

Caspian Energy announces mailing of management information circular relating to its previously announced agreement to acquire the remainder of Aral Petroleum

Calgary, Alberta (Canada) – November 14, 2014 – Caspian Energy Inc. (NEX: CKZ.H) (“**Caspian**” or the “**Company**”) is pleased to announce that it has mailed its management information circular (the “**Circular**”) to the Company’s shareholders (the “**Shareholders**”) with respect to a Shareholder meeting to be held on December 12, 2014 (the “**Meeting**”) pursuant to which, among other things, the Shareholders will be asked to consider, and if deemed advisable, approve the transactions (the “**Transactions**”) contemplated by the previously announced share purchase agreement dated August 1, 2014, as amended November 11, 2014 (the “**Share Purchase Agreement**”) between the Company, its wholly-owned subsidiary Caspian Energy Limited, Asia Sixth Energy Resources Limited (“**Asia Sixth**”), Groenzee B.V. (“**Groenzee**”) a wholly-owned subsidiary of Asia Sixth, and four other parties (“**Investors**”). Pursuant to the Transactions, Caspian will acquire all of the remaining interests in Aral Petroleum Capital LLP (“**Aral**”), the operating entity of the East Zhagabulak oil field in Kazakhstan, not already owned by the Company. In connection with the Transactions, the Investors will be terminating their respective interests in previously executed agreements to acquire interests in Aral. Under the terms of the Share Purchase Agreement, the Company will acquire, in exchange for the issuance of Caspian common shares to Asia Sixth and the Investors, all of Asia Sixth’s interests in Aral (including through Groenzee) and the debt owed by Groenzee to Asia Sixth (being approximately US\$139 million)(collectively the “**Purchased Assets**”).

The aggregate purchase price for the Purchased Assets is US\$47,114