
JUPITER ENERGY LIMITED

ACN 084 918 481

NOTICE OF ANNUAL GENERAL MEETING

TIME: 2.00 pm (WST)

DATE: 25 November 2009

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.

CONTENTS PAGE

Notice of Annual General Meeting (setting out the proposed resolutions)	3
Explanatory Statement (explaining the proposed resolutions)	6
Glossary	14
Schedule 1 – Key Terms of Performance Rights Plan	15
Schedule 2 – Terms and Conditions of Performance Rights	17
Schedule 3 – Valuation of Performance Rights	20
Schedule 4 – Terms and Conditions of Director Options	21
Schedule 5 – Valuation of Director Options	23
Annexure A – Nomination of Auditor	24

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 2.00 pm (WST) on 25 November 2009 at:

The Celtic Club
48 Ord Street
WEST PERTH WA 6005

YOUR VOTE IS IMPORTANT

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

VOTING IN PERSON

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

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) hand to the Company at Unit 9, 38 Colin Street, West Perth, Western Australia or Computershare Investor Services Pty Limited at Level 2, Reserve Bank Building, 45 St Georges Terrace, Perth, Western Australia; or
- (b) post to Jupiter Energy Limited, PO Box 1282, West Perth WA 6005 or Computershare Investor Services Pty Limited, GPO Box D182, Perth WA 6000; or
- (c) facsimile to the Company on facsimile number (+61 8) 9322 8244 or Computershare Investor Services Pty Limited on facsimile number (+61 8) 9323 2033,

so that it is received not later than 2.00 pm (WST) on 23 November 2009.

Proxy Forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders will be held at 2.00 pm (WST) on 25 November 2009 at The Celtic Club, 48 Ord Street, West Perth, Western Australia.

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 5.00 pm (WST) on 23 November 2009.

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

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2009 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

1. 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 2009."

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ERKIN SVANBAYEV

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, Erkin Svanbayev, a Director who retires by rotation, and being eligible, is re-elected as a Director."

3. RESOLUTION 3 – APPOINTMENT OF AUDITOR

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

"That, for the purpose of section 327B(1)(b) of the Corporations Act and for all other purposes, Ernst & Young having been nominated by a Shareholder and having consented in writing to act in the capacity of auditor, be appointed as auditor of the Company."

4. RESOLUTION 4 – ADOPTION OF EMPLOYEE INCENTIVE SCHEME – PERFORMANCE RIGHTS PLAN

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

“That, for the purpose of ASX Listing Rule 7.2 (Exception 9) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Performance Rights Plan 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.

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

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

“That, subject to the passing of Resolution 4, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Directors to allot and issue 15,000,000 Performance Rights to Geoff Gander (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

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

6. RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS – ERKIN SVANBAYEV

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

“That, subject to the passing of Resolution 4, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Directors to allot and issue 15,000,000 Performance Rights to Erkin Svanbayev (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

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

7. RESOLUTION 7 – ISSUE OF DIRECTOR OPTIONS – ERKIN SVANBAYEV

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

“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 5,000,000 Director Options to Erkin Svanbayev (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 Erkin Svanbayev (or his nominee) or 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.

8. RESOLUTION 8 – ISSUE OF DIRECTOR OPTIONS – ANDREW CHILDS

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

“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 5,000,000 Director Options to Andrew Childs (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 Andrew Childs (or his nominee) or 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.

DATED: 14 OCTOBER 2009

BY ORDER OF THE BOARD



**SCOTT MISON
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 2.00 pm (WST) on 25 November 2009 at The Celtic Club, 48 Ord Street, West Perth, Western Australia.

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

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2009 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company is no longer required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at www.jupiterenergy.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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 Directors or 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 the financial year ending 30 June 2009.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ERKIN SVANBAYEV

Clause 13.2 of the Constitution requires that at each annual general meeting of the Company after its first annual general meeting, 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 but the Managing Director shall not be required to retire by rotation. In addition, 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 Company currently has 3 Directors and accordingly 1 must retire.

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

Erkin Svanbayev, being the Director who has been longest in service since his last election, retires by rotation and seeks re-election.

4. RESOLUTION 3 – APPOINTMENT OF AUDITOR

In accordance with Section 329(5) of the Corporations Act, RSM Bird Cameron Partners has, by notice in writing given to ASIC, applied for consent to the resignation as auditor to the Company with effect from the close of this Annual General Meeting.

