

## **Caspian Energy Inc. Announces Completion of Share Consolidation and Conversion of Debentures**

Calgary, Alberta – February 20, 2014 – Caspian Energy Inc. (“**Caspian**”) (NEX: CEK.H) is pleased to announce the completion of its common share (“**Common Share**”) consolidation (“**Consolidation**”) on the basis of one new common share of Caspian (a “**Post-Consolidation Share**”) for every ten pre-Consolidation Common Shares. The conversion (“**Conversion**”) of Caspian’s amended and restated secured convertible debentures each dated July 8, 2011 (the “**Debentures**”) has also been completed. An aggregate of 108,319,091 post-Consolidation Common Shares were issued to the holders of the Debentures (the “**Holder**s”), namely Meridian Capital International Fund, Firebird Avrova Fund, Ltd. and Firebird Global Master Fund, Ltd.

Maurizio Barnaba and William Ramsay have resigned from Caspian’s board of directors (the “**Board**”) and the Board has appointed Baltabek Kuandykov, Nodir Normatov, Paul Marchand and Ivan S. Andreev as replacement directors. The Chair of the new Board is [Michael Nobbs](#). The voting agreement previously disclosed in Caspian’s February 19, 2014 press release was entered into today.

William Ramsay, Chief Executive of Caspian commented, “It has long been a necessity for Caspian to address its Debentures, the maturity date of which was extended several times. Caspian is pleased that the Holders of the Debentures agreed to pursue the conversion of the Debentures to Common Shares rather than foreclosure options. The result of the conversion is that the “new” Caspian has three significant sector and regional institutional investors holding approximately 64% (Meridian Capital International Fund), 10% (Firebird Avrova Fund, Ltd.) and 10% (Firebird Global Fund, Ltd.) of the Common Shares (these numbers include Common Shares held by the Holders prior to the Conversion), the pre-Conversion shareholders (not including the Holders) owning approximately 16% and Caspian being free from debt. The new Board has a great deal of experience in the oil and gas industry and with investments in Kazakhstan. Caspian is evaluating every aspect of its business, including engaging with its Chinese partners on APC, considering further drilling work based on the extraction theories of Roger Nutt, a petro-physicist who has provided advice to Caspian, in existing and potential wells, and evaluating new opportunities.”

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*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. The Corporation does not undertake to update any forward-looking information, except in accordance with applicable securities laws.*