
JUPITER ENERGY LIMITED

ACN 084 918 481

NOTICE OF ANNUAL GENERAL MEETING

TIME: 11.30 am (WST)

DATE: 7 November 2013

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 meeting of the Shareholders to which this Notice of Meeting relates will be held at 11.30 am (WST) on Thursday 7 November 2013 at:

The Celtic Club
48 Ord Street
WEST PERTH WA 6005

YOUR VOTE IS IMPORTANT

The business of the 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 Meeting are those who are registered Shareholders at 4.00 pm (WST) (7.00 pm Sydney time) on 5 November 2013.

VOTING IN PERSON

To vote in person, attend the 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 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:
 - o the proxy is not recorded as attending the meeting;
 - o 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. FINANCIAL STATEMENTS AND REPORTS – AGENDA ITEM

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2013 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF 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 purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2013.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (d) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR 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 13.2 of the Constitution and for all other purposes, Mr Scott Mison, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 3 – ISSUE OF NON-EXECUTIVE PERFORMANCE RIGHTS TO ALASTAIR BEARDSALL

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of Section 208 and Section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue up to 333,333 Performance Rights as Director incentive remuneration 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 Alastair Beardsall (or his nominee) and any of his (or his nominees’) 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.

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 4 – ISSUE OF NON-EXECUTIVE PERFORMANCE RIGHTS TO BALTABEK KUANDYKOV

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of Section 208 and Section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue up to 333,333 Performance Rights as Director incentive remuneration 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 Baltabek Kuandykov (or his nominee), and any of his (or his nominees’) 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.

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.

6. RESOLUTION 5 – ISSUE OF EXECUTIVE PERFORMANCE RIGHTS TO GEOFFREY GANDER

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of Section 208 and Section 195(4) of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to allot and issue up to 333,333 Performance Rights as Director incentive remuneration to Geoffrey 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 any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. 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.

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.

7. RESOLUTION 6 – ISSUE OF EXECUTIVE PERFORMANCE RIGHTS TO SCOTT MISON

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolution 2, for the purposes of Section 208 and Section 195(4) of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to allot and issue up to 75,000 Performance Rights as Director incentive remuneration 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 any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. 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.

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.

8. RESOLUTION 7 – APPROVAL OF 10% PLACEMENT CAPACITY

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

“That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will 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.

9. RESOLUTION 8 - AMENDMENT TO THE TERMS OF PERFORMANCE RIGHTS HELD BY GEOFFREY 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 9, 10 and 11, for the purposes of Chapter 2E of the Corporations Act, ASX Listing Rule 6.23.4 and for all other purposes, approval is given for the Proposed Amendment to the terms of the Performance Rights held by Geoffrey Gander, as set out in the Explanatory Statement.”

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

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

10. RESOLUTION 9 - AMENDMENT TO THE TERMS OF PERFORMANCE RIGHTS HELD BY 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 8, 10 and 11, for the purposes of Chapter 2E of the Corporations Act, ASX Listing Rule 6.23.4 and for all other purposes, approval is given for the Proposed Amendment to the terms of the Performance Rights held by Alastair Beardsall as set out in the Explanatory Statement.”

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

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.

11. RESOLUTION 10 - AMENDMENT TO THE TERMS OF PERFORMANCE RIGHTS HELD BY 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 8, 9 and 11 for the purposes of Chapter 2E of the Corporations Act, ASX Listing Rule 6.23.4 and for all other purposes, approval is given for the Proposed Amendment to the terms of the Performance Rights held by Baltabek Kuandykov, as set out in the Explanatory Statement."

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

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.

12. RESOLUTION 11 - AMENDMENT TO THE TERMS OF PERFORMANCE RIGHTS HELD BY 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 8, 9 and 10, for the purposes of Chapter 2E of the Corporations Act, ASX Listing Rule 6.23.4 and for all other purposes, approval is given for the Proposed Amendment to the terms of the Performance Rights held by Scott Mison, as set out in the Explanatory Statement."

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

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: 24 SEPTEMBER 2013

BY ORDER OF THE BOARD



**SCOTT MISON
DIRECTOR AND 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. FINANCIAL STATEMENTS AND REPORTS – AGENDA ITEM

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2013 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.jupiterenergy.com.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the previous financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy

You must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member).

You ***do not*** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, ***you must mark the acknowledgement on the Proxy Form to expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.***

If you appoint any other person as your proxy

You ***do not*** need to direct your proxy how to vote on this Resolution, and you ***do not*** need to mark any further acknowledgement on the Proxy Form.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR SCOTT MISON

Clause 13.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

The Company currently has 4 Directors and accordingly 1 must retire.

Mr Scott Mison, the Director longest in office since his last election, retires by rotation and seeks re-election.

4. RESOLUTIONS 3 AND 4 – ISSUE OF NON-EXECUTIVE DIRECTOR PERFORMANCE RIGHTS TO ALASTAIR BEARDSALL AND BALTABEK KUANDYKOV

4.1 General

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue a total of 666,666 Performance Rights to Alastair Beardsall and Baltabek Kuandykov (**Non-Executive Directors**) (**Non-Executive Performance Rights**).

These Non-Executive Performance Rights are not proposed to be offered under a plan. This is consistent with current ASIC policy. However, the Non-Executive Performance Rights will be issued on substantively the same terms and conditions as the Executive Performance Rights which will be issued under the PRP - Executive. A summary of the principal terms on which the Non-Executive Performance Rights will be issued is set out in Schedule 2.

