDER OF THE BOARD



**SCOTT MISON
JUPITER ENERGY LIMITED
COMPANY SECRETARY**

Voting Exclusion Note:

Where a voting exclusion applies, 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.

EXPLANATORY STATEMENT

This Explanatory Statement and all attachments are important documents. They should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company Secretary, your stockbroker or other professional adviser.

GENERAL INFORMATION

This Explanatory Statement has been prepared for the shareholders of the Company in connection with the Annual General Meeting of the Company to be held at 12:30pm (WST) on Thursday 15 November 2007.

The purpose of this Explanatory Statement is to provide shareholders with information that the Board believes to be material to shareholders in deciding whether or not to approve the resolutions detailed in the Notice.

FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2007 together with the declaration of the Directors, the Directors' report, the remuneration report and the auditor's report.

1. THE RESOLUTIONS

1.1 Resolution 1 - Remuneration Report

Section 250R (2) of the Corporations Act requires the Company to propose a resolution that the Remuneration Report be adopted.

The Remuneration Report is set out in the Director's Report on page 21 to 24 of the Company's 2007 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and executive officers of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company. However, Shareholders should note that the vote on Resolution 1 is not binding on the Company or its Directors.

1.2 Resolution 2 - Re election of Andrew Childs

Section 201H (3) of the Corporations Act and clause 13.4 of the Company's Constitution state that the Directors may at any time appoint any other qualified person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director appointed since the last meeting of shareholders must have their appointment confirmed at the next meeting of shareholders.

Andrew Childs - Non Executive Director

Andrew is the Managing Director of Petroleum Ventures Pty Ltd and also sits on the Boards of Orion Energy Limited and Stratic Energy Corporation. Andrew graduated from the University of Otago, New Zealand in 1980 with a Bachelor of Science in Geology and Zoology. Having started his professional career as an Exploration Geologist in the Eastern Goldfields of Western Australia, Andrew moved to petroleum geology and geophysics with Perth-based Ranger Oil Australia (later renamed Petroz NL). He gained technical experience with Petroz as a Geoscientist and later commercial experience as the Commercial Assistant to the Managing Director. Andrew is a member of the Petroleum Exploration Society of Australia and the American Association of Petroleum Geologists.

1.3 Resolution 3 - Re election of Erkin Svanbayev

Section 201H (3) of the Corporations Act and clause 13.4 of the Company's Constitution state that the Directors may at any time appoint any other qualified person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director appointed since the last meeting of shareholders must have their appointment confirmed at the next meeting of shareholders

Erkin Svanbayev - Executive Director

Erkin Svanbayev is a Kazakh educated Engineer with an oil and gas background in Kazakhstan and extensive upstream and downstream experience. He is currently responsible for the export of over 1 million barrels of crude per month from Kazakhstan and the Board believes that he will be of great value in assisting JPR monetise any future discoveries. He is responsible for the day to day operations of the Company's office in Almaty, Kazakhsan.

1.4 Resolution 4 - Approval of Issue of Shares to Zher Munai & K, LLP

Resolution 4 seeks Shareholder approval, pursuant to Listing Rule 7.1, for the issue of 16,000,000 fully paid ordinary shares to Zher Munai & K, LLP.

The purpose of the issue of these Shares is for the part payment for the sub surface rights that the Company is seeking to purchase in Kazakhstan. As detailed in an announcement to shareholders on 3 July 2007, the Company has entered into an agreement to purchase 100% of a permit located in the Zhetybai-Uzen step in the South West Mangistau Basin from Zher Munai & K, LLP. The permit, consisting of two blocks, covers an area of over 100 sq km and is located on trend with three existing producing oil fields which have potential reserves of 21-56 million barrels of oil.

The total purchase price of the permit is \$US6,000,000 cash and 16 million Shares. The Company has already paid a deposit of \$US500,000 and the remaining \$5,500,000 will be paid once the various Government waivers and approvals have been received by the Company. The 16 million Shares will only be issued once these waivers and approvals have been received. If they are not received, the contract will be terminated and the \$US500,000 deposit will be refunded to the Company in full.

