

Caspian Energy Inc. Announces Drawdown under Second Tranche of Previously Announced Loan Agreement

Calgary, Alberta – December 3, 2014 – Caspian Energy Inc. (NEX: CKZ.H) ("Caspian") announces that it has drawn down and received an additional U.S.\$900,000 under the second tranche of the loan facility (the "Second Tranche") provided pursuant to the loan agreement (the "Loan Agreement") dated July 7, 2014, as amended November 4, 2014, with its principal shareholders, Meridian International Capital Fund ("Meridian") and Firebird Global Master Fund Holdings, Ltd., Firebird Avrova Fund, Ltd. Firebird Republics Fund Ltd., Firebird Fund L.P., and Firebird New Russia Fund Ltd. (collectively, "Firebird" and together with Meridian, the "Lenders").

As previously announced, interest shall accrue on the outstanding amounts under the Loan Agreement at an annual rate of 12% per annum. The principal outstanding and any interest accrued thereon is payable on the earliest of (i) December 31, 2014; (ii) the termination or non-fulfilment of any conditions specified in the share purchase agreement entered into by Caspian dated August 1, 2014, as amended November 11, 2014, with respect to Caspian's previously announced ongoing reorganization and recapitalization transaction (the "Asia Sixth Transaction"), whereby Caspian would purchase (directly or indirectly) all of the equity interests in Aral Petroleum Capital LLP not already held by its wholly owned subsidiary, Caspian Energy Ltd. ("CEL"), and (iii) the occurrence of an event of default under the Loan Agreement. Notwithstanding the foregoing, no interest will be deemed to have accrued or be payable in the event that the full principal amount outstanding is converted to equity prior to the repayment date. Much of the additional costs and expenses giving rise to the need for the Second Tranche have been incurred in connection with the Asia Sixth Transaction.

The liabilities under the Loan Agreement are secured by a pledge by Caspian of 100% of the equity interests in CEL. Each of the Lenders have the right to convert their principal amount from today's advance into common shares of Caspian ("Common Shares") at a conversion price of Cdn.\$0.07 per Common Share (using an exchange rate of CDN\$1.1357 = US\$1.00), subject to adjustment as provided in the Loan Agreement. If the US\$900,000 advanced today under the Loan Agreement is converted to Common Shares, the aggregate number of Common Shares issuable to Meridian and Firebird (using a conversion price of Cdn.\$0.07 and an exchange rate of CDN\$1.1357 = US\$1.00) would be 14,601,857, or approximately 10.86% of the issued and outstanding Common Shares as at the date hereof. If Common Shares are issued on conversion of the amounts advanced today, such shares will be subject to a hold period ending four months and a day from today's date.

An additional US\$600,000 remains available to be drawn pursuant to the Second Tranche of the Loan Agreement. Future advances under the Loan Agreement, as amended, are subject to various conditions, including approval of the Lenders in the event that the conversion price for future advances is proposed to be higher than Cdn.\$0.07 per Common Share (excluding any adjustments provided for in the Loan Agreement). Assuming that the full additional amount of the Second Tranche is advanced under the Loan Agreement, and all of the amounts advanced today and all amounts previously advanced pursuant to the first tranche of the Loan Agreement are converted into Common Shares, the number of shares issuable under the Loan Agreement in the aggregate, subject to the adjustments provided in the Loan Agreement, is 51,028,928, or approximately 37.96% of the issued and outstanding Common Shares as at the date hereof. As a condition precedent to closing of the Asia Sixth Transaction, all amounts outstanding pursuant to the Loan Agreement will be automatically converted into Common Shares.

Meridian and Firebird Avrova Fund, Ltd. are related parties to Caspian by virtue of their substantial shareholdings in Caspian. Accordingly, the loan provided under the Loan Agreement is a "related party transaction" as that term is defined under Multilateral Instrument 61-101 –

Protection of Minority Security Holders in Special Transactions ("MI 61-101"). Caspian is exempt from both the formal valuation and minority shareholder approval requirements of MI 61-101 in connection with the amendment on the basis of meeting the financial hardship exemption requirements of MI 61-101.

For further information, please contact Caspian Energy Inc.

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This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation which we refer to herein, collectively, as "forward-looking information". Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes" or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". Caspian's actual performance, developments and/or results may differ materially from any or all of the forward-looking statements. Further information which may cause results to differ materially from those projected in the forward-looking statements is contained in Caspian's filings with Canadian securities regulatory authorities. All material assumptions used in making forward-looking information are based on management's knowledge of current business conditions and expectations of future business conditions and trends. Although Caspian believes the assumptions used to make such statements are reasonable at this time and has attempted to identify in its continuous disclosure documents important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Caspian does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the NEX) accepts responsibility for the adequacy or accuracy of this release.