
JUPITER ENERGY LIMITED

ACN 084 918 481

NOTICE OF ANNUAL GENERAL MEETING

TIME: 9.30am

DATE: 11 November 2014

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

Business of the Meeting (setting out the proposed resolutions)	3
Explanatory Statement (explaining the proposed resolutions)	5
Glossary	17
Schedule 1	19
Proxy Form	24

IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the Meeting will be held at 9.30 am on Tuesday 11 November 2014 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 9 November 2014.

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, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder 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.

Shareholders and their proxies should be aware of that changes to the Corporations Act made in 2011 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 are set out below.

Proxy vote if appointment specifies way to vote

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

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

Transfer of non-chair proxy to chair in certain circumstances

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

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - 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 2014 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 purposes 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 2014."

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:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) 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 – BALTABEK KUANDYKOV

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, ASX Listing Rule 14.4 and for all other purposes, Mr Baltabek Kuandykov, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes 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.

5. RESOLUTION 4 – APPROVAL OF AMENDMENTS TO CONVERTIBLE NOTES

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the amendments to the terms and conditions of the Convertible Notes as set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. 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: 6 OCTOBER 2014

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.

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 2014 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 most recent 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 BALTABEK KUANDYKOV

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 year, whichever is the longer.

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.

In determining the number of Directors to retire, no account is to be taken of:

- (a) a Director who only holds office until the next annual general meeting pursuant to clause 13.4 of the Constitution; and/ or
- (b) a Managing Director,

each of whom are exempt from retirement by rotation.

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

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

4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

4.1 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 3, 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 4.2 below).

The effect of Resolution 3 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 3 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 3 for it to be passed.

4.2 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 \$61,351,077.

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, KASE code: AU_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 Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; 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.

4.3 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 3:

(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).

(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 3 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)	0.20 50% decrease in Issue Price	0.40 Issue Price	0.80 100% increase in Issue Price
153,377,693 (Current)	Shares issued	15,337,769	15,337,769	15,337,769
	Funds raised	\$3,067,554	\$6,135,107	\$12,270,215
230,066,540 (50% increase)	Shares issued	23,006,654	23,006,654	23,006,654
	Funds raised	\$4,601,330	\$9,202,661	\$18,405,323

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A.2)	Dilution			
	Issue Price (per Share)	0.20 50% decrease in Issue Price	0.40 Issue Price	0.80 100% increase in Issue Price
306,755,386 (100% increase)	Shares issued	30,675,538	30,675,538	30,675,538
	Funds raised	\$6,135,107	\$12,270,215	\$24,540,430

*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 22 September 2014.
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 22 September 2014.
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. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
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 table does 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

- (iii) 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 previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at the Company's annual general meeting held on 7 November 2013 (**Previous Approval**).

Set out in the table below is the total number of Equity Securities issued in the 12 months preceding the date of the Meeting (on and from 7 November 2013) and the percent 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 on issue 12 months before the Meeting	153,377,693	Nil	7,000,001	12,400,000
Total Equity Securities issued at the date of the Meeting	153,377,693	Nil	8,075,000	12,400,000
Equity Securities issued since the last AGM percentage of Equity Securities at the beginning of the period	Nil	Nil	0.62%	Nil

In the 12 months preceding the date of this Meeting, the Company has not issued any Equity Securities under the Previous Approval. During the 12 month period preceding the date of the Meeting, being on and from 7 November 2013, the Company otherwise issued a total of 1,074,999 Performance Rights which represents approximately 0.62% of the total diluted number of Equity Securities on issue in the Company on 7 November 2013, which was 172,977,694.

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

Term of Equity Security	Performance Rights
Number of Equity Securities issued	1,074,999 issued on 11 November 2013, Appendix 3B dated 11 November 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 percentage increase in the Share price of the Company above \$0.919 basis (Vesting Condition) expiring 31 December 2014 and as approved by Shareholders at the 2013 AGM.
Persons issued to	Geoffrey Gander – 333,333 Scott Mison – 75,000 Alastair Beardsall – 333,333 Baltabek Kuandykov – 333,333
Issue price and discount to market price	Nil - No issue price (non-cash consideration).
Total cash consideration	Nil

Total non-cash consideration

Consideration: Performance based remuneration for services provided to the Company.