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of Shares pursuant to Resolution 4:

- (a) the maximum number of Shares to be issued is 16,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Annual General 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 Shares will be issued for nil cash consideration;
- (d) the Shares will be allotted and issued to Zher Munai & K, LLP (or its nominee);
- (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) no funds will be raised from the issue as the Shares are being issued as partial consideration for the acquisition of the permit rights described above.

1.5 Resolution 5 - Approval of Share Placement

Resolution 5 seeks Shareholder approval for the allotment and issue of up to 50,000,000 Shares at a price that is not less than 80% of the weighted average market price of the Company's Shares as quoted on ASX during the 5 business days immediately preceding the date of issue of the Shares (Placement Shares).

The effect of Resolution 5 will be to allow the Directors to issue the Placement Shares during the period of 3 months after the Annual General Meeting (or a longer period if allowed by the ASX) without using the Company's annual 15% placement capacity.

The identity of the allottees of the Shares is not yet known, and will be determined at the Directors' discretion. The allottees will not be related parties of the Company. The Placement Shares will be fully paid ordinary shares in the capital of the Company and will rank equally with the Company's current issued Shares.

The Shares will be issued no later than 3 months after the date of the Annual General 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.

The Company intends to use the funds raised as follows:

Description	Funds
Completion of the Company's acquisition of sub surface rights on a permit in the Mangistau Basin in South West Kazakhstan as announced to ASX on 8 October 2007 (Permit).	\$3,000,000
Completion of 3D seismic, firming up of specific targets and completion of the required drilling program on the Permit.	\$2,000,000
Working capital for the continued funding of the Company's Almaty office and the hiring of additional staff as required.	\$1,000,000
Investigation of the acquisition of a new oil permit and potential deposit.	\$1,000,000
Sub-total¹	\$7,000,000

Note 1 - any funds raised over \$7,000,000 will be applied towards the finalisation of the purchase of the new oil permit and working capital.

1.6 Resolution 6 - Approval of Issue of Options

Resolution 6 seeks Shareholder approval for the allotment and issue of up to 50,000,000 Options at an exercise price of \$0.08 and expiring on 30 June 2010. These are the same terms as the Options currently listed on the ASX under ticker JPROA. These Options, if allotted and issued, will also be listed under JPROA.

The effect of Resolution 6 will be to allow the Directors to issue the Options during the period of 3 months after the Annual General Meeting (or a longer period if allowed by the ASX) without using the Company's annual 15% placement capacity. The issue of the Options will be dependent on the prevailing Company Share price and whether Directors feel that it is necessary to provide any additional inducement to parties that are interested in subscribing for the Placement Shares the subject of Resolution 5 and will be issued as free attaching to the Placement Shares subscribed for and allotted. Accordingly, no funds will be raised from the issue of the Options.

The identity of the allottees of the Options is not yet known, and will be determined at the Directors' discretion. The allottees will be the subscribers for the Placement Shares the subject of Resolution 5 (if considered appropriate by the Directors), who will not be related parties of the Company.

The Options will be issued no later than 3 months after the date of the Annual General 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.

1.7 Resolution 7 - Adoption of an Employee Share Option Plan ("Plan")

Background

Resolution 7 seeks the approval of Shareholders for the adoption of the Employee Share Option Plan ("Plan") to allow the granting of Plan Options as an exception to ASX Listing Rule 7.1 in accordance with ASX Listing Rule 7.2 exception 9(b).

Shareholders should note that no Plan Options have previously been issued under this plan. The objective of the Plan is to attract, motivate and retain key employees.

It is considered by the Directors that the adoption of the Plan and the future grant of Plan Options under the Plan will provide select employees with the opportunity to participate in the future growth of the Company.

Terms of the Plan

A summary of the terms and conditions of the Plan is set out below.

Introduction

The Plan is designed to provide employees with an ownership interest in the Company and to provide additional incentive for employees to increase profitability and returns to Shareholders. The detailed terms and conditions of the Plan may be obtained free of charge by contacting the Company or by downloading a copy from the Company's web site at www.jupiterenergy.com.au

General

The Directors may, in their absolute discretion, offer to grant Plan Options to eligible employees under the Plan. The total number of Plan Options that may be issued and remain outstanding under the Plan at any one time may not exceed 5% of the total number of Shares on issue in the capital of the Company.