The purpose of the grant of Non-Executive Performance Rights to the Non-Executive Directors is to provide retention incentives and to further motivate and reward the performance of the Non-Executive Directors for performance in relation to their efforts in executing the Company's business plan and maximising value from the Company's assets for the benefit of all Shareholders.

Although the issue of the Non-Executive Performance Rights to the Non-Executive Directors is not in accordance with the recommendations contained in the Corporate Governance Council Guidelines, the Company considers it reasonable for the remuneration of non-executive directors to have a cash component and an equity component to further align non-executive directors' interests with Shareholders and provide cost effective consideration to non-executive directors for their ongoing commitment and contribution to the Company as non-executive directors of the Company.

4.2 Requirement for Shareholder approval

Chapter 2E of the Corporations Act requires that 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.

The grant of Non-Executive Performance Rights to the Non-Executive Directors requires the Company to obtain Shareholder approval because this issue constitutes giving a financial benefit and as Directors, the Non-Executive Directors are each Directors of the Company.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's

opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

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 the Non-Executive Performance Rights to the Non-Executive Directors.

4.3 Summary of the material terms of the Performance Rights

It is proposed that the Non-Executive Directors be granted one class of Performance Right as set out below, for nil consideration.

Each Non-Executive Performance Right will vest as one Share subject to the satisfaction of certain performance criteria (being the Vesting Condition). In the event that the Vesting Condition is not met, the Non-Executive Performance Rights will not vest and as a result, no new Shares will be issued. There is nil consideration payable upon the vesting of a Non-Executive Performance Right.

The Board proposes that the Vesting Condition described below (being the same Vesting Condition attaching to the Executive Performance Rights) apply to these grants of Non-Executive Performance Rights.

4.4 Vesting Condition

Subject to a minimum increase of 25%, the Non-Executive Performance Rights shall vest in proportion to the percentage increase in the Share price of the Company above 73.5 cents (being the Vesting Condition). Consequently, the Share price must reach a level of at least approximately \$0.92 for any Performance Rights to vest pursuant to the Vesting Condition.

In respect of the Vesting Condition, the percentage 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 (defined in Schedule 2).

The Board may, in its absolute discretion, determine that all or a specified number of a holder's Non-Executive Performance Rights automatically vest in the event of:

- (a) a takeover bid in respect of the Company under Chapter 6 of the Corporations Act is made;
- (b) 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;
- (c) 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;
- (d) the Company passes a resolution for voluntary winding up; or
- (e) an order is made for the compulsory winding up of the Company, and

such 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 Non-Executive Performance Rights shall automatically lapse.

In the event the holder ceases to be a Director, consultant or employee prior to the satisfaction of the Vesting Condition, all Non-Executive 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 Non-Executive Performance Rights automatically vest.

A full summary of the terms and conditions attaching to the Non-Executive Performance Rights is set out in Schedule 2.

4.5 Technical information required by Chapter 2E of the Corporations Act and ASX Listing Rule 10.11

Pursuant to and in accordance with the requirements of Sections 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Non-Executive Performance Rights to the Non-Executive Directors:

- (a) the Non-Executive Directors are Alastair Beardsall and Baltabek Kuandykov and they are related parties of the Company by virtue of being Directors;
- (b) the maximum number of Non-Executive Performance Rights to be issued to the Non-Executive Directors (or their nominees) is:
 - (i) 333,333 Performance Rights to Alastair Beardsall; and
 - (ii) 333,333 Performance Rights to Baltabek Kuandykov;
- (c) the value of the Non-Executive Performance Rights and the pricing methodology is set out in Schedule 3;
- (d) the Non-Executive Performance Rights will be issued to the Non-Executive Directors no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Non-Executive Performance Rights will be issued on one date;
- (e) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out at section 5.5(l) below;
- (f) the Non-Executive Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the vesting of the Non-Executive Performance Rights on the achievement of the specified performance criteria. Accordingly, no loans will be made in relation to, and no funds will be raised from the issue or vesting of the Performance Rights;
- (g) details of the Non-Executive Performance Rights previously issued to the Non-Executive Directors is set out below at section 4.5(h). These Performance Rights were issued to the Non-Executive Directors on the same substantive terms and conditions as the Performance Rights the

subject of Resolutions 3 and 4, other than with respect to their expiry date;

- (h) the relevant interests of the Non-Executive Directors in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares	Convertible Notes	Performance Rights ¹
Alastair Beardsall	1,250,000	Nil	2,166,667
Baltabek Kuandykov	Nil	Nil	2,166,667

Notes:

1. Expiring on 31 December 2013 (subject to whether Shareholders approve the proposed extension sought pursuant to this Notice).

