

## Caspian Energy Inc. Provides Update

Calgary, Alberta – **July 31, 2013** – Caspian Energy Inc. ("Caspian") (TSX: CEK) is pleased to announce that Aral Petroleum Capital LLP ("APC"), Caspian's 40% owned subsidiary, has received an advance in the amount of USD \$3,000,000 pursuant to the loan agreement between APC and Groenzee B.V. signed in June, 2013. The proceeds of this advance are to be used to test well 316 in West Zhagabulak in accordance with the advice of outside consultant Mr. Roger Nutt. The tender process for this work has been concluded and a suitable bid was received from a prominent contractor.

Mobilization of the rig required for this testing is imminent pending clearance of certain items through customs. The target date to commence the contemplated testing is set for mid August.

In June 2013, Caspian announced that its wholly owned subsidiary, Caspian Energy Ltd. ("CEL"), had amended its loan agreement to permit the drawing of US\$100,000 each month until November, 2013 and to draw an additional US\$1,400,000 as early as December 28, 2013. In accordance with this agreement, CEL has, to date, received \$200,000 toward its corporate overhead expenses.

As previously announced, the holders of Caspian's Amended and Restated Convertible Debentures dated July 8, 2011 (the "**Convertible Debentures**") have agreed to extend the period for Caspian to remedy its failure to pay the principal amount of the Convertible Debentures at maturity, until August 26, 2013. Caspian also continues to work with the Alberta Securities Commission (the "**ASC**") in connection with the cease trade order which has been imposed by the ASC, and has obtained an extension from the Toronto Stock Exchange for the date for the delisting of Caspian's common shares from August 1, 2013 to August 22, 2013. This extension was requested by Caspian in order to allow further time for Caspian to pursue a listing on NEX.

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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 we believe the assumptions used to make such statements are reasonable at this time and have attempted to identify in our 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. We do not undertake to update any forward-looking information, except in accordance with applicable securities laws.*