The Plan Options will be issued for no consideration and will carry the right in favour of the option holder to subscribe for one (1) fully paid ordinary share in the capital of the Company for each Plan Option held.

The exercise price of the Plan Options shall be as the Directors, in their absolute discretion, determine provided the exercise price shall not be less than the weighted average market price of the Company's Shares as quoted on ASX during the 5 business days immediately preceding the date on which the Directors resolve to grant the Plan Options.

The Plan Options will have an expiry period of five (5) years from the date of granting.

The vesting terms of the Plan Options are:

1. One third of the granted Plan Options may be exercised within 12 months from the date of granting the Plan Options;
2. Another third of the granted Plan Options may be exercised within the next 12 months after the expiry of the initial 12 months from the date of granting the Plan Options; and
3. All the granted Plan Options may be exercised after 24 months from the date of granting of the Plan Options.

Eligible Participants

Full time and part time employees of the Company are eligible to participate in the Plan as are consultants to the Company (Eligible Participants). Directors of the Company will not be eligible to participate.

Lapse of Incentive Plan Options

Unless the Directors in their absolute discretion determine otherwise, Plan Options shall lapse upon the earlier of:

1. The expiry of the exercise period;
2. Unless otherwise determined by the Board, upon expiry of 30 days after the Participant resigns, retires or is made redundant;
3. Upon the expiry of 12 months of the death of a Participant; and
4. A determination by the Directors that the option holder has acted fraudulently, dishonestly or in breach of his or her obligations to the Company or an associated body corporate.

New Issues

An Eligible Employee may only participate in new issue of securities to holders of Shares if a Plan Option has been exercised and Shares allotted in respect of the Plan Option before the record date for determining entitlements to the issue. The Company must give notice as required under the Listing Rules to holders of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.

Bonus Issues

If there is a bonus share issue (Bonus Issue) to the holders of Shares, the number of Shares over which a Plan Option is exercisable will be increased by the number of Shares which the holder would have received if the Plan Option had been exercised before the record date for the Bonus Issue (Bonus Shares). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank pari passu in all respects with the other shares of that class on issue at the date of the issue of the Bonus Shares.

Pro Rata Issues

If there is a pro rata issue (other than a Bonus Issue) to the holders of Shares during the currency of, and prior to the exercise of any Plan Options, the exercise price of a Plan Option will be adjusted in the manner provided for in the Listing Rules.

Reorganisation of Capital

If, prior to the expiry of any Plan Options, there is a reorganisation of the issued capital of the Company, Plan Options will be reorganized in accordance with the Listing Rules.

1.8 Resolutions 8, 9 and 10 – Issue of Options to Mr Gander, Mr Childs and Mr Svanbayev

The Company seeks Shareholder approval for the issue of:

- (a) 2,000,000 options to Mr Geoff Gander;
- (b) 1,000,000 options to Mr Andrew Childs; and
- (c) 2,000,000 options to Mr Erkin Svanbayev,

(the "Director Options").

The approval is sought for the purposes of:

- (a) Chapter 2E of the Corporations Act 2001, which governs the giving of financial benefits to directors and other "related parties" of a company; and
- (b) Listing Rule 10.11 which provides that, subject to certain exceptions, a company listed on ASX cannot issue or grant securities to a related party without shareholder approval.

The Board considers that in view of the financial, legal and other responsibilities assumed by directors of public companies, the payment of monetary fees alone is not an adequate reward and does not provide an adequate incentive to enable the Company to attract and keep board members and executive Directors of the requisite level of experience and qualifications. The Board considers that equity participation by way of the grant of options to members of the Board of the Company is appropriate for these purposes. In addition, the Board considers that the issuing of the Director Options will contribute to the preservation of the Company's cash reserves.

The purpose of the grant of the Director Options is to provide an incentive to the Directors to continue to be dedicated and committed to the Company and to maximize their efforts to the benefit of Shareholders generally. The Company has decided to grant the Director Options with an exercise price of \$0.20, which is a significant premium to the current Share price. This has been done to incent the Directors to continue to work to develop the Company's oil & gas exploration and production business in Kazakhstan, thereby maximizing the Company Share price for all shareholders.