As at the date of this Notice, consent of ASIC to the resignation of RSM Bird Cameron Partners has not yet been received.

Resolution 3 seeks Shareholder approval for the appointment of Ernst & Young as auditor for the Company.

In accordance with Section 328B(1) of the Corporations Act, the Company has obtained a nomination from a Shareholder for Ernst & Young to be appointed as auditor for the Company. A copy of this nomination is attached as Annexure A.

In accordance with Section 328A(1) of the Corporations Act, Ernst & Young has provided the Directors with written notification of its consent to act as auditor for the Company subject to Shareholder approval of Resolution 3.

If Resolution 3 is passed, the appointment of Ernst & Young as auditor for the Company will take effect at the close of this Annual General Meeting.

5. RESOLUTION 4 – ADOPTION OF EMPLOYEE INCENTIVE SCHEME – PERFORMANCE RIGHTS PLAN

5.1 Background

As part of its review of appropriate remuneration for Directors, the Board considers that it is appropriate to introduce the Performance Rights Plan (**Plan**).

The objective of the Plan is to provide the Company with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of the Directors in achieving specified vesting conditions within a specified period. The Board will ensure that the vesting conditions attached to the securities issued pursuant to the Plan are aligned with the successful growth of the Company's business activities.

A summary of the terms and conditions of the Plan is set out in Schedule 1.

5.2 Requirement for Shareholder Approval

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

An exception to ASX Listing Rule 7.1 is set out in ASX Listing Rule 7.2 (Exception 9) which provides that issues under an employee incentive scheme are exempt if within 3 years before the date of issue shareholders have approved the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

Resolution 4 seeks Shareholder approval for the adoption of an employee incentive scheme, being the Plan, in accordance with Exception 9 of ASX Listing Rule 7.2.

If Resolution 4 is passed, the Company will be able to issue Performance Rights under the Plan without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

However, ASX Listing Rule 10.11 provides that a company must not, subject to specified exceptions, issue or agree to issue equity securities to a related party or a person whose relation with the company or the related party is, in ASX's opinion, such that approval should be obtained.

An exception to ASX Listing Rule 10.11 is set out in ASX Listing Rule 10.12 (Exception 4) where securities are issued to a person who is referred to in ASX Listing Rule 10.14 and that person receives the securities under an employee incentive scheme with approval under ASX Listing Rule 10.14.

As a result, the Company is seeking Shareholder approval under ASX Listing Rule 10.11 pursuant to Resolutions 5 and 6 for the issue of Performance Rights currently proposed. Any future issues of Performance Rights under the Plan will also require Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

6. RESOLUTIONS 5 TO 6 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTORS UNDER PLAN

6.1 General

The Company has agreed, subject to obtaining Shareholder approval and the passing of Resolution 4, to allot and issue a total of 30,000,000 Performance Rights to Geoff Gander and Erkin Svanbayev (**Eligible Participants**) pursuant to the Plan and on the terms and conditions set out below.

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

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

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

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

The issue of Performance Rights to the Eligible Participants requires the Company to obtain Shareholder approval because this issue constitutes giving a financial benefit and as Directors, Geoff Gander and Erkin Svanbayev are related parties of the Company.

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

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

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

- (a) the related parties are Geoff Gander and Erkin Svanbayev and they are related parties by virtue of being Directors;

- (b) the maximum number of Performance Rights (being the nature of the financial benefit being provided) to be issued to the Eligible Participants is:
- (i) 15,000,000 Performance Rights to Geoff Gander;
- (ii) 15,000,000 Performance Rights to Erkin Svanbayev; and
- (c) the Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the vesting of the Performance Rights on the achievement of the specified performance criteria. Accordingly, no loan will be provided by the Company to the Eligible Participants no funds will be raised from the issue or vesting of the Performance Rights;
- (d) the Company is seeking Shareholder approval for the adoption of the Plan at this Annual General Meeting. Accordingly, no Performance Rights have previously been issued under the Plan to a Director, an associate of the Director, or a person whose relationship with the Company, Director or associate of the Director is, in ASX's opinion, such that approval should be obtained;
- (e) any employee of the Company, or a subsidiary (if any), who is declared by the Board to be eligible is entitled to participate in the Plan. As at the date of this Notice of Annual General Meeting, Geoff Gander and Erkin Svanbayev are eligible to participate in the Plan;
- (f) the Performance Rights will be issued to the Eligible Participants no later than 12 months after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Performance Rights will be issued on one date;
- (g) the terms and conditions of the Performance Rights are set out in Schedule 2;
- (h) the value of the Performance Rights and the pricing methodology is set out in Schedule 3;
- (i) the relevant interests of the Eligible Participants in securities of the Company are set out below;