Current value¹ = \$21,177

1. In respect of unquoted Equity Securities the value of Performance Rights is measured using Monte Carlo simulation option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Performance Right, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Performance Right. No account is taken of any performance conditions included in the terms of the Performance Right other than market based performance conditions (i.e. conditions linked to the price of Shares).

(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 must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued 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.

4.4 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.

5. RESOLUTION 4 – APPROVAL OF AMENDMENTS TO CONVERTIBLE NOTES**5.1 General**

As at the date of the Notice, the Company has on issue 12,400,000 Convertible Notes. On 18 June 2013, the Company issued 7,200,000 Convertible Notes at a face value of \$US1.25 per Note, expiring on 31 May 2016, to raise \$9,000,000 (before costs) (**Series A Convertible Notes**). A further 5,200,000 Convertible Notes were issued on 27 September 2013 raising \$6,500,000 (before costs). The Convertible Notes have a face value of \$US1.25 per Note and expire on 20 September 2016 (**Series B Convertible Notes**). The Series A Convertible Notes have now been converted to Series B Convertible Notes, meaning that all 12,400,000 Convertible Notes have a face value of \$US1.25 and expire on 20 September 2016.

The announcements made on 31 May 2013 and 23 September 2013 in relation to the issue of the Convertible Notes stated that a maximum number of Shares of 7,200,000 and 5,200,000 respectively would be issued upon conversion of the Convertible Notes. The terms of the Convertible Notes have changed since this announcement, allowing for the Company to issue a higher number of Shares upon conversion.

A maximum of 12,400,000 Shares may be issued upon conversion of the Convertible Notes at an issue price of \$US1.25. In the event that the Company completes a capital raising the terms of the Convertible Notes provide that the issue price of the Convertible Notes may be varied, subject to the satisfaction of a number of conditions precedent. Details of these conditions are set out in Schedule 1 paragraph (t)(iv) of the Explanatory Statement. If these conditions are satisfied, the conversion price will be varied from \$US1.25 to the issue price of Shares under the completed capital raising (**New Price**). The number of Shares issued upon conversion of each Convertible Note will then increase from a conversion ratio of 1:1 in accordance with the formula below:

$$\text{Number of Shares issued for each 1 Convertible Note} = \frac{\$1.25}{\text{New Price}}$$

For example, in the event that the conversion price decreased from \$US1.25 to \$US0.625, the Company would issue 2 Shares for every 1 Convertible Note.

The Company is now seeking shareholder approval for the amendment of terms of the Convertible Notes.

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. Under Resolution 4, Shareholders are being asked to approve the amendments to the Convertible Notes as set out in Schedule 1. Once approved, there will be no need for shareholder approval to be obtained under ASX Listing Rule 7.1 for the issue of Shares upon conversion of the Convertible Notes at a conversion price of either \$US1.25 or the New Price.

5.2 Capital Structure and Dilution

The following information is provided to Shareholders to assist them in considering Resolution 4:

(a) Capital Structure

As at the date of the Notice, the Company has on issue:

- (i) 153,377,693 Shares;
- (ii) 8,075,000 Performance Rights; and
- (iii) 12,400,000 Convertible Notes.

(b) Market Price of Shares

The lowest and highest market prices of Shares on the ASX during the 12 months preceding the Notice and the respective dates of those sales were:

Highest \$0.495 on 6 December 2013

Lowest \$0.35 on 6 November 2013, 5 – 7 February 2014, 17 April 2014, 27 May 2014

The last price of Shares on the ASX on 1 October 2014 was \$0.40.

(c) **Dilution**

The following table provides possible examples of the capital structure of the Company if all of the Convertible Notes were to be converted at prices ranging from \$0.625 to \$1.875.

