CASPIAN ENERGY INC.
ANNOUNCES SECOND QUARTER 2013 FINANCIAL RESULTS AND CORPORATE UPDATE

CALGARY – August 14, 2013 -- Caspian Energy Inc. (the "Company" or "CEK") (TSX: CEK) announced today its financial results for the three and six months ending June 30, 2013. Its unaudited condensed interim consolidated financial statements for the period and related management's discussion and analysis have been filed with Canadian securities regulatory authorities and are available for viewing at www.sedar.com.

As this is the first fiscal year that the Company is reporting under the new IFRS pronouncements, more fully identified below, shareholders will notice significant changes in the numbers that had been previously reported for prior periods, but management wishes to direct readers to Note 17 of the Condensed Interim Consolidated Financial Statements for the three and six months ended June 30, 2013 and 2012, where the Company's 40% interest in Aral Petroleum Capital LLP is fully disclosed.

On January 1, 2013, the Company adopted new standards for IFRS 10, "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities", IFRS 13 "Fair Value Measurement" as well as consequential amendments to IAS 28 "Investments in Associates and Joint Ventures".

The adoption of IFRS 11 resulted in the deconsolidation of the Company's 40% proportionate share of Aral and the application of the equity method of accounting for the investment in Aral. Changes have been applied retrospectively in accordance with IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", resulting in the restatement of prior period financial information.

Operational highlights

- Final Permit to resume production filed for the East Zhagabulak field, which was shutdown on January 1, 2013
- At Wells 303 and 316, permits for retesting have been obtained from the MOG (Minister of Oil and Gas) and tenders let
- At Well 315, a permit for retesting has been obtained and work is scheduled for the third quarter 2013
- During the second quarter both a 3-D a 2-D seismic survey were completed

Outlook 2013

- On January 14, 2013, the Company reported that the Exploration license which governs the majority of the acreage, commonly referred to as the North Block, had been extended for a further two years up until December 2014

- By the close of fiscal 2013, transition from the "pilot" phase to the "production" phase of development at East Zhagabulak will be completed

- To execute the innovative completion techniques and strategy of Mr. Roger Nutt, who believes that to achieve full potential from the Zhagabulak wells, each well must be perforated at the depths which will give access to the relevant fractures or karsts. Each perforated interval must then be mini-fractured and propped open, to allow the oil access from the reservoir to the well-bore perforations, through the cement around the casing. Instead of deliberately avoiding the natural fractures and permeability pathways in the rock – which has historically been the case in Zhagabulak – the new approach is to identify and selectively perforate these intervals, to allow the oil they contain to be recovered. See MD&A – "Business Prospects and Outlook" for a more detailed description.

- On June 13, 2013, the Company announced the June 3, 2013 signing of a number of agreements whereby its Kazakhstan subsidiary expects to be able to immediately implement the previously announced testing of certain wells based on the advice of outside consultant Mr. Roger Nutt over two wells within the following 90 days.

- On June 26, 2013, the Company announced that it had received notices of a failure to make a payment from Meridian Capital International Fund, Firebird Global Master Fund, Ltd. and Firebird Avrora Fund, Ltd. (the "Convertible Debenture Holders") under Caspian's Amended and Restated Convertible Debentures dated July 8, 2011 for failure to pay the principal amount on the maturity date of June 2, 2013. The terms of the Convertible Debentures provide that a default occurs if there is a failure to pay principal on maturity and such failure to pay is not remedied within 30 days after receipt of written notice from the holder. On July 26, 2013, the Company announced that each of the Convertible Debenture Holders agreed to extend the period to remedy such failure to pay until August 26, 2013.

Regulatory matters

- Between April 8 and April 12, 2013, Canadian securities regulatory authorities issued cease trade orders pertaining to the trading of the Company's securities as it had not filed its December 31, 2012 audited consolidated financial statements and management discussion and analysis. Such filings were made on April 23, 2013 and the Company believes that it is in compliance with its regulatory filings and the cease trade orders will be lifted.

- On February 8, 2013, the Company received a letter from the Toronto Stock Exchange (the "TSX"), which states that the "listing of CEK's shares on the main board of the TSX is under review with respect to meeting continued listing requirements". The Company was granted 90 days in which to regain compliance with these listing requirements, pursuant to the TSX's remedial review process. On May 7, 2013, the Company received an update from the TSX stating that the Continued Listing Committee has determined to defer its delisting decision until no later than June 10, 2013.

- On June 11, 2013, the Company announced that the Continued Listings Committee of the TSX determined to delist Caspian's common shares effective at the close of market on July 11, 2013. A letter from the TSX Continued Listing Committee states that the delisting was imposed due to Caspian's failure to meet the continued listing requirements of the TSX.