- (i) the amounts paid or expected to be paid from the Company to the Non-Executive Directors and their associates for the previous financial year and the current financial year are set out below (inclusive of superannuation contributions):

Related Party	Previous Financial Year (ended June 2013)	Current Financial Year (ended June 2014)
Alastair Beardsall	\$40,000	\$40,000
Baltabek Kuandykov	\$40,415	\$40,000

- (j) if the Vesting Condition relating to the Non-Executive Performance Rights proposed to be issued to the Non-Executive Directors pursuant to Resolutions 3 and 4 is satisfied, a total of 666,666 Shares would be allotted and issued pursuant to Resolutions 3 and 4, ignoring the vesting of other Performance Rights on issue or proposed to be issued. This will increase the number of Shares on issue from 153,377,693 to 154,044,359 exclusive of the Performance Rights in Resolutions 5 and 6 (assuming that no Convertible Notes are exercised, no other Performance Rights vest and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.43% comprising 0.216% by each of Alastair Beardsall and Baltabek Kuandykov. When combined with the Executive Performance Rights, the total dilutive effect will be 0.696%;
- (k) the terms and conditions of the Non-Executive Performance Rights are set out in Schedule 2. The Shares to be issued upon vesting of the Non-Executive Performance Rights shall rank *pari passu* with existing Shares;
- (l) the Board acknowledges that the grant of Non-Executive Performance Rights to the Non-Executive Directors is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of Non-Executive Performance Rights to the Non-Executive Directors reasonable in the circumstances for the reasons set out in subparagraphs 4.5(o)(i), 4.5(o)(ii) and 4.5(o)(iii);

- (m) the primary purpose of the issue of Non-Executive Performance Rights to the Non-Executive Directors is to provide a performance linked incentive component in the remuneration package for the Non-Executive Directors to motivate and reward the performance of the Non-Executive Directors in their respective roles as Directors;
- (n) the Board considers the grant of the Non-Executive Performance Rights to be a cost effective remuneration practice and reasonable given the Vesting Condition will align the interests of the Non-Executive Directors with those of Shareholders. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Non-Executive Performance Rights upon the terms proposed;
- (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 Resolution 4 each of he, Geoffrey Gander and Scott Mison recommend that Shareholders vote in favour of that Resolution for the following reasons:
 - (i) the grant of Non-Executive Performance Rights to the Non-Executive Directors, in particular, the Vesting Condition, will align the interests of the Non-Executive Directors with those of Shareholders;
 - (ii) the grant of the Non-Executive Performance Rights (and the value of the financial benefit involved) is a reasonable and appropriate method to provide cost effective remuneration as the number of Non-Executive Performance Rights appropriately incentivises the Non-Executive Directors and 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 Non-Executive Directors; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting 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 Resolution 3, each of he, Geoffrey Gander and Scott Mison recommend that Shareholders vote in favour of that Resolution for the reasons set out above at sections 4.5(o)(i), 4.5(o)(ii) and 4.5(o)(iii);
- (q) with the exception of Mr Beardsall, no other Director has a personal interest in the outcome of Resolution 3;
- (r) with the exception of Mr Kuandykov, no other Director has a personal interest in the outcome of Resolution 4;
- (s) in forming their recommendations, each Director considered the experience of each other Non-Executive Director, the existing and proposed contribution of each Non-Executive Director to the Company and the current market practices when determining the provision of the Loan upon the terms proposed; and

- (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 and 4.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Performance Rights to the Non-Executive Directors as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Performance Rights to the Non-Executive Directors will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

5. RESOLUTIONS 5 AND 6 – ISSUE OF PERFORMANCE RIGHTS TO EXECUTIVE DIRECTORS GEOFFREY GANDER AND SCOTT MISON

5.1 Background

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue a total of 408,333 Performance Rights to Geoffrey Gander and Scott Mison (and/or their nominees) (**Executive Directors**) under the Jupiter Energy Limited Performance Rights Plan – Executive (**PRP-Executive**) (**Executive Performance Rights**) approved by Shareholders at the Company's 2012 Annual General Meeting.

The purpose of the grant of Executive Performance Rights to the Executive Directors is to provide retention incentives and to further motivate and reward the performance of the Executive Directors for performance in relation to their efforts in executing the Company's business plan and maximising value from the Company's assets for the benefit of all Shareholders.

The issue of Executive Performance Rights to Scott Mison is subject to his re-election as director pursuant to Resolution 2.

5.2 Requirement for Shareholder approval

Chapter 2E of the Corporations Act requires that 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 Executive Performance Rights to the Executive Directors requires the Company to obtain Shareholder approval because this issue constitutes giving a financial benefit and as Directors, the Executive Directors are each 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 Executive Performance Rights to the Executive Directors.

5.3 Summary of the material terms of the Performance Rights

It is proposed that the Executive Directors be granted one class of Performance Rights, as set out below, for nil consideration.

Each Executive Performance Right will vest as one Share subject to the satisfaction of certain performance criteria (**Vesting Condition**). In the event that the Vesting Condition is not met, the Executive Performance Rights will not vest and as a result, no new Shares will be issued. There is nil consideration payable upon the vesting of an Executive Performance Right.

The Board proposes that the Vesting Condition (defined below at section 5.4) apply to these grants of Executive Performance Rights.

5.4 Vesting Condition

Subject to a minimum increase of 25%, the Executive Performance Rights shall vest in proportion to the percentage increase in the Share price of the Company above 73.5 cents (**Vesting Condition**). Consequently, the Share price must reach a level of at least approximately \$0.92 for any Performance Rights to vest pursuant to the Vesting Condition.

In respect of the Vesting Condition, the percentage 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 (defined in Schedule 1).

The Board may, in its absolute discretion, determine that all or a specified number of a holder's Executive Performance Rights automatically vest in the event of:

- (a) a takeover bid in respect of the Company under Chapter 6 of the Corporations Act is made;
- (b) 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;
- (c) 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;
- (d) the Company passes a resolution for voluntary winding up; or
- (e) an order is made for the compulsory winding up of the Company, and

such 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 Executive Performance Rights shall automatically lapse.

In the event the holder ceases to be a Director or employee prior to the satisfaction of the Vesting Condition, all Executive 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 Executive Performance Rights automatically vest.

