

Caspian Energy Inc. Provides Update

Calgary, Alberta – **December 9, 2013** – Caspian Energy Inc. (the "Corporation" or "Caspian") (TSX: CEK) is pleased to announce that it has entered into an extension agreement (the "Extension Agreement") with the holders (the "Investors") of its amended and restated secured convertible debenture dated July 8, 2011 with a principal amount of US\$12,460,957 (the "Debentures"), pursuant to which the Corporation has been granted a remedial period providing Caspian with further time to pay all amounts owing under the Debentures as follows:

- (i) the remedial period shall be extended to December 16, 2013 if:
 - (A) the Corporation and the Investors have executed an agreement (the "Amendment Agreement") on or before December 13, 2013 providing for:
 - (I) an amendment (the "Amendment") to the terms of the Debentures to provide that the Conversion Price (as defined in the Debentures) be amended to the price that, if all outstanding Debentures are converted, the common shares of the Corporation ("Common Shares") issuable upon such conversion would represent 82.5% of the issued and outstanding Common Shares on an undiluted basis, provided that, to the extent that any Common Shares are issued to Roger Nutt or pursuant to any currently existing share purchase warrants or options the Corporation shall issue additional Common Shares to the Investors for no additional consideration to ensure that the Investors maintain their *pro rata* 82.5% interest; and
 - (II) the appointment of a director nominated by one of the Investors to the Corporation's board of directors, effective on the implementation of the Amendment; and
 - (B) the Corporation has obtained a waiver from NEX of the requirement to obtain shareholder approval to the Amendment and NEX's restriction against issuing Common Shares for less than \$0.05 per share (the "Price Restriction") on or before December 13, 2013; and
- (ii) the remedial period shall be extended to January 31, 2014 if the Corporation and Investors have executed the Amendment Agreement on or before December 13, 2013 but the Corporation has not obtained a waiver of the requirement for shareholders' approval of the Amendment by December 13, 2013, provided that on or before December 21, 2013, an information circular recommending the approval of the Amendment Agreement and providing that a shareholders' meeting to consider and approve the Amendment Agreement shall take place on or before February 5, 2014, has been finalized and distributed to the shareholders of the Corporation, failing which the remedial period shall expire on December 21, 2013.

If the Corporation and the Investors have not executed the Amendment Agreement on or before December 13, 2013, the remedial period shall not be further extended and shall expire on December 13, 2013. Further, if the Corporation obtains written notice from NEX that it will not provide a waiver of the Price Restriction to permit the Amendment to be implemented, the remedial period shall expire on the 5th business day after such notification by NEX.

In connection with the foregoing, the Corporation has delivered to the Investors lock-up agreements executed by each of the Corporation's directors as shareholders of the Corporation confirming that they shall vote their common shares in favour of the Amendment Agreement if considered by shareholders at a meeting.

Operational Update

The Corporation is also pleased to report the success of the recent testing of well 315 in the East Zhagabulak field.

Well 315 is located on the eastern part of the East Zhagabulak field. Although it was drilled some months ago, testing only recently occurred. Following an acid treatment on well 315, at 16:00 hr on December 1, 2013, this well began to flow. During the 8 hours remaining that day, well 315 produced 64 tons of oil. The choke size was 20 mm. The following day, the choke size was changed to 12 mm, which remains unchanged. Well 315 continue to flow throughout December 2, 3 and 4, 2013. Daily production on December 2 was 129 tons, equivalent approximately to 900 bopd; on December 3, it was 88.5 tons, equivalent to 665 bopd; on December 4, it was 42.6 tons equivalent to 320 bopd. To date a total of 13.5 net metres have been perforated in this well.

Well 306 is located on the southern portion of the East Zhagabulak field. Whilst this well was drilled some months ago, testing did not commence until late in the 3rd quarter of this year. On November 1, 2013, post acidization, a free flow of 49.2 tons was recorded. Oil production continued throughout November, until it was subject to a hydrodynamic test on November 28, 2013. Average daily production throughout November was 40 tons, equivalent to 301 bopd. Post termination of the hydrodynamic test, this well was connected to the pipeline on December 4, 2013 and once again flowing freely.

With the successful testing of wells 315 and 306, the East Zhagabulak field now has three wells in production.

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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, including the failure of the Corporation to obtain any of the necessary exemptions from the NEX, the availability of shareholder approval, and the ability of the Corporation to meet any of the criteria set forth in the Extension Agreement. 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. The Corporation does not undertake to update any forward-looking information, except in accordance with applicable securities laws.