

Caspian Energy Inc. Executes Agreements with Debentureholders

Calgary, Alberta – January 15, 2014 – Caspian Energy Inc. (the "**Corporation**" or "**Caspian**") (NEX: CEK.H) is pleased to announce that further to its press release of January 10, 2014, it has today executed formal agreements with the holders ("**Holder**s") of its amended and restated secured convertible debentures each dated July 8, 2011 (the "**Debentures**").

A debenture amending agreement has been executed to amend the Debentures (the "**Debenture Amending Agreement**"). The Conversion Price (as defined in the Debentures) will be amended to the price such that, if all outstanding Debentures are converted (the "**Conversion**"), the common shares (the "**Common Shares**") of the Corporation issued upon the Conversion would represent approximately eighty-two and one half percent (82.5%) of the issued and outstanding Common Shares. Caspian shareholders holding Common Shares immediately prior to the Conversion (which includes the Holders and certain of their affiliates) will hold the remaining approximately 17.5% of the Common Shares. Following the Conversion all debt owed to the Holders will have been paid. The deemed price of the Common Shares to be issued on the Conversion will be calculated at a discount from the closing price of the Common Shares on the NEX of \$0.02 on January 9, 2014.

The Conversion is subject to satisfaction to a number of conditions prior to February 20, 2014 (the "**Conversion Date**") including:

- (A) approval by a majority of the disinterested shareholders voting in person or by proxy at the Meeting (as defined below) in respect of the completion of the Conversion (the "**Conversion Approval**");
- (B) the approval by holders of two-thirds of the Common Shares voting in person or by proxy at the Meeting, and the filing, of articles of amendment of the Corporation to give effect to, a consolidation (the "**Consolidation**") of the Common Shares on the basis of ten for one (the "**Consolidation Approval**");
- (C) approval by the NEX board of the TSX Venture Exchange of the issuance of the Common Shares pursuant to the Conversion and related matters under the Debenture Amending Agreement;
- (D) signed resignations and releases from Maurizio Barnaba and William Ramsay (the "**Resigning Directors**") effective on the Conversion Date and a resolution of the board of the Corporation (the "**Board**") appointing, or, if required, approval by holders of a majority of the Common Shares voted in person or by proxy at the Meeting of the election of each of Baltabek Kuandykov, Nodir Normatov, Paul Marchand and Ivan S. Andreev (the "**Appointees**") as replacement directors of the Board effective on the Conversion Date; and
- (E) a voting agreement from the Holders pursuant to which the Holders will agree (i) to vote their Common Shares at the annual meeting of shareholders of the Corporation to be held in 2014 in favour of, at the election of the Holders, one of Brian Korney, Michael Nobbs or Gord Harris, and will agree to not take any action to remove such individual from the Board prior to the first anniversary of the Conversion Date and (ii) for as long as Firebird Global and Firebird Avrora (together with any other investment fund under common management) collectively hold 10% or more of the outstanding Common Shares, to vote their Common Shares at any meeting of shareholders held for the purpose of electing directors in favour of one representative identified by Firebird Global or Firebird Avrora (or any other investment fund under common management).

Caspian and the Holders have also amended the terms of Caspian's previously announced extension agreement dated November 26, 2013 (the "**Extension Agreement**") with the Holders. Pursuant to the Extension Agreement, the Corporation was granted a remedial period providing it with further time to pay all amounts owing under the Debentures. Caspian and the Holders have executed a further extension agreement (the "**Amended Extension Agreement**") pursuant to which the Holders will agree to extend the remedial period to the earlier of (i) February 20, 2014 and (ii) January 29, 2014, if Caspian fails to mail to the shareholders of the Corporation an information circular recommending the Conversion



Approval and the Consolidation Approval and providing for a shareholders' meeting to consider and approve such matters.

Lock-up Agreements have been executed and delivered to the Holders by each of the Corporation's directors as of today's date confirming that he/she shall vote his/her common shares in favour of the Conversion Approval and the Consolidation Approval at any shareholders' meeting convened to consider such matters.

As noted in Caspian's press release of January 10, 2014, a special meeting of Caspian's shareholders has been called for February 19, 2014 to consider the Conversion Approval and Consolidation Approval (the "**Meeting**"). The shareholder vote on the Conversion will be conducted excluding votes of interested shareholders and their affiliates and associates. The Conversion and Consolidation are also subject to the approval of NEX.

Contact Information

Caspian Energy Inc.
William Ramsay
President and Chief Executive Officer
44 (0)773663 1378

Brian Korney
Chief Financial Officer
(403) 513-3375

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 NEX and shareholder approval, and the ability of the Corporation to meet any of the criteria set forth in the Amended Extension Agreement or amendments to the Debentures. 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.