A full summary of the terms and conditions attaching to the Executive Performance Rights is set out in Schedule 1.

5.5 Technical information required by Chapter 2E of the Corporations Act and ASX Listing Rule 10.14

Pursuant to and in accordance with the requirements of Sections 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of Executive Performance Rights to the Related Parties:

- (a) the related parties are Geoffrey Gander and Scott Mison and they are related parties by virtue of being Directors;
- (b) the maximum number of Executive Performance Rights (being the nature of the financial benefit being provided) to be issued to the Executive Directors (or their nominees) is:
 - (i) 333,333 Executive Performance Rights to Geoffrey Gander; and
 - (ii) 75,000 Executive Performance Rights to Scott Mison.
- (c) the Executive Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the vesting of the Executive Performance Rights on the achievement of the Vesting Conditions. Accordingly, no loans will be made in relation to, and no funds will be raised from the issue or vesting of the Executive Performance Rights;
- (d) 1,866,666 Performance Rights have been issued (being 1,500,000 to Mr Gander and 366,666 to Mr Mison) for nil cash consideration under PRP – Executive since it was last approved by Shareholders at the Company's 2012 Annual General Meeting;
- (e) as at the date of this Notice of General Meeting, the related parties of the Company who are entitled to participate in the PRP - Executive are Geoffrey Gander and Scott Mison;
- (f) the Executive Performance Rights will be issued to the Executive Directors (or their nominees) no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Executive Performance Rights will be issued on one date;
- (g) the terms and conditions of the Executive Performance Rights are set out in Schedule 1. The Shares to be issued upon vesting of the Executive Performance Rights shall rank *pari passu* with existing Shares;

- (h) the value of the Executive Performance Rights and the pricing methodology is set out in Schedule 3;
- (i) the relevant interests of the Executive Directors in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares	Convertible Notes	Performance Rights ¹
Geoffrey Gander	3,147,224	Nil	2,166,667
Scott Mison	391,238	Nil	500,000

Notes:

2. Expiring on 31 December 2013 (subject to whether Shareholders approve the proposed extension sought pursuant to this Notice).

- (j) the amounts paid or expected to be paid from the Company to the Executive Directors and their associates for the previous financial year and the current financial year are set out below (inclusive of superannuation contributions):

Related Party	Previous Financial Year (ended June 2013)	Current Financial Year (ended June 2014)
Geoffrey Gander	\$312,989	\$310,000
Scott Mison	\$130,000	\$130,000

- (k) if the Vesting Condition relating to the Executive Performance Rights proposed to be issued to the Executive Directors pursuant to Resolutions 5 and 6 is satisfied, a total of 408,333 Shares would be allotted and issued pursuant to Resolutions 5 and 6, ignoring the vesting of other Performance Rights on issue or proposed to be issued. This will increase the number of Shares on issue from 153,377,693 to 153,786,026 exclusive of the Performance Rights in Resolutions 3 and 4 (assuming that no Convertible Notes are converted, no other Performance Rights vest and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.266% comprising 0.217% by Geoffrey Gander and 0.049% by Scott Mison. When combined with the Non-Executive Performance Rights, the total dilutive effect will be 0.696%;
- (l) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price (cents)	Date
Highest	0.74	26 and 28 March 2013, 2 and 3 April 2013
Lowest	0.46	6 November 2012 and 15 August 2013

Last	0.465	24 September 2013
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- (m) the primary purpose of the issue of Executive Performance Rights to the Executive Directors is to provide a performance linked incentive component in the remuneration package for the Executive Directors to motivate and reward the performance of the Executive Directors in their respective roles as executive directors;
- (n) the Board considers the grant of the Executive Performance Rights to be a cost effective remuneration practice and reasonable given the Vesting Conditions will align the interests of the Executive Directors with those of Shareholders. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Executive Performance Rights upon the terms proposed;
- (o) Geoffrey 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 Resolution 6 each of he, Alastair Beardsall and Baltabek Kuandykov recommend that Shareholders vote in favour of the Resolution for the following reasons:
 - (i) the grant of Executive Performance Rights to the Executive Directors, in particular, the Vesting Condition will align the interests of Executive Directors with those of Shareholders;
 - (ii) the grant of the Executive Performance Rights (and the value of the financial benefit involved) is a reasonable and appropriate method to provide cost effective remuneration as the number of Executive Performance Rights appropriately incentivises the Executive Directors and 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 Executive Directors; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Executive Performance Rights upon the terms proposed;
- (p) 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 Resolution 5 each of he, Alastair Beardsall and Baltabek Kuandykov recommend that Shareholders vote in favour of that Resolution for the reasons set out above at sections 5.5(o)(i), 5.5(o)(ii) and 5.5(o)(iii);
- (q) with the exception of Mr Gander, no other Director has a personal interest in the outcome of Resolution 5;
- (r) with the exception of Mr Mison, no other Director has a personal interest in the outcome of Resolution 6;
- (s) in forming their recommendations, each Director considered the experience of each other Executive Director, the existing and proposed contribution of each Executive Director to the Company and the current market practices; and

- (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 5 and 6.

6. RESOLUTION 7 – APPROVAL OF 10% PLACEMENT CAPACITY

6.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 7, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 6.2 below).

The effect of Resolution 7 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 7 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 7 for it to be passed.

6.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$71,320,627.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has three classes of Equity Securities on issue, being:

- (a) Shares (ASX Code: JPR, AIM code: JPRL);
- (b) Convertible Notes; and
- (c) Performance Rights.

