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8th May 2006

COR A1

Mr V Naicker
Adviser - Issuers
Australian Stock Exchange Limited
Level 8, Exchange Plaza
2 The Esplanade
Perth WA 6840

By facsimile 9221 2020

Dear Vickrem

SHARE PRICE QUERY

Following the price query issued by ASX earlier today, the Company can confirm that its share price and trading volume has only increased significantly today. This increase is entirely due to an article in today's edition of The Age newspaper, a copy of which is attached. This article merely points out the potential for an increase in Gunson's share price in view of our recent public announcements on the Mount Gunson copper and Coburn mineral sand projects.

To answer your specific queries, I have the following comments, which follow the numbering in your facsimile of today's date addressed to our Company Secretary, Ian Gregory.

- 1 No. The sole reason is the attached newspaper article.
- 2 Not applicable.
- 3 Not applicable.
- 4 I can confirm that the Company is in compliance with the listing rules, in particular listing rule 3.1.

I trust that the information provided will satisfy your needs

Yours sincerely

**D N HARLEY
MANAGING DIRECTOR**

Enc

Canadians look 'down under' for a bigger piece of the mining action

By Barry FitzGerald
May 8, 2006

FLUSH with cash because of booming metal prices, Canada's mining heavyweights are starting to make their presence felt in the Australian exploration scene, more particularly in South Australia's copper-rich outback.

David Harley's Perth-based **Gunson Resources** is the latest junior resources company to benefit from the Canadians' plan to secure advanced exploration projects with some big-time appeal, where they can and when they can.

Gunson has just cut a deal with **Noranda**, now part of **Falconbridge**, which, in turn, is to become part of the mighty **Inco** as part of the home-town deal among the Canadians aimed at seeing off the takeover ambitions in their home market of "Big" Mick Davis at the Zug-based **Xstrata**.

Gunson's deal with Noranda covers its Mount Gunson copper exploration project in SA and gives Noranda the right to sole fund \$10 million of exploration work.

The Chianti prospect at Mount Gunson was the subject of two deep holes by Gunson in December/January that produced some tantalising but inconclusive results, including a two-metre intersection grading 3.4 per cent copper at a depth of about 540 metres.

The results were made all that more interesting by the location of Chianti. It is all of 18 kilometres from last year's Carrapateena copper-gold discovery by independent explorer Rudy Gomez.

Carrapateena, near Lake Torrens and to the south-east of **BHP Billiton's** monster Olympic Dam operation, got the whole industry excited when the second hole — part-funded by the SA Government's Plan for Accelerated Exploration program — returned an impressive 67 metres at an average grade of 3.03 per cent copper and 0.4 grams of gold a tonne.

Gomez was swamped with offers to jointly develop the property, and eventually cut a deal with **Canada's Teck Cominco**. Gomez collected a couple of million dollars as an early reward and Teck Cominco undertook to spend a minimum \$5 million on further exploration.

It turns out that Noranda lost to its fellow Canadian miner in the bidding duel for Carrapateena, as well as losing out to Owen Hegarty's **Oxiana** in securing outright control of the 2001 Prominent Hill copper/gold discovery of Minotaur and others. Once Gunson's Chianti started to look interesting, Noranda pounced.

"Noranda had been following our stock exchange announcements and in January they rang us up and said it was pretty interesting, and they wanted to have a look at the drill core," Harley told Garimpelro.

"So we signed a confidentiality agreement. When they looked at the core, they said: 'Oh gee whiz, it looks pretty bloody sexy to us. Can we do a deal?'"

"They thought there was a lot of similarity to what they saw at Carrapateena."

The other attraction of the Mount Gunson project to the Canadians is that like everyone else in the boom mining market, they are having trouble getting good prospects. Here is one that is all dressed up and ready to go with native title done.