- On July 10, 2013, the Company announced that the TSX extended the date for the delisting of Caspian's common shares from July 11, 2013 to August 1, 2013. The delisting date was delayed by the TSX at the request of Caspian. Caspian requested the delay in order to allow further time for Caspian to pursue a listing on NEX. NEX is a unique and separate board of TSX Venture Exchange. It provides a unique trading forum for listed companies that have fallen below TSX Venture's ongoing listing standards.

- On July 26, 2013, the Company announced that the TSX extended the date for the delisting of Caspian's common shares from August 1, 2013 to August 22, 2013. The delisting date was delayed by the TSX at the request of Caspian. Caspian requested the delay in order to allow further time for Caspian to pursue a listing on NEX.

Financial highlights

- 6 month Comprehensive loss was $5,295,000 (2012: $3,045,000(***Restated***))

    - For the quarter ending June 30, 2013, CEK's comprehensive loss was $2,600,000, this compares to a comprehensive loss for the quarter ending June 30, 2012, of $2,278,000(***Restated***). Caspian recorded a loss of $2,119,000 (2012 $1,650,000 (***Restated***)) pertaining to finance expense. Depletion and depreciation expenses were $1,000 and $1,000, respectively. Derivative fair value adjustment was equal to $nil during 2013 and $1,038,000 during 2012. CEK's operations used $164,000 in cash during 2Q 2013 and used $529,000(***Restated***) for the comparative period in 2012.

- At the close of the second fiscal quarter of 2013, Caspian had a working capital deficiency of $16.0 million. The Company's Convertible Debentures matured on June 2, 2013. The Company was not able to pay the Debentures on the maturity date.

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Operational performance

The East Zhagabulak field was shutdown on January 1, 2013 and continued through to March 29, 2013, while awaiting extension to the pilot production period. Verbal permission to extend the pilot production period, subsequent to March 29, 2013, was granted by the Committee of Geology and Subsoil, on that date. Based on this extension, the Work Group of the ROK (Republic of Kazakhstan) Ministry of Oil and Gas (MOG) approved the program of associated gas utilization, which permits gas flaring. The final step in reinstating production is to obtain the Hazardous Emissions Permit from the ROK Environmental Ministry. Request for the Permit was filed on July 10, 2013. A positive outcome is expected prior to the end of August 2013.

During fiscal 2013, to transist from the "pilot" phase to the "production" phase of development at East Zhagabulak, the design and construction of the Technology Scheme of Field Development must be finalized. During the second quarter, the design institute - KazNIPIMunaigas, completed the preparation of the Field Development Technology Scheme. Prior to the completion of the third calendar quarter of 2013, the project report will have been reviewed for approval by the following Kazakh governmental agencies: the Emergency Situations Department, the Sanitary-Epidemiology Control and the Ecology Department. Subsequently, it will be approved by the Committee of Geology and Subsoil Use of the ROK Ministry of Industry and New Technologies. By the calendar close of 2013, the field will have transisted from the Pilot Production Phase to the Production Phase.

The MOG and State Ecology Department granted a permit to test Well 306, which is valid until September 29, 2013. Testing is expected to commence in the 3rd quarter of 2013. During 2Q 2013, a testing tender was issued.

At Well 316 and Well 303, permits for retesting have been obtained from the MOG During 2Q 2013,tenders were let for re-testing wells 316 and 303 with a projected start date during August 2013. All necessary permits and approvals from the government agencies have been obtained.

At Well 315, a permit from the MOG was obtained for testing during the period from September 6, 2013 to October 30, 2013. Obtaining a permit for emissions in the State Ecology Service is underway. Testing is expected to start in the 3rd quarter of 2013. During 2Q 2013, a testing tender was issued.

On April 29, 2013, a 2-D seismic survey commenced at the Taldyshoky, Itassay and Krykkuduk areas. During 2Q 2013, the 2D seismic operations were completed. 3D seismic operations were completed in the presalt area - Baktygaryn. The data is currently being processed. Processing and interpretation of the seismic data will be completed by the end of 2013.

Outlook 2013

During the two year extension period, the operator is planning to perform Geological and Exploration operations on several prospective areas of the North block. Geological documentation has been prepared for the drilling of 4,950 metre deep wells in three pre-salt areas Baktygaryn, Aransay and North Mortuk. Further, 900 metre deep post wells in the Taldyshoky, Itassay, Krykkudul and other areas are contemplated. Additional 2D and 3D seismic shoots are expected prior to drilling.