Related Party	Shares	Options¹
Geoff Gander	24,400,000	13,700,000
Erkin Svanbayev	10,000,000	10,000,000

¹ Exercisable at \$0.08 each on or before 30 June 2010.

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

Related Party	Current Financial Year	Previous Financial Year
Geoff Gander	\$49,050	\$223,450
Erkin Svanbayev	\$42,857	\$252,326

- (k) if the vesting conditions relating to the Performance Rights issued to the Eligible Participants are satisfied, a total of 30,000,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 736,230,391 to 766,230,391 (assuming that no other Options are exercised and no other Shares issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 3.92% comprising 1.96% by Geoff Gander and 1.96% by Erkin Svanbayev.
- (l) the trading history of the Shares on ASX in the 12 months before the date of this Notice of Annual General Meeting is set out below:

	Price	Date
Highest	6.7 cents	13 October 2009
Lowest	1.1 cents	22 December 2008
Last	6.3 cents	13 October 2009

- (m) the primary purpose of the issue of Performance Rights to the Eligible Participants is to provide a performance linked incentive component in the remuneration package for the Eligible Participants to motivate and reward the performance of the Eligible Participants in achieving specified vesting conditions within a specified period. The Board considers this issue to be a cost effective remuneration practice and reasonable given the vesting conditions will align the interests of the Eligible Participants 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 Performance Rights upon the terms proposed;
- (n) Geoff Gander declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 6, recommend that Shareholders vote in favour of Resolution 6. The Board (other than Geoff Gander) 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 the Resolution; and
- (o) Erkin Svanbayev declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 7, recommend that Shareholders vote in favour of Resolution 7. The Board (other than Erkin Svanbayev) 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 the Resolution.

7. RESOLUTIONS 7 TO 8 – ISSUE OF DIRECTOR OPTIONS

7.1 General

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue a total of 10,000,000 Director Options to Erkin Svanbayev and Andrew Childs (**Related Parties**) on the terms and conditions set out below.

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

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

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

In addition, ASX Listing Rule 10.11 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.

The grant of the Director Options to the Related Parties requires the Company to obtain Shareholder approval because this grant constitutes giving a financial benefit and as Directors, Erkin Svanbayev and Andrew Childs are related parties of the Company.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Director Options to the Related Parties.

7.2 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Director Options:

- (a) the related parties are Erkin Svanbayev and Andrew Childs and they are related parties by virtue of being Directors;
- (b) the maximum number of Director Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is:
 - (i) 5,000,000 Director Options to Erkin Svanbayev; and
 - (ii) 5,000,000 Director Options to Andrew Childs;
- (c) the Director Options will be granted to the Related Parties no later than 1 month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Director Options will be issued on one date;
- (d) the Director Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (e) the terms and conditions of the Director Options are set out in Schedule 4;

- (f) the value of the Director Options and the pricing methodology is set out in Schedule 5;
- (g) the relevant interests of Erkin Svanbayev in securities of the Company is set out in Section 6.2(i) above and the relevant interests of Andrew Childs in securities of the Company is 12,000,000 Shares and 5,000,000 Options exercisable at 8 cents each on or before 30 June 2010;
- (h) the remuneration and emoluments from the Company to Erkin Svanbayev for both the current financial year and previous financial year is set out in Section 6.2(j) above and the remuneration and emoluments from the Company to Andrew Childs for both the current financial year and previous financial year is \$11,445 and \$53,955 respectively;
- (i) if the Director Options granted to the Related Parties are exercised, a total of 10,000,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 736,220,391 to 746,220,391 (assuming that no other Options are exercised and no other Shares issued) with the effect that the shareholding of existing Shareholders would be diluted by 1.34% comprising 0.67% by Erkin Svanbayev and 0.67% by Andrew Childs. The market price for Shares during the term of the Director Options would normally determine whether or not the Director Options are exercised. If, at any time any of the Director Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company;
- (j) the trading history of the Shares on ASX in the 12 months before the date of this Notice of Annual General Meeting is set out in Section 6.2(l) above;
- (k) the primary purpose of the grant of Director Options to the Related Parties is to provide cost effective consideration to them for their ongoing commitment and contribution to the Company in their roles as Directors. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options upon the terms proposed;
- (l) the Board acknowledges the grant of Director Options to Andrew Childs is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of Director Options to Andrew Childs reasonable in the circumstances, given the necessity to attract the highest calibre of professionals to the Company, whilst maintaining the Company's cash reserves;
- (m) Erkin Svanbayev declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 7, recommend that Shareholders vote in favour of Resolution 7. The Board (other than Erkin Svanbayev) 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 the Resolution; and