From a corporate viewpoint, letting Noranda take up the running at Mount Gunson could not have come at a better time for Gunson, with Harley flat-chat getting the group's existing company maker — the Coburn mineral sands project in Western Australia — to the starting stalls.

The WA Government is close to finalising the wording of the ministerial statement, which will grant the project's environmental permit at long last.

That means that the mining approval will follow shortly after, meaning that all of the project's statutory approvals should be in by June.

That sets the scene for financing of the \$85 million project to be bedded down sometime in July/August and first production to follow about 12 months later. It's not a bad time to bring on a mineral sands project either.

For its expenditure, Gunson will get annual production of 30,000 tonnes of high-value zircon, 60,000 tonnes of the lower-value ilmenite and 15,000 tonnes of something called Hi Ti (leucosene and rutile). All up, annual revenue will be \$60-\$70 million. So all in all, Gunson is in for an interesting year. The share price is yet to reflect that.

Not helping has been the dumping of about 4 million shares by the LUCRF super fund following its shift in investment focus, despite its past success from dabbling in the junior end of the market.

But with that exit now complete, Gunson's share-price moves from here could prove interesting.

The stock closed unchanged at 32¢ on Friday, giving the group a market capitalisation of about \$28 million.



ASX

AUSTRALIAN STOCK EXCHANGE

8 May 2006

Ian Gregory
Company Secretary
Gunson Resources Limited
Level 2, 33 Richardson Street
WEST PERTH,
WA 6005

FAXED

Australian Stock Exchange Limited
ABN 98 008 624 691
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By Facsimile: (08) 9226 3136

Dear Ian

Gunson Resources Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from \$0.31 on 1 May 2006 to \$0.39 today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company? In answering this question please address any press coverage relating to the Company.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by facsimile on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than 5.00 pm WST, today.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,



Vickrem Naicker

Adviser, Issuers

Direct Line: (08) 9224 0032



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May 8 2006

Mr. V Naicker
Adviser
Australian Stock Exchange Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

By fax: 9221 2020

Dear Vickrem

Thank you for your letter dated May 8 2006 regarding your price query in relation to Jupiter Energy Limited (ASX: JPR).

The responses to your specific questions are as follows:

1. The Company has made several releases in recent months regarding its interest in a Biodiesel project in Malaysia. Specifically these announcements are:
 - January 25 2006: Second Quarter Activities Report
 - April 20 2006: Third Quarter Activities Report
 - April 28 2006: Company Update

Each of these announcements has sought to update shareholders on the progress in relation to this project.

As you may be aware, a similar project forms part of Mission Biofuels Limited (ASX: MBT), a company that listed on the ASX last week. MBT has traded at a healthy premium since its listing. Whilst there is no connection between JPR and MBT, it is possible that the market has taken a greater interest in JPR and its Biodiesel project as a result of the MBT listing and this might explain the increase in share volumes and the share price.

2. No other announcement from Jupiter can be made at this time.
3. We believe the only reason for the price rise and increased share volumes is already stated in response to question 1.
4. The Company is in compliance with the ASX listing rules and in particular listing rule 3.1.

If you have any further questions on this matter, please feel free to contact me.

Sincerely

A handwritten signature in black ink, appearing to be 'GG', with a long horizontal line extending to the right.

Geoff Gander
Executive Director
Jupiter Energy Limited



ASX

AUSTRALIAN STOCK EXCHANGE

8 May 2006

Mr Andrew Meloncelli
Company Secretary
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FAXED

By facsimile: 9214 2511

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Dear Andrew

JUPITER ENERGY LIMITED (the "Company") – PRICE QUERY

We have noted a change in the price of the Company's securities from 0.13 cents on 1 May 2006 to a high of \$0.20 today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?
2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Please direct your response to me on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, before 5pm W.S.T today, Monday 8 May 2006.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

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Trading halt

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Should you have any queries regarding any of the above, please do not hesitate to contact me.

Yours sincerely



Vickrem Naicker
Adviser, Issuers