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under rule 7.1 or 7.4; and
 - (iv) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

6.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 7:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in Section (a)(i) above, the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or

scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid).

or such longer period if allowed by ASX (**10% Placement Capacity Period**).

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 7 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A.2)	Dilution			
	Issue Price (per Share)	0.2325 50% decrease in Issue Price	0.465 Issue Price	0.93 100% increase in Issue Price
153,377,693 (Current)	Shares issued	15,337,769	15,337,769	15,337,769
	Funds raised	\$3,566,031	\$7,132,062	\$14,264,125
230,066,540 (50% increase)	Shares issued	23,006,654	23,006,654	23,006,654
	Funds raised	\$5,349,047	\$10,698,094	\$21,396,188
306,755,386 (100% increase)	Shares issued	30,675,538	30,675,538	30,675,538
	Funds raised	\$7,132,062	\$14,264,125	\$28,528,250

*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. The current shares on issue are the Shares on issue as at 24 September 2013
2. No Convertible Notes or Performance Rights are converted into Shares.
3. The issue price set out above is the closing price of the Shares on the ASX on 24 September 2013.
4. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.

5. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
6. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
7. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
8. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
9. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
10. The tables do not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the development of Block 31, the Company's wholly owned asset in Kazakhstan, including drilling of exploration, appraisal and development wells and general working capital; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

(e) Allocation under the 10% Placement Capacity

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous Approval under ASX Listing Rule 7.1A**

The Company obtained approval under ASX Listing Rule 7.1A at the Company's 2012 annual general meeting. Set out in the table below is the total number of Equity Securities issued in the 12 months preceding the date of the Meeting and the percentage they represent of the total number of Equity Securities on issue at the commencement of that 12 month period.

	Shares	Options	Performance Rights	Convertible Notes
Total Equity Securities 12 months before the Meeting	153,377,693	866,669	2,133,335	Nil
Total Equity Securities issued at the date of the Meeting	153,377,693	Nil	7,000,001	12,400,000
Equity Securities issued since the last AGM percentage of Equity Securities at the beginning of the period	Nil	Nil	228%	N/A

On a fully diluted basis the issues of Equity Securities during the 12 months prior to the date of the Meeting (including 200,000 additional Performance Rights which have since lapsed) comprised approximately 11.17% of the Equity Securities in the Company on issue 12 months prior to the date of the Meeting. In the 12 months preceding the date of this Meeting, the Company has not issued any Equity Securities under its Listing Rule 7.1A placement capacity.

In the 12 months preceding the date of the Meeting, the Company has issued the following:

Term of Equity Security	Performance Rights	Convertible Notes
Number of Equity Securities issued	5,066,666 issued on 14 November 2012	7,200,000 issued on 17 June 2013 5,200,000 issued on 20 September 2013
Class and terms of Equity Security issued	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 basis (Vesting Condition) expiring 31 December 2013 and as approved by Shareholders at the 2012 AGM. Consequently, Shares must reach a level of at least approximately \$0.92 for any Performance Rights to vest pursuant to the Vesting Condition. 1,866,666 of the Performance Rights were Issued under the terms of the PRP – Executive.	Face Value The Convertible Notes have a face value of \$US1.25 each. Maturity Date The maturity date of the Convertible Notes is 3 years from the date of issue or such other date agreed between the Company and the Noteholder. Unsecured The Convertible Notes are unsecured and the Noteholder ranks equally with all other unsecured creditors of the Company, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. Unquoted The Company will not apply for quotation of the Convertible Notes on the ASX or AIM. Interest Interest is payable on the Convertible Notes at the rate of 12% per annum. Subject to certain conditions precedent, including prior Shareholders' approval, the interest may be convertible into Shares. Conversion

		One Convertible Note converts to one Share (which may be varied subject to certain conditions precedent, including prior Shareholders' approval). The Noteholder may convert the Convertible Notes at any time (subject to compliance with applicable laws, the ASX Listing Rules, ASX Settlement Operating Rules and the rules of AIM). Conversion on Maturity The Convertible Notes will be redeemed on maturity if not converted by the Noteholder or redeemed earlier. Redemption by the Company The Convertible Notes may be redeemed at any time by the Company, with a minimum 12 months' interest payable if the Convertible Notes are redeemed within the first 12 months of the term of the Convertible Notes.
Persons issued to	Geoffrey Gander (a Director) – 1,500,000 Scott Mison (a Director and the Company's company secretary) – 366,666 Alastair Beardsall (a Director) – 1,500,000 Baltabek Kuandykov (a Director) – 1,500,000 John Kroshus (not a related party to the Company for the purpose of the Corporations Act) – 200,000 (since cancelled)	Waterford Petroleum Limited – 3,600,000 SNG Investments Limited – 1,600,000 Midocean Holdings Limited – 1,200,000 Mobile Energy Limited – 5,600,000 Other private investors – 400,000 None of the Noteholders are a related party to the Company for the purpose of the Corporations Act.

Issue price	Nil	\$US1.25 per Convertible Note (which may be redeemed or converted into one Share per Convertible Note)
Total cash consideration	Nil	The total cash consideration for the Notes was US\$15,500,000. That cash was or will be used for: • costs of the raising; • repayment of promissory notes; • completion and testing operations on the J-59 well; • initial design and planning for the building of topside infrastructure; • purchase of long lead time items required for the 2013 drilling program; • remedial work on the J-53 well; • further testing of the J-59 well; and • general working capital. Approximately US\$9,000,000 of the consideration for the Notes has been spent. The remaining amount of approximately US\$6,500,000 is proposed to be used for: • US\$3,000,000 for repayment of promissory notes; • the remaining approximate amount of US\$3,500,000 for: 1. costs of the raising; 2. remedial work on the J-53 well; 3. further testing of the J-59 well; and 4. general working capital.