- (n) Andrew Childs declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 8, recommend that Shareholders vote in favour of Resolution 8. The Board (other than Andrew Childs) 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 the Resolution.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Director Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

8. ENQUIRIES

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

GLOSSARY

\$ means Australian dollars.

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

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.

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

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Director Option means an Option granted pursuant to Resolutions 7 and 8 with the terms and conditions set out in Schedule 4.

Directors means the current directors of the Company.

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

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option or Director Option as the context requires.

Performance Rights means a performance right issued under the Plan with the terms and conditions set out in Schedule 2.

Plan means the employee incentive scheme titled Performance Rights Plan as adopted pursuant to Resolution 4 and with the key terms summarised in Schedule 1.

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

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

Shareholder means a holder of a Share.

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

SCHEDULE 1 – TERMS AND CONDITIONS OF PLAN

The following is a summary of the key terms and conditions of the Plan to be adopted by Shareholders pursuant to Resolution 4:

- (a) The Plan is open to any full time or part time employee or consultant of the Company (including its subsidiaries) who is declared by the Board to be eligible to receive grants of Performance Rights under the Plan.
- (b) A Performance Right is an entitlement to a Share subject to satisfaction of achievement criteria and the corresponding obligation of the Company to provide the Share.
- (c) A Performance Right granted under the Plan will not vest until the vesting conditions imposed by the Board are satisfied. If the vesting conditions are not satisfied, the Performance Rights will lapse and the holder will have no entitlement to any Shares.
- (d) The Board may, at its absolute discretion and only where a participant continues to satisfy any relevant conditions imposed by the Board, grant Performance Rights to participants with effect from the date determined by the Board, upon the terms set out in the Plan and upon such additional terms and vesting conditions as the Board determines.
- (e) Unless the Board determines otherwise, participants will not be liable to make payment for Performance Rights granted to them.
- (f) Performance Rights are transferable only with consent of the Board.
- (g) The exercise of any vested Performance Right will be effected in the form and manner determined by the Board, and, if an amount is payable on vesting of the Performance Right, will be accompanied by payment of that amount, unless the manner of payment of that amount is otherwise provided for by the Board.
- (h) The Company must issue to or procure the transfer to the participant the number of Shares in respect of which vested Performance Rights are exercised, within a reasonable time after a Performance Right is exercised.
- (i) All Shares allotted under the Plan rank equally with other Shares on issue at the time those Shares are provided and carry the same rights and entitlements as those conferred by other Shares.
- (j) Shares issued on exercise of Performance Rights are subject to restrictions on transfer, unless the participant requests that the Company waives those restrictions and that request is approved by the Company.
- (k) 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:
- (iv) section 414 of the Corporations Act; or
- (v) Chapter 6A of the Corporations Act;
- (vi) the Company passes a resolution for voluntary winding up; or
- (vii) 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 Performance Rights shall automatically lapse

- (l) 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.
- (m) 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.
- (n) Subject to paragraphs (l) and (m), 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 conditions have been satisfied and the relevant Shares have been issued prior to the records date for determining entitlements. However, the Company will give notice to the holders of any new issues of capital prior to the records date for determining entitlements.
- (o) The Board may at any time by resolution amend all or any of the provisions of the Plan, or the terms or conditions of any Performance Right granted under the Plan.
- (p) Without the consent of the participant, no amendment may be made to the terms of any granted Performance Right which reduces the rights of the participant in respect of that Performance Right, other than an amendment:
 - (i) for the purpose of complying with or conforming to present or future State or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans;
 - (ii) to correct any manifest error or mistake; or
 - (iii) to take into consideration possible adverse tax implications in respect of the Plan arising from, amongst others, adverse rulings from the Commissioner of Taxation, changes to tax legislation (including an official announcement by the Commonwealth of Australia) and/or change in the interpretation of tax legislation by a court of competent jurisdiction.
- (q) The holder of Performance Rights does not have any entitlement to vote at a general meeting of Shareholders.