1.8.1 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party unless one of a number of exceptions applies.

A "financial benefit" is defined in the Corporations Act in broad terms and includes a public company issuing securities.

For the purpose of this meeting, a "related party" includes:

- (a) a Director of the Company;
- (b) an entity over which a Director has control; and
- (c) an entity which believes, or has reasonable grounds to believe, that it is likely to become a related party in the future.

For the purposes of Chapter 2E of the Corporations Act, Mr Gander, Mr Childs and Mr Svanbayev are related parties of the Company by virtue of the fact that they are Directors of the Company.

Section 208 of the Corporations Act provides that for a public company to give a financial benefit to a related party of that company, the public company must obtain the approval of members in the way set out in Sections 217 to 227 and give the benefit within 15 months after the approval.

The following information is provided to satisfy the requirements of Section 219 of the Corporations Act:

- (a) the proposed financial benefit to be given to the related parties (or their nominees) is the grant of 5,000,000 Director Options (2,000,000 Director Options each to Mr Gander and Mr Svanbayev and 1,000,000 to Mr Childs). In determining the number of Director Options to be issued and their terms, consideration was given to the relevant experience and role of each of the Directors, their respective overall remuneration terms, the current market price of Shares and the terms of options packages granted to the directors of other companies within the oil and gas industry;
- (b) Mr Gander, Mr Childs and Mr Svanbayev decline to make a recommendation to Shareholders in relation to resolutions 8, 9 and 10 respectively due to their material personal interest in the outcome of the relevant resolutions. The Directors are 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 the resolutions;
- (c) as at the date of this Notice, the annual remuneration (inclusive of superannuation where applicable) payable to the Directors is set out below:

Person	Remuneration
Mr Gander	\$261,600
Mr Childs	\$60,000
Mr Svanbayev	\$132,900 ¹

Note 1 - based on an annual remuneration of US\$120,000 and an exchange rate of USD/AUD of 0.9030 as published by the Reserve Bank of Australia on 8 October 2007.

- (d) during the previous financial year, the remuneration (inclusive of superannuation where applicable) paid to the Directors is set out below:

Person	Remuneration
Mr Gander	\$285,745
Mr Childs	\$Nil*
Mr Svanbayev	\$Nil**

* Appointed as a Director on 9 July 2007

** Appointed as a Director on 15 June 2007

- (e) as at the date of this Notice, the Directors have notifiable interests in the securities of the Company as set out below:

Person	Shares	Options
Mr Gander	3,500,000	500,000 listed options exercisable at \$0.08 and expiring on 30/06/2010. 5,000,000 unlisted options exercisable at \$0.12 and expiring on 30/06/2008.
Mr Childs	5,000,000	5,000,000 listed options exercisable at \$0.08 and expiring on 30/06/2010. 200,000 unlisted options exercisable at \$0.08 and expiring on 31/12/2008.
Mr Svanbayev	Nil	Nil

- (f) other than as set out above, the Directors receive no other emoluments from the Company;
- (g) the Director Options will be granted for nil cash consideration with an exercise price of \$0.20 and an expiry date of 31 December 2008, and otherwise on the terms and conditions set out in Appendix A to this Explanatory Statement;
- (h) if Shareholders approve the grant of Director Options to Mr Gander, Mr Childs and Mr Svanbayev and all or any of the Director Options are exercised, the effect will be to dilute the shareholding of existing Shareholders. Subject to any adjustments arising from any rights issues or bonus issues of securities by the Company, 5,000,000 Shares will be allotted and issued upon exercise of the Director Options with the effect that the shareholding of the existing Shareholders will be diluted by approximately 2% (based on the number of Shares currently on issue and assuming no other options are exercised). If all the Director Options were to be exercised then the Company however would have received \$1,000,000 in cash. The market price for Shares during the term of the Director Options would normally determine whether or not Mr Gander, Mr Childs and Mr Svanbayev exercise the Director Options. If at any time any of the Director Options are exercised and the Shares are trading on ASX at a price which is higher than the exercise price of the Director Options, then there may be a perceived cost to the Company. In the 12 months before the date of this Notice, the highest, lowest and last trading price of Shares on ASX are as set out below:

Highest	\$0.35 on 27 and 28 June 2007
Lowest	\$0.041 on 12, 15, 17 and 18 January 2007

Last	\$0.125 on 9 October 2007
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- (i) the value of the Director Options and the Director Option pricing methodology is set out below;
- (j) the primary purpose of the grant of the Director Options is to provide an incentive to Mr Gander, Mr Childs and Mr Svanbayev to provide dedicated and ongoing commitment and effort to the Company. Given this purpose, the Directors do not consider that there are any opportunity costs to the Company of benefits forgone by the Company in granting the Director Options upon the terms proposed; and
- (k) in determining the number of Director Options to be issued and their terms, consideration was given to the relevant experience and role of each of the Directors, their respective overall remuneration terms (which the Company believes are modest in comparison to the level of service provided), the current market price of Shares and the terms of options packages granted to directors of other companies within the oil and gas industry.

1.8.2 Details concerning value of Director Options

The Director Options proposed to be issued are not listed on ASX and as such have no market value.

The Director Options have been valued externally using the Black & Scholes pricing model, based on the following assumptions:

- (a) the exercise price of the Director Options is \$0.20 each;
- (b) the expiry date of the Director Options is 31 December 2008;
- (c) the market price of a Share is \$0.105 cents (being the last sale price of Shares on ASX before performing the calculation);
- (d) the risk free interest rate is approximately 6.25% (being the Treasury bonds rate);
- (e) the valuation date for the Director Options is 26 September 2007, although the Director Options will not be granted until the Company has approved the grant of the Director Options. This is expected to occur in late November 2007;
- (f) the valuations ascribed to the Director Options may not necessarily represent the market price of the Director Options at the date of the valuations; and
- (g) the valuations incorporate a 25% discount to reflect the fact that the Director Options are not listed.

Based on the above assumptions, the technical ranges of values of each of the Director Options are as follows:

	89% Volatility	133% Volatility	713% Volatility
Option Value	2.05 cents	3.06 cents	16.4 cents

Accordingly, the total value of the Director Options (assuming a volatility of 150 % and therefore assuming a value of 3.45 cents per option) to be granted to the Directors is as follows:

Person	Value
Mr Gander	\$69,000
Mr Childs	\$34,500
Mr Svanbayev	\$69,000

1.8.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including an option) to a related party. Mr Gander, Mr Childs and Mr Svanbayev are considered related parties of the Company by virtue of the fact that they are Directors of the Company.

Approval pursuant to Listing Rule 7.1 is not required in order to grant the Director Options as approval is being obtained under ASX Listing Rule 10.11. The grant of the Director Options will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

1.8.4 Technical Information Required by ASX Listing Rule 10.13

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 10.11. The following information is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) the maximum number of Director Options to be granted is 5,000,000 and the allottees will be Mr Gander and Mr Svanbayev (2,000,000 each) and Mr Childs (1,000,000) ;
- (b) the Director Options will be issued no later than one month from the date of approval of the resolutions (or such later date as approved by ASX) and it is anticipated that the Director Options will be issued on one date;
- (c) the terms and conditions of the Director Options are set out in Appendix A to this Explanatory Statement;
- (d) the Director Options will be granted for a nil cash consideration and as consideration for performance of work, both previously and into the future, by Mr Gander, Mr Childs and Mr Svanbayev for the Company and to secure the ongoing commitment of Mr Gander, Mr Childs and Mr Svanbayev to the continued growth of the Company; and
- (e) the Company acknowledges that the grant of the Director Options to Mr Childs (as a Non-Executive Director of the Company) is contrary to recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of the Director Options to be appropriate and reasonable in the circumstances given the necessity to attract the highest calibre of professionals to the role, whilst maintaining the Company's cash reserves. The Board considers it more appropriate for Non-Executive Directors to be compensated in part by a performance related option issue rather than by increased fees. The Board considers that the grant of these Director Options forms part of a reasonable overall remuneration package.

2. Directors Recommendations

Other than Resolutions 8, 9 and 10 in which the Directors have a material personal interest in the outcome and therefore decline to give any recommendation, the Directors of the Company believe that all resolutions are in the best interests of the Company and the Directors unanimously recommend all of the proposed resolutions..