Dilution			
Conversion Price	\$0.625 50% decrease in Conversion Price	\$1.25 Conversion Price	\$1.875 50% increase in Conversion Price
Current Shares on issue	153,377,693	153,377,693	153,377,693
Shares issued on conversion of 100% of the Convertible Notes	24,800,000	12,400,000	8,266,667
Total Shares on issue	178,177,693	165,777,693	161,644,360
Potential dilution of Shareholders	13.92%	7.48%	5.11%

5.3 Consequences if Resolution 4 is not approved

If Shareholders do not approve Resolution 4, there will be no change to the existing terms and conditions of the Convertible Notes. The conversion price of the Notes will remain at \$1.25 without the flexibility to allow for Noteholders to convert at the New Price. The maximum number of Shares that may be issued upon conversion of the Convertible Notes will remain at 12,400,000 Shares.

5.4 Technical information required by ASX Listing Rule 7.1

If Resolution 4 becomes effective, it will not result in the issue of additional Convertible Notes. However, pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the previous issue of the Convertible Notes:

- (a) 12,400,000 Convertible Notes were issued, which can be converted to a maximum of 12,400,000 Shares at an issue price of \$1.25, or varied in accordance with the formula set out at section 5.1;
- (b) the face value of each Convertible Note is \$US1.25 and their maturity date is 20 September 2016;
- (c) the terms of the Notes are summarised at Schedule 1;
- (d) the Shares that will be issued on conversion of the Convertible Notes are all fully paid ordinary shares in the capital of the Company which will be issued on the same terms and conditions as the Company's existing Shares;
- (e) the Notes were issued to the following parties, none of whom are related parties of the Company for the purpose of the Corporation Act but Waterford Petroleum Limited ("Waterford") is a Related Party as defined in the AIM Rules, as it holds in excess of 20% of the issued share capital of the Company:

Subscribers for Notes	Number of Notes
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	400,000
Total	12,400,000

- (f) the funds raised from the two issues have been used for the following purposes:
- (i) Repayment of Promissory Notes - \$US6,000,000
 - (ii) Completion and testing operations on the J-59 well – approximately \$US1,000,000;
 - (iii) Remedial work on the J-53 well – approximately \$US300,000
 - (iv) initial design and planning for the building of topside infrastructure required to take the Akkar East oilfield into Full Field Development – approximately \$US500,000;
 - (v) purchase of long lead time items required for the 2013/14 drilling program – approximately \$US1,000,000; and
 - (vi) general working capital – approximately \$US6,500,000
 - (vii) Costs of the offer: \$US470,000

Since one of the Directors, Mr Alastair Beardsall is the Board nominee of Waterford, he is excluded from voting on this resolution and did not take part in the Directors' decision to issue the Convertible Notes to Waterford. In light of the quantum of the shareholding of Waterford (29.5%) in the Company, Waterford is deemed to be a Related Party for the purposes of the AIM Rules. At the time of issuing the Convertible Notes, the Directors of the Company (excluding Alastair Beardsall) considered, having consulted with finnCap, the Company's nominated adviser, that the terms of the issue of the Convertible Notes were fair and reasonable insofar as the Company's shareholders were concerned. Waterford is not a related party of the Company for the purpose of the Corporations Act.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in section 4.1 of the Explanatory Statement.

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

AIM Rules means the AIM Rules for Companies (as amended from time to time).

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.

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 on the terms set out in Schedule 1.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant 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.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

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 executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

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

Related Party has the meaning given to that term in the AIM Rules.

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 2014.

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.

Variable A means "A" as set out in the calculation in section 4.2 of the Explanatory Statement.

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

SCHEDULE 1 – KEY TERMS OF THE CONVERTIBLE NOTES

Each holder of the Convertible Notes (**Holder**) has entered into a convertible note deed with the Company, setting out the terms and conditions of the Convertible Notes. A summary of the key terms of the Convertible Notes is set out below.

(a) **Face Value**

The Convertible Notes have a face value of \$US1.25 each.

(b) **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 Holder.

(c) **Unsecured**

The Convertible Notes are unsecured and the Holder 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.

