

**Caspian Energy Inc. Announces Additional Drawdown under Second Tranche of
Previously Announced Loan Agreement and
Provides Operational Update Regarding Aral Petroleum**

Calgary, Alberta – January 21, 2015 – Caspian Energy Inc. (NEX: CKZ.H) ("Caspian") announces that it has drawn down and received the remaining U.S.\$600,000 available under the Second Tranche (as defined below) and that reduced exploration and production is expected from Aral Petroleum Capital LLP ("Aral") in 2015.

Additional Draw Down of Second Tranche

The remaining amounts available under the second tranche of the loan facility (the "Second Tranche") were provided pursuant to the loan agreement (the "Loan Agreement") dated July 7, 2014, as amended November 4, 2014 and December 16, 2014, between Caspian and 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) February 28, 2015; (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 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 has the right to convert its 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\$600,000 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 9,734,571, or approximately 7.24% 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. Assuming all of the amounts advanced today and all amounts previously advanced pursuant to 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.

Caspian has received conditional approval for the Asia Sixth Transaction from the TSX Venture Exchange (the "TSXV"). Such conditions include the receipt of all required approvals from the Kazakhstan government relating to the Asia Sixth Transaction being obtained prior to February 2, 2015. Although closing is expected to occur in the first quarter of 2015, to address the possibility that the conditions specified in the TSXV conditional approval letter are not met by

February 2, 2015, Caspian has applied to the TSXV for an extension of its conditional approval, which may or may not be obtained.

If the Asia Sixth Transaction is completed, the TSXV conditional approval is extended and the conditions specified in the TSXV conditional approval letter are satisfied, all amounts outstanding pursuant to the Loan Agreement will be converted into Common Shares as a condition of closing, and all of Caspian's Common Shares, including those converted pursuant to the Loan Agreement, will become listed on the TSXV.

Meridian and Firebird Aurora 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 agreement on the basis of meeting the financial hardship exemption requirements of MI 61-101.

Operational Update Regarding Aral

Following receipt of a flaring permit and a permit for emissions into the environment from the Kazakhstan government, Caspian announced on September 24, 2014 that Aral had reinstated oil production at the East Zhagabulak field. At such time, management of Aral anticipated aggregate production of approximately 1,300 barrels of oil per day (bopd), with production volumes consistent with those that were encountered before the shutdown of the East Zhagabulak field which occurred in January, 2013.

In light of the recent dramatic drop in oil and gas commodity prices, management of Aral reassessed its production activities and determined to reduce production volumes at East Zhagabulak while prices remain at current levels. As at the date hereof, Aral's daily production volume is approximately 30% of its previously planned amount of 1,300 bopd. Management has determined to put on hold its capital expenditures for the immediate future and to also attempt to reduce corporate overhead.

Management of Aral and the Caspian board of directors continue to assess Aral's planned exploration and development activities for 2015 in the context of prevailing commodity prices. A further update will be provided as additional information becomes available.

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" and include statements relating to planned production and exploration activities of Aral. 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.