3. Glossary

ASIC means Australian Securities and Investment Commission.

Annual General Meeting or **Meeting** means the annual general meeting convened by the Notice.

ASX means ASX Limited.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the board of Directors of the Company.

Constitution means the Company's constitution (as amended).

Corporations Act means the Corporations Act 2001 (Cth).

Director Option means an option to acquire a Share on the terms set out in Appendix A to this Notice.

Directors means the current Directors of the Company.

Explanatory Statement means the Explanatory Statement to the Notice.

JPR or **Company** means Jupiter Energy Limited (ABN 64 084 918 481).

Notice means the notice of annual general meeting accompanying this Explanatory Statement.

Option means an option to acquire a Share on the same terms as the Company's currently listed options, as set out in Section 1.6 of the Explanatory Statement.

Plan means the Company's Employee Share Option Plan.

Plan Option means an option to acquire a Share on the terms set out in the Company's Employee Share Option Plan, as summarised in Section 1.7 of the Explanatory Statement.

Secretary means the current Company Secretary of the Company.

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

WST means Western Standard Time.

Appendix A - Terms of Director Options

- a) Each Director Option gives the holder the right to subscribe for one Share. To obtain the right conferred by the Director Option, the optionholder must exercise the Director Option in accordance with the terms and conditions of the Director Options.
- b) The Director Options will expire at 5.00 (WST) on 31 December 2008 (**Expiry Date**). Any Director Options not exercise before the Expiry Date will automatically lapse on the Expiry Date.
- c) The amount payable upon exercise of each Director Option is \$0.20.
- d) The exercise of only a portion of the Director Options held does not affect the holder's right to exercise the balance of any Director Options remaining.
- e) The Director Options are not transferable.
- f) All Shares allotted upon the exercise of Director Options will upon allotment rank pari passu in all respects with other Shares.
- g) The Company will not apply for quotation of the Director Options on ASX. However, The Company will apply for quotation of all Shares allotted pursuant to the exercise of Director Options on ASX within 10 Business Days after the date of allotment of those Shares.
- h) There are no participating rights or entitlements inherent in the Director Options and holders will not be entitled to participate in new issues of Director Options to Shareholders during the currency of the Director Options. However, the Company will ensure that, for the purpose of determining entitlements to any issue, that the Director Option holder will be notified of the proposed issue at least seven (7) Business Days before the books closing date. This will give Director Option holders the opportunity to exercise the Director Options prior to the date for determining entitlements to participate in any such issue.
- i) In the event of any reconstruction (including consolidation, subdivision, reduction or return of capital) of the issued capital of the Company prior to the expiry date of the Director Options, all rights of the optionholder will be varied in accordance with the ASX Listing Rules (if applicable).
- j) In the event the Company makes a pro rata issue of securities, the exercise price of the Director Options will change in accordance with the formula set out in ASX Listing Rule 6.22.2 (if applicable).
- k) In the event of the Company makes a bonus issue of securities, the number of Director Options will change in accordance with ASX Listing Rule 6.22.3 (if applicable).

CORPORATE DIRECTORY

Directors and Officers

Geoff Gander - **Executive Chairman**
Andrew Childs - **Non Executive Director**
Erkin Svanbayev - **Executive Director**
Scott Mison - **Company Secretary**

Registered Office

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Telephone +61 8 9322 8222
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Email info@jupiterenergy.com.au
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Principal Place of Business

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PO Box 1282, West Perth WA 6872

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+61 8 9322 8244

Auditors

RSM Bird Cameron Partners
8 St George's Terrace
Perth
Western Australia 6000

Bankers

Australian and New Zealand Banking Group
1275 Hay Street
West Perth
Western Australia 6005

Share Registry

Computershare Investor Services Pty Ltd
Level 2, 45 St George's Terrace
Perth
Western Australia 6000

Solicitors

Steinepreis Paganin
Level 4 Next Building
16 Milligan Street
Perth
Western Australia 6000

Telephone +61 8 1300 557 010
Facsimile +61 8 9323 2033
Website www.computershare.com

ASX Codes

Ordinary Shares and Options listed on the Australian Stock Exchange under codes JPR and JPROA.