Total non-cash consideration	Nil	Nil
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(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

6.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 7.

7. RESOLUTIONS 8 – 11 - AMENDMENT TO THE TERMS OF PERFORMANCE RIGHTS HELD BY MESSRS GEOFF GANDER, ALASTAIR BEARDSALL, BALTABEK KUANDYKOV AND SCOTT MISON

7.1 Background

The Company issued to Directors Geoff Gander, Alastair Beardsall, Baltabek Kuandykov and Scott Mison a total of 2,133,335 Performance Rights on 26 August 2011, being 666,667 Performance Rights to each Director, other than Mr Mison who received 133,334. On 14 May 2012, Shareholders approved the extension of the date by which the vesting condition for those Performance Rights must be satisfied to 31 December 2013.

In accordance with Shareholder approval obtained at the Company's Annual General Meeting held on 9 November 2012, the Company issued, on 14 November 2012, 1,500,000 Performance Rights to each of the Directors, other than Mr Mison who received 366,666 Performance Rights.

The two tranches of Performance Rights were issued by the Company to provide a performance linked incentive component in the remuneration package of the Directors to motivate and reward the performance of the Directors in achieving specified market price vesting conditions within a specified period (**Vesting Conditions**). On 14 May 2012, Shareholders approved the extension of the date by which the Vesting Condition for the Performance Rights issued on 26 August 2011 must be satisfied, to 31 December 2013. The terms of issue of the Directors' Performance Rights issued on 14 November 2012 give the same 31 December 2013 deadline for satisfaction of the Vesting Condition, failing which the Performance Rights lapse.

7.2 Proposed Amendment to terms of Performance Rights

As stated above, currently, the Vesting Conditions must be satisfied on or before 31 December 2013.

The Company is proposing to amend the terms of the Performance Rights, subject to Shareholder approval under Resolutions 8 to 11, to extend the date by which the Vesting Conditions must be satisfied and thereby extend the life of those Performance Rights. The Company is proposing to amend this date to be on or before 31 December 2014 and to also amend the Performance Rights terms to correct minor clerical errors contained in the terms and conditions of the Performance Rights, including correcting internal cross referencing (together the **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 may not yet have been accurately reflected in its Share price. The reasons for the disappointing share price may include a shortage of share liquidity and a recent lack of investor confidence in Central Asia.

If the proposed amendments to the terms and conditions of the Performance Rights are approved by Shareholders in relation to Resolutions 8 and 11, the new terms of the Performance Rights issued to the Executive Directors Messrs Gander and Mison, are set out in Schedules 1 and 4. Schedule 1 contains the proposed amended terms of the Performance Rights issued on 14 November 2012 to the Executive Directors and Schedule 4 contains the proposed amended terms of the Performance Rights issued on 26 August 2011 to the Executive Directors.

If the proposed amendments to the terms and conditions of the Performance Rights are approved by Shareholders in relation to Resolutions 9 and 10, the new terms of the Performance Rights issued to the Non-Executive Directors Messrs Beardsall and Kuandykov, are set out in Schedules 2 and 4. Schedule 2 contains the proposed amended terms of the Performance Rights issued on 14 November 2012 to the Non-Executive Directors and Schedule 4 contains the proposed amended terms of the Performance Rights issued on 26 August 2011 to the Non-Executive Directors.

7.3 ASX Waiver

ASX Listing Rule 6.23.3 has the effect 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.

7.4 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 Directors (as set out below at Section 7.5(b)). For this reason, the Board is seeking Shareholder approval in regards to the Proposed Amendment.

The effect of Resolutions 8 - 11 will be to allow the Proposed Amendment.

7.5 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 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 7,000,001 Shares on a one (1) for one (1) basis can be achieved from 31 December 2013 to 31 December 2014;
- (c) the Performance Rights have already been granted to the Directors. However, the Proposed Amendment will be made to the Performance Rights immediately upon the passing of Resolutions 8 - 11;
- (d) the 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 Schedules 1, 2 and 4;
- (f) the value of the Performance Rights together with the Proposed Amendments and the pricing methodology is set out in Schedule 5;
- (g) based on the value of the Performance Rights as disclosed in the notices of meeting issued by the Company dated 29 June 2011 and 2 October 2012, the financial benefit to be received by the Directors upon approval of Resolutions 8 - 11 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	\$503,250	\$683,084	\$179,834
Alastair Beardsall	\$503,250	\$683,084	\$179,834
Baltabek Kuandykov	\$503,250	\$683,084	\$179,834
Scott Mison	\$113,417	\$154,917	\$41,500
Total	\$1,623,167	\$2,204,169	\$581,002

Notes:

The Performance Rights were initially valued on 28 June 2011 and 24 September 2012 based on the then market price of Shares being 72 and 56 cents respectively. The Performance Rights with the Proposed Amendment were valued on 2 September 2013 based on a market price of Shares being 55 cents. Consequently, the financial benefit received by the Directors pursuant to Resolutions 8-11 is affected by this variation in Share price.