SCHEDULE 2 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

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

- (b) Subject to the satisfaction of the vesting conditions set out in paragraph (c), each Performance Right vests to one Share.
- (c) The Performance Rights shall vest in the following proportions:
 - (i) for those Performance Rights issued to Geoff Gander pursuant to Resolution 5:
 - (ii) 5,000,000 upon the earlier of the market capitalisation of the Company being a minimum of \$100,000,000 for a period of 20 consecutive trading days or the Company achieving a cumulative production total of 150,000 barrels of oil;
 - (iii) 5,000,000 upon the earlier of the market capitalisation of the Company being a minimum of \$200,000,000 for a period of 20 consecutive trading days or the Company achieving a cumulative production total of 300,000 barrels of oil; and
 - (iv) 5,000,000 upon the earlier of the market capitalisation of the Company being a minimum of \$300,000,000 for a period of 20 consecutive trading days or the Company achieving a cumulative production total of 500,000 barrels of oil; and
 - (v) for those Performance Rights issued to Erkin Svanbayev pursuant to Resolution 6:
 - (vi) 5,000,000 upon the earlier of the market capitalisation of the Company being a minimum of \$100,000,000 for a period of 20 consecutive trading days or the Company achieving a cumulative production total of 150,000 barrels of oil;
 - (vii) 5,000,000 upon the earlier of the market capitalisation of the Company being a minimum of \$200,000,000 for a period of 20 consecutive trading days or the Company achieving a cumulative production total of 300,000 barrels of oil; and
 - (viii) 5,000,000 upon the earlier of the market capitalisation of the Company being a minimum of \$300,000,000 for a period of 20 consecutive trading days or the Company achieving a cumulative production total of 500,000 barrels of oil,
 - (ix) (together the Vesting Conditions).
- (d) 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:
 - (iv) section 414 of the Corporations Act; or
 - (v) Chapter 6A of the Corporations Act;
 - (vi) the Company passes a resolution for voluntary winding up; or
 - (vii) 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 Performance Rights shall automatically lapse

- (e) In the event the holder ceases to be a Director prior to the satisfaction of the Vesting Conditions, 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.
- (f) The Performance Rights shall expire at 5.00 pm (WST) on:
 - (i) that date which is 12 months from the date of issue of the Performance Rights issued with the vesting condition set out in paragraphs (c)(ii) and (c)(vi);
 - (ii) that date which is 24 months from the date of issue of the Performance Rights issued with the vesting condition set out in paragraphs (c)(iii) and (c)(vii);
 - (iii) that date which is 36 months from the date of issue of the Performance Rights issued with the vesting condition set out in paragraphs (c)(iv) and (c)(viii);
 - (iv) (**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.
- (g) 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 Conditions.
- (h) The Company shall notify the holder upon the satisfaction of the Vesting Conditions. The holder may then exercise their right to accept the vesting of the Performance Rights and be issued the associated Shares.
- (i) 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.
- (j) All Shares allotted upon the vesting of Performance Rights will upon allotment rank pari passu in all respects with other Shares.
- (k) The Performance Rights are not transferable except with the prior written consent of the Board.
- (l) 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.

- (m) 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.
- (n) Subject to paragraphs (l) and (m), 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 Conditions have been satisfied and the relevant Shares have been issued prior to the records date for determining entitlements. However, the Company will give notice to the holders of any new issues of capital prior to the records date for determining entitlements.
- (o) A Performance Right does not confer the right to vote or receive dividends.

SCHEDULE 3 – VALUATION OF PERFORMANCE RIGHTS

The Performance Rights to be issued to the Related Parties pursuant to Resolutions 5 and 6 have been independently valued by Stanton International Securities.