This Geological and Exploration work is conducted in the expectation of the discovery of new oil pools in the North Block contract territory.

Aral Petroleum Capital LLP (Aral or APC), the operating entity in Kazakhstan, holds a 25-year production licence for East Zhagabulak and a three-year exploration permit for the larger North Block, an area of some 2,200 square kilometres in West-Central Kazakhstan that contains both East and West Zhagabulak.

Funding

On June 13, 2013, the Company announced the June 3, 2013 signing of a number of agreements whereby its Kazakhstan subsidiary expects to be able to immediately implement the previously announced testing of certain wells based on the advice of outside consultant Mr. Roger Nutt over two wells within the following 90 days. Pursuant to the agreements, additional financing has been committed to Aral Petroleum Capital LLP (APC), a Kazakhstan partnership in which Caspian indirectly holds a 40% interest, to cover operating expenses, as well to Caspian to cover ongoing overhead and accounts payable. The financing will permit drilling which will allow APC to meet its 2013/14 License drilling commitments in the North Block.

The agreements provide for the availability of a loan of US$20 million to APC for the purpose of funding APC's operations. It is intended that proceeds from this loan will, in part, be used to fund the work prescribed in the work program agreed with the Ministry of Oil and Gas in Kazakhstan. This work program envisages the drilling of a deep exploration well in the Baktygaryn and Aransay area. As well, one shallow well is planned to be drilled in Itassay.

The agreements amend the loan agreement between Caspian's wholly-owned subsidiary, Caspian Energy Ltd. (CEL), and Asia Sixth Energy Resources Limited to allow CEL to draw US $100,000 each month from now until November and to draw an additional US$1,400,000 as early as December 28, 2013. These funds will enable Caspian to bring current all of its existing payable and to cover its budgeted operating expenses over the next 18 months.

In return for raising the financing contemplated in the agreements, CEL's partners in APC, being Asia Sixth Energy Resources Limited (ASER) and its subsidiary Groenzee B.V. and together with ASER, require CEL to transfer to them part of its ownership interest in APC resulting in CEL's interest in APC reducing from 40% to 33.5%.

During June 2013, Caspian announced that its wholly owned subsidiary, CEL, has, to date, received $200,000, pursuant to the aforementioned agreements toward its corporate overhead expenses.

On June 26, 2013, the Company announced that it had received notices of a failure to make a payment from Meridian Capital International Fund, Firebird Global Master Fund, Ltd. and Firebird Avrora Fund, Ltd. (the "Convertible Debenture Holders") under Caspian's Amended and Restated Convertible Debentures dated July 8, 2011 for failure to pay the principal amount on the maturity date of June 2, 2013. The terms of the Convertible Debentures provide that a default occurs if there is a failure to pay principal on maturity and such failure to pay is not remedied within 30 days after receipt of written notice from the holder. On July 26, 2013, the Company announced that each of the Convertible Debenture Holders agreed to extend the period to remedy such failure to pay until August 26, 2013.

On July 31, 2013, the Company announced that Aral Petroleum Capital LLP ("APC"), Caspian's 40% owned subsidiary, received an advance in the amount of USD $3,000,000 pursuant the loan agreement between APC and Groenzee B.V. signed in June, 2013. The proceeds of this advance are to be used to test well 316 in West Zhagabulak in accordance with the advice of outside consultant Mr. Roger Nutt. The tender process for this work has been concluded and a suitable bid was received from a prominent contractor. Mobilization of the rig required for this testing is imminent pending clearance of certain items through customs. The target date to commence the contemplated testing is set for mid August.

Share structure

On January 9, 2013 1,286,684 common shares and 643,342 share purchase warrants were issued to satisfy the 4Q 2012 interest obligation on the Company's Convertible Debentures. The deemed price of the stock issued is $0.063769 per share and the warrant exercise price is $0.087263.

On April 11, 2013 1,974,420 common shares and 987,210 share purchase warrants were issued to satisfy the 1Q 2013 interest obligation on the Company's Convertible Debentures. The deemed price of the stock issued is $0.041602 per share and the warrant exercise price is $0.05693.

The Company's ability to continue as a going concern is in significant doubt and is dependent upon achieving profitable operating results from its Kazakhstan operations. There are no assurances that these initiatives will be successful. See Note 1 to the Unaudited Condensed Interim Consolidated Financial Statements.

CAUTIONARY NOTE

Forward Looking Statements – Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of Caspian, including, but not limited to the satisfaction of all conditions set out above, the closing of the funding of the loan agreement and the ability of Caspian to meet its future obligations with respect to APC, the impact of general economic conditions, industry conditions, currency fluctuation and dependence upon regulatory approvals. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.

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