

Caspian Energy Inc. Announces Drawdown under Previously Announced Loan Agreement

Calgary, Alberta – July 17, 2014 – Caspian Energy Inc. (NEX: CKZ.H) ("Caspian") announces that it has drawn down and received U.S.\$1.5 million under the loan agreement (the "Loan Agreement") that it entered into and announced on July 7, 2014 with its principal shareholders, Meridian International Capital Fund ("Meridian") and Firebird Global Master Fund Holdings, Ltd. and Firebird Avrova Fund, Ltd. (collectively, "Firebird").

As previously announced, interest is payable 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) the later of November 30, 2014 and the termination of discussions in respect of a further transaction specified in the Loan Agreement, (ii) after the execution and delivery of a binding agreement with respect to such further transaction, the termination or non-fulfilment of any conditions specified in such binding agreement, and (iii) the occurrence of an event of default under the Loan Agreement.

Notwithstanding the foregoing, all accrued interest will be forgiven in the event that the full principal amount outstanding is converted to equity prior to the repayment date.

The liabilities under the Loan Agreement are secured by a pledge by Caspian of 100% of the equity interests in its wholly-owned subsidiary, Caspian Energy Limited.

Each of Meridian and Firebird have the right to convert their principal amount from today's advance into common shares of Caspian ("Common Shares") at a conversion price of Cdn. \$0.06 per Common Share, subject to adjustment as provided in the Loan Agreement. If the US\$1.5 million advanced under the Loan Agreement is converted to Common Shares, the number of Common Shares issuable to Meridian and Firebird (using a conversion price of Cdn. \$0.06 and an exchange rate of Cdn.\$1.0677 = US\$1.00) would be 26,692,500, or approximately 20.3% of the issued and outstanding Common Shares as at the date hereof. If Common Shares are issued on conversion of the principal amount of the loan, such shares will be subject to a hold period ending four months and a day from today's date.

The Loan Agreement remains subject to final NEX approval.

For further information, please contact Caspian Energy Inc.:

Brian Korney

Acting Chief Executive Officer and Chief Financial Officer

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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. 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.