Using the theoretical Black & Scholes option model and based on the assumptions set out below, the Performance Rights were ascribed values, as follows:

Vesting Condition Satisfied – Market Capitalisation

Assumptions:			
Valuation date	6 October 2009		
Market price of Shares	4.8 cents		
Conversion price	Nil		
Expiry date (from issue)	12 months	24 months	36 months
Risk free interest rate	4.8%		
Discount (probability)	80%	90%	95%
Discount (unlisted)	20%		
Indicative value per Performance Right	0.768 cents	0.384 cents	0.192 cents
Total Value of Performance Rights			
- Geoff Gander (\$67,200)	\$38,400	\$19,200	\$9,600
- Erkin Svanbayev (\$67,200)	\$38,400	\$19,200	\$9,600

Vesting Condition Satisfied – Oil Production

Assumptions:			
Valuation date	6 October 2009		
Market price of Shares	4.8 cents		
Conversion price	Nil		
Expiry date (from issue)	12 months	24 months	36 months
Risk free interest rate	4.8%		
Discount (unlisted)	20%		
Indicative value per Performance Right	3.84 cents	3.84 cents	3.84 cents
Total Value of Performance Rights			
- Geoff Gander (\$576,000)	\$192,000	\$192,000	\$192,000
- Erkin Svanbayev (\$576,000)	\$192,000	\$192,000	\$192,000

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

SCHEDULE 4 – TERMS AND CONDITIONS OF DIRECTOR OPTIONS

The Director Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Director Option gives the Optionholder the right to subscribe for one Share.
- (b) The Director Options will vest in the following proportions at the following times:
 - (i) for those Director Options with an Exercise Price of \$0.10, 12 months from the date of issue; and
 - (ii) for those Director Options with an Exercise Price of \$0.15, 24 months from the date of issue.
- (c) The Director Options will expire at 5.00 pm (WST) on 31 December 2012 (**Expiry Date**). Any Director Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) The amount payable upon exercise of each Director Option will be:
 - (i) \$0.10 for the first 3,000,000 Director Options; and
 - (ii) \$0.15 for the next 2,000,000 Director Options,
 - (iii) (Exercise Price).
- (e) The Director Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (f) An Optionholder may exercise their Director Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Director Options specifying the number of Director Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Director Options being exercised;

(Exercise Notice).

- (g) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (h) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Director Options specified in the Exercise Notice.
- (i) The Director Options are not transferable.
- (j) All Shares allotted upon the exercise of Director Options will upon allotment rank *pari passu* in all respects with other Shares.
- (k) The Company will not apply for quotation of the Director Options on ASX. However, The Company will apply for quotation of all Shares allotted pursuant to the exercise of Director Options on ASX within 10 Business Days after the date of allotment of those Shares.

- (l) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (m) There are no participating rights or entitlements inherent in the Director Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Director Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Director Options prior to the date for determining entitlements to participate in any such issue.
- (n) A Director Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Director Option can be exercised.

SCHEDULE 5 – VALUATION OF DIRECTOR OPTIONS

The Director Options to be issued to the Related Parties pursuant to Resolutions 7 and 8 have been independently valued by Stanton International Securities.

Using the theoretical Black & Scholes option model and based on the assumptions set out below, the Director Options were ascribed values, as follows:

Assumptions:		
Valuation date	6 October 2009	
Market price of Shares	4.8 cents	
Exercise price	10 cents	15 cents
Expiry date	31 December 2012	
Risk free interest rate	4.8%	
Volatility	145.44%	
Discount (unlisted)	20%	
Indicative value per Director Option	2.824 cents	2.593 cents
Total Value of Director Options		
- Erkin Svanbayev (\$136,580)	\$84,720	\$51,860
- Andrew Childs (\$136,580)	\$84,720	\$51,860

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

ANNEXURE A – NOMINATION OF AUDITOR

Jupiter Energy Limited
Unit 9
38 Colin Street
West Perth WA 6005

Dear Sirs,

I, Scott Adrian Mison, being a member of Jupiter Energy Limited (**Company**), nominate Ernst & Young of The Ernst & Young Building, 11 Mounts Bay Road, Perth WA 6000 in accordance with Section 328B(1) of the *Corporations Act 2001* (Cth) (**Act**) to fill the office of auditor of the Company.

Please distribute copies of this notice of this nomination as required by Section 328B(3) of the Act.

Signed and dated 14 October 2009:



Scott Adrian Mison