- (h) the relevant interests of the Directors in securities of the Company are as set out in Sections 4.5(h) and 5.5(i) above;
- (i) the amounts paid from the Company to the Directors and their associates for the previous financial year and the current financial year (inclusive of superannuation contributions) are set out in Sections 4.5(i) and 5.5(j) above;
- (j) the effect of the Proposed Amendment would be to amend the Vesting Conditions. The Proposed Amendment would not further increase 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 in Section 5.5(l) above;
- (l) the primary purpose for the Proposed Amendments is to incentivise the Directors to continue to develop the business and to recognise their past contributions to the Company. In the event that Resolution 2 is not passed, in Mr Mison's case, the purpose of the Proposed Amendments is solely to recognise his past contribution to the Company.

- (m) Mr Geoff Gander declines to make a recommendation to Shareholders in relation to Resolution 8 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 8 be passed. However, in respect of Resolutions 9, 10 and 11, 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) the proposed 12 months period extension of the date by which the Vesting Conditions must be satisfied pursuant to the Proposed Amendment (and the value of the financial benefit involved) is considered reasonable because it incentivises the Directors to efficiently develop the Company's business; and
 - (iii) it is in 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 9 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 9 be passed. However, in respect of Resolutions 8, 10 and 11, Mr Alastair Beardsall recommends that Shareholders vote in favour of those Resolutions for the reasons set out in subparagraphs (m)(i) and (m)(ii) above;
- (o) Mr Baltabek Kuandykov declines to make a recommendation to Shareholders in relation to Resolution 10 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 10 be passed. However, in respect of Resolutions 8, 9 and 11, Mr Baltabek Kuandykov recommends that Shareholders vote in favour of those Resolutions for the reasons set out in subparagraphs (m)(i) and (m)(ii) above;
- (p) Mr Scott Mison declines to make a recommendation to Shareholders in relation to Resolution 11 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 11 be passed. However, in respect of Resolutions 8, 9 and 10, Mr Scott Mison recommends that Shareholders vote in favour of those Resolutions for the reasons set out in subparagraphs (m)(i) and (m)(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 8-11.

GLOSSARY

\$ means Australian dollars.

AIM means the Alternative Investment Market operated by the London Stock Exchange.

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

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.

Chair means the chair of the Meeting.

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 or **Note** means a convertible note issued by the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Executive Performance Right means a Performance Right proposed to be granted pursuant to Resolution 5 and 6 under the PRP – Executive with the terms and conditions set out in Schedule 1.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity,

directly or indirectly, including any director (whether whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Non-Executive Performance Right means a Performance Right proposed to be granted pursuant to Resolutions 3 and 4 on the terms and conditions set out in Schedule 2.

Noteholder means a holder of one or more Notes.

Notice or **Notice of Meeting** means this notice of 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 performance right to acquire a Share.

Proposed Amendment has the meaning given in Section 7.2.

Proxy Form means the proxy form accompanying the Notice.

PRP - Executive means the employee in incentive scheme titled Jupiter Energy Limited Performance Rights Plan - Executive adopted by Shareholders at the Company's 2012 Annual General Meeting.

Related Body Corporate has the meaning given to that term in the Corporations Act.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2013.

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

Section means a section of the Explanatory Statement unless otherwise specified.

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

Shareholder means a holder of a Share.

Vesting Condition means the vesting condition attached to the Performance Rights, proposed to be issued pursuant to Resolutions 3-6 and the Performance Rights the subject of Resolutions 8 - 11.

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

SCHEDULE 1 – SUMMARY OF THE PERFORMANCE RIGHTS TO BE ISSUED TO THE EXECUTIVE DIRECTORS

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 73.5 cents (**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:
 - (A) section 414 of the Corporations Act; or
 - (B) 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 2014 (**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 vested 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 has been satisfied and the relevant Shares have been issued prior to the record date for determining entitlements. However, the Company will give notice to the holders of any new issues of capital prior to the record date for determining entitlements.
- (n) A Performance Right does not confer the right to vote or receive dividends.

SCHEDULE 2 – SUMMARY OF THE PERFORMANCE RIGHTS TO BE ISSUED TO THE NON-EXECUTIVE DIRECTORS

A summary of the terms and conditions of the Performance Rights to be issued to the Non-Executive Directors is set out below:

- (a) **(Vesting):** Subject to the satisfaction of the vesting condition set out in paragraph (b), each Performance Right vests to one Share.
- (b) **(Vesting condition):** 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 73.5 cents (**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) **(Expiry Date):** The Performance Rights shall expire at 5.00 pm (WST) on 31 December 2014 (**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.
- (d) **(Consideration):** 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.
- (e) **(Automatic vesting):** 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:
 - (A) section 414 of the Corporations Act; or
 - (B) 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.
- (f) **(When employment ceases):** 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.

