

19 August 2010

Dear Shareholder,

NON-RENOUNCEABLE ENTITLEMENT ISSUE

On 18 August 2010, Jupiter Energy Limited (**Company**) lodged a prospectus (**Prospectus**) with the Australian Securities & Investments Commission (**ASIC**) in relation to a non-renounceable entitlement issue of 1 fully paid ordinary share in the capital of the Company (**Share**) for every 3 Shares held by shareholders of the Company holding Shares as at the Record Date (as set out in the timetable below) (**Eligible Shareholders**) at an issue price of 2.7 cents per Share to raise up to approximately \$9,172,381 (**Offer**). Fractional entitlements will be rounded down to the nearest whole number.

All of the Shares offered under the Prospectus will rank equally with the Shares on issue at the date of the Prospectus. The Prospectus contains further information regarding the rights and liabilities attaching to the Shares.

Offer to Australia and New Zealand investors only

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand. Shareholders resident in New Zealand should consider the additional disclosures specific to them as set out in the Prospectus and should consult their professional advisors as to whether any government or other consents are required, or other formalities need to be observed, to enable them to exercise their entitlements under the Offer.

Availability of Prospectus

The Prospectus together with a personalised entitlement and acceptance form will be sent to Eligible Shareholders on the date set out in the timetable below. Instructions on how and when to apply under the Offer are set out in the Prospectus. The Prospectus is an important document and should be read in its entirety before deciding whether to accept an entitlement. If after reading the Prospectus you have any questions you should consult your stockbroker, accountant or other professional adviser.

The Prospectus has also been lodged with ASX and is available on the ASX website and on the Company's website at www.jupiterenergy.com.au.

Use of Funds

The funds raised by the Offer will be used to fund the drilling of wells on the Company's Kazakhstan permits, general working capital and to meet the anticipated expenses of the Offer.

Application for quotation

The Company has applied to ASX for quotation of the Shares to be issued pursuant to the Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

Timetable

The timetable in respect of the Offer is set out below:

Lodgement of Prospectus with the ASIC	18 August 2010
Lodgement of Prospectus and Appendix 3B with ASX	18 August 2010
Notice sent to Optionholders	18 August 2010
Notice sent to Shareholders	19 August 2010
Ex date	27 August 2010
Record Date for determining Entitlements	5.00 pm (WST) on 2 September 2010
Prospectus despatched to Shareholders	8 September 2010
Closing Date*	5.00 pm (WST) on 22 September 2010
Shares quoted on a deferred settlement basis	23 September 2010
ASX notified of under subscriptions	27 September 2010
Despatch of holding statements	Before 12.00 pm (WST) on 30 September 2010
Date of quotation of Shares issued under the Offer*	1 October 2010

** The directors of the Company may extend the Closing Date by giving at least 6 business days notice to ASX prior to the Closing Date. As such the date the Shares and Options are expected to commence trading on ASX may vary.*

Enquiries

If you have any questions about applying for securities under the Prospectus, please contact Scott Mison at the Company on +61 8 9322 8222 or the share registry on on 1300 652 210 within Australia or from overseas +61 3 9415 4633.

Yours faithfully



GEOFF GANDER
DIRECTOR
JUPITER ENERGY LIMITED