(d) **Unquoted**

The Company will not apply for quotation of the Convertible Notes on the ASX or AIM.

(e) **Interest**

Interest will be payable on the Convertible Notes at the rate of 12% per annum, payable quarterly in arrears.

(f) **Accrual of Interest**

Interest will accrue from the date of issue of the Convertible Note until the earlier of:

- (i) maturity;
- (ii) redemption; or
- (iii) conversion.

(g) **Voting Rights**

The Convertible Notes do not provide any voting rights at shareholder meetings of the Company.

(h) **Dividends**

The Convertible Notes do not provide any rights for the Holder to participate in dividends of the Company.

(i) **Transferability**

The Holder shall be permitted to transfer all or any part of the Convertible Notes on the condition that the Holder procures that the assignee of the Convertible Notes agrees to be bound by the terms and conditions of the Convertible Note

Deed and provided that transfer does not, in the reasonable opinion of the Company, breach the Corporations Act, ASX Listing Rules, the AIM Rules or any other law.

(j) **Conversion**

One Convertible Note converts to one Share, subject to variation of the terms of the Convertible Notes in accordance with paragraph (t). The Holder 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), with a minimum amount of Convertible Notes bearing the aggregate issue price of US\$1,000,000 for each separate conversion of Convertible Notes.

(k) **Conversion on Maturity**

The Convertible Notes will be redeemed on maturity if not converted by the Holder or redeemed earlier.

(l) **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.

(m) **Other Redemption**

The Convertible Notes may be redeemed on the occurrence of usual events of default contained in the Convertible Note Deed (including default in payment under the Convertible Note terms, material breach of the Convertible Note terms, on winding up of the Company and on liquidation of the Company, among other events of default) or a change in control of the Company. A minimum 12 months' interest payable if the Convertible Notes are redeemed within the first 12 months of the term of the Convertible Notes.

(n) **Customary events of default and warranties**

The Convertible Notes and the Convertible Note Deed are subject to customary events of default and warranties provided by the Company.

(o) **Shares issued on Conversion**

The Shares to be allotted on conversion will be ordinary fully paid shares with the same terms and conditions as those currently on issue and application will be made to AIM and ASX for the official quotation of those Shares.

(p) **Participation in new issues**

There are no participation rights or entitlements inherent in the Convertible Notes and the Holder is not entitled to participate in new issues of capital offered to Shareholders during the currency of the Convertible Notes.

(q) **Reconstruction of Capital**

Subject to compliance with the ASX Listing Rules (if applicable) and applicable Australian and foreign laws (including those applying in Kazakhstan to the extent the Company or its Related Bodies Corporate are affected by those laws, as determined by the Company in its sole discretion), in the event of a

reconstruction of the capital of the Company prior to the conversion or redemption of the relevant Convertible Notes by way of consolidation, subdivision, reduction, return or scheme of arrangement (but other than by way of a bonus issue, rights issue or other security issue), a proportionate adjustment will be made to the number and or alternatively the issue price of Shares to which the Holder is entitled upon conversion of the relevant Convertible Notes so that:

- (i) the value of the relevant Convertible Notes are not adversely affected by the reconstruction;
- (ii) the Holder is not conferred with any additional benefits which are not also conferred on the holders of Shares (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of holders of Shares approving the reconstruction of capital); and
- (iii) subject to the paragraph below, in all other respects the terms for the conversion of the Convertible Note shall remain unchanged.

The terms of the Convertible Notes from time to time must be varied to the extent necessary to comply with the ASX Listing Rules or AIM Rules (if applicable) applying to a reorganisation of capital at the time of the reorganisation.

(r) **Bonus Issue**

In the event of a bonus issue, a further right will attach to each Note entitling the Holder to receive upon the conversion of each Convertible Note an allotment of such additional number of Shares and/or the issue of other securities as it would have been entitled to had it converted the Convertible Note immediately before the date on which entitlements are ascertained for the holders of Shares to participate in any pro rata bonus issue of Shares or other securities by way of capitalisation of profits or otherwise.