- (g) **(Lapse of a Performance Right):** A Performance Right will lapse upon the earlier to occur of:
- (i) failure to meet the Performance Right's Vesting Condition;
 - (ii) the Expiry Date (defined below);
 - (iii) the Performance Right lapsing in accordance with rule (m);
 - (iv) the Performance Right lapsing in accordance with a provision of rule (g); or
 - (v) the 7 year anniversary of the date of grant of the Performance Rights.
- (h) **(Ceasing to satisfy relevant conditions – vested Performance Right):** If for any reason a Related Party ceases to be Director or otherwise ceases to satisfy any other relevant condition imposed by the Board after a Performance Right has vested but before a Performance Right has been exercised, the Participant may exercise those vested Performance Rights within the 6 month period following cessation of employment or ceasing to satisfy any other relevant conditions (as appropriate) or such other period (longer or shorter) as the Board determines, after which they lapse.
- (i) **(Notification):** Immediately following the Expiry Date the Company shall notify the holder of that proportion of Performance Rights that have vested and shall, unless otherwise directed by the holder, allot the associated number of Shares within 10 Business Days of the Expiry Date.
- (j) **(Share ranking):** All Shares allotted upon the vesting of Performance Rights will upon allotment rank pari passu in all respects with other Shares.
- (k) **(Listing of Shares on ASX):** 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.
- (l) **(Transfer of Performance Rights):** A Performance Right is only transferable:
- (i) with the consent of the Board; or
 - (ii) by force of law upon death to the Related Party's legal personal representative or upon bankruptcy to the Related Party's trustee in bankruptcy.
- (m) **(Lapse on incorrect transfer):** Where the Related Party purports to transfer a Performance Right other than in accordance with rule (l) the Performance Right immediately lapses.
- (n) **(Adjustment for bonus issue):** 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.

- (o) **(Adjustment for re-organisation):** 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 Related Party 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.
- (p) **(No other participation):** Subject to paragraphs (n) and (o), during the currency of any Performance Rights and prior to vesting, the Related Parties are not entitled to participate in any new issue of securities of the Company as a result of their holding Performance Rights. In addition, the Related Parties are not entitled to vote nor to receive dividends as a result of their holding Performance Rights.

SCHEDULE 3 – VALUATION OF PERFORMANCE RIGHTS

The Performance Rights proposed to be issued pursuant to Resolutions 3 - 6 have been independently valued.

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 the following value:

Assumptions:	
Valuation date	10 September 2013
Market price of Shares	\$0.55
Conversion price	Nil
Expiry date (length of time from issue)	1.31 years
Risk free interest rate	2.74%
Volatility (discount)	55%
Indicative value per Performance Right	\$0.098
Total Value of Performance Rights	\$105,351
- Geoffrey Gander	\$32,667
- Scott Mison	\$7,350
- Alastair Beardsall	\$32,667
- Baltabek Kuandykov	\$32,667

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

SCHEDULE 4 – SUMMARY OF THE PERFORMANCE RIGHTS ISSUED ON 26 AUGUST 2011, INCORPORATING PROPOSED AMENDMENTS PURSUANT TO RESOLUTIONS 8-11

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 (**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:
 - (A) section 414 of the Corporations Act; or
 - (B) 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 2014 (**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 has been satisfied and the relevant Shares have been issued prior to the record date for determining entitlements. However, the Company will give notice to the holders of any new issues of capital prior to the record date for determining entitlements.
- (n) A Performance Right does not confer the right to vote or receive dividends.

SCHEDULE 5 – VALUATION OF PROPOSED AMENDMENT TO PERFORMANCE RIGHTS

The Proposed Amendment to the Performance Rights pursuant to Resolutions 8-11 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	2 September 2013
Market price of Shares	\$0.52
Conversion price	Nil
Expiry date (length of time from issue)	1.33 years
Risk free interest rate	2.60%
Volatility (discount)	55%
Indicative value per Performance Right	\$0.083
Total Value of Performance Rights	\$581,002
- G Gander	\$179,834
- A Beardsall	\$179,834
- B Kuandikov	\$179,834
- S Mison	\$41,500

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.



ABN 65 084 918 481

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 652 210
(outside Australia) +61 3 9415 4633

Proxy Form

For your vote to be effective it must be received by 11.30 am (WST) Tuesday 5 November 2013

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 the annual report, 24 hours a day, 7 days a week:

www.jupiterenergy.com.au

To view and update your securityholding:

www.investorcentre.com

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
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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

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, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Jupiter Energy Limited to be held at The Celtic Club, 48 Ord Street, West Perth, WA on Thursday, 7 November 2013 at 11.30 am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 3-6 and 8-11 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 3-6 and 8-11 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: For Resolutions 1, 5 and 8, this express authority is also subject to you marking the box in the section below.

If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 3-6 and 8-11 by marking the appropriate box in step 2 below.

Important for Resolutions 1, 5 and 8: If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote on Resolutions 1, 5 and 8 below, please mark the box in this section. If you do not mark this box and you have not otherwise directed your proxy how to vote on Resolutions 1, 5 and 8, the Chairman of the Meeting will not cast your votes on Resolutions 1, 5 and 8 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 1, 5 and 8 of business.

☐ I/We acknowledge that the Chairman of the Meeting may exercise my/our proxy even if the Chairman has an interest in the outcome of Resolutions 1, 5 and 8 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.

		For	Against	Abstain			For	Against	Abstain
1	Adoption of Remuneration Report	☐	☐	☐	7	Approval of 10% Placement Capacity	☐	☐	☐
2	Re-Election of Director – Mr Scott Mison	☐	☐	☐	8	Amendment to performance rights held by Geoffrey Gander	☐	☐	☐
3	Issue of Non-Executive Performance Rights to Alastair Beardsall	☐	☐	☐	9	Amendment to performance rights held by Alastair Beardsall	☐	☐	☐
4	Issue of Non-Executive Performance Rights to Baltabek Kuandykov	☐	☐	☐	10	Amendment to performance rights held by Baltabek Kuandykov	☐	☐	☐
5	Issue of Executive Performance Rights to Geoffrey Gander	☐	☐	☐	11	Amendment to performance rights held by Scott Mison	☐	☐	☐
6	Issue of Executive Performance Rights to Scott Mison	☐	☐	☐					

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

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date