(s) **Variations to Notes**

No modification or alteration of the terms of the Convertible Notes deeds shall be binding unless the Company and 75% of all noteholders of the Company agree in writing.

(t) **Variation of Terms**

(i) **Proposed variation**

Subject to the satisfaction (or waiver at the Company's sole discretion) of all the conditions precedent set out below in (t)(iv) prior to the earlier of the Conversion Date, Redemption Date and Maturity Date for any or all of the Convertible Notes (**Deadline**), the terms of the Convertible Notes pursuant to this Deed may be varied, at the absolute discretion of the Noteholder, in accordance with (t)(ii) and (t)(iii). The Noteholder consents to the same variation as set out in (t) being made to all other convertible notes issued by the Company as at the date of this Deed, if desired by the Company, at the Company's sole discretion.

(ii) **Conversion Price**

From the date on which the conditions precedent in (t)(iv) are all satisfied (or waived by the Company at its sole discretion), provided

that occurs by the Deadline, the Issue Price for the Convertible Notes will be varied from \$US1.25 per Share to the New Price as defined in (t)(iv).

(iii) **Settlement of interest**

From the date on which the conditions precedent in (t)(iv) are all satisfied (or waived by the Company at its sole discretion), provided that occurs by the Deadline, the Noteholder will have the option to, subject to compliance with all applicable laws, the ASX Listing Rules, the ASX Settlement Operating Rules, the AIM Rules and applicable rules of the KASE, take payment of part or all of the interest payable by the Company in either cash or in Shares, which option may only be exercised by the earlier of the Conversion Date, Redemption Date and Maturity Date. The issue price per Share used in converting the interest into Shares will be the Issue Price or New Price, whichever is the lower. The Noteholder's option may only be exercised by written notice from the Noteholder to the Company no later than the earlier of the Conversion Date, Redemption Date and Maturity Date, failing which the Company may determine, at its sole discretion, whether the interest will be paid to the Noteholder in cash or in Shares, or a combination of both (and the Company is authorised by the Noteholder to act as the Noteholder's attorney to apply for such Shares on the Noteholder's behalf). The payment by the Company to the Noteholder or issue of Shares (or a combination of both) under this (t)(iii) operates in satisfaction of the Company's obligation to the Noteholder in respect of the interest payable.

(iv) **Conditions Precedent to variation**

The variation of terms of the Convertible Notes outlined in (t)(ii) and (t)(iii) is and will remain subject to the satisfaction (or waiver at the Company's sole discretion) of all of the following conditions precedent (which are solely for the benefit of the Company):

- The necessary approvals to issue Convertible Notes at an issue price of less than \$US1.25 per Share (**New Price**) having been received by the Company from the relevant Kazakh authorities.
- The Company having elected to raise funds by the issue of Shares prior to the earlier of the Conversion Date, Redemption Date and Maturity Date for any or all of the Convertible Notes, at an issue price at the New Price.
- The Company having received Shareholders' approval to vary the terms of the Convertible Notes and complied with all legal and regulatory requirements.
- The Company being satisfied, in its sole discretion, that the variations proposed to the terms of the Convertible Notes outlined in (t)(ii) and (t)(iii) comply with and do not breach all applicable laws, the ASX Listing Rules, the ASX Settlement Operating Rules, the AIM Rules and applicable rules of the KASE.

For the avoidance of doubt, clauses (t)(i) to (t)(iii) (inclusive) are not binding on the Parties and have no force or effect until and unless the Company confirms in writing (at its sole discretion) to the Noteholder that the conditions precedent in (t)(iv) have all been satisfied or waived by no later than the Deadline.

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



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

Proxy Form

For your vote to be effective it must be received by 9.30am (WST) Sunday, 9 November 2014

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 or abstain as they choose (to the extent permitted by law). 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 help tab, "Printable 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
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

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, Western Australia on Tuesday, 11 November 2014 at 9.30am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolution: 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 Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: 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 Resolution 1 by marking the appropriate box in step 2 below.

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
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director - Baltabek Kuandykov	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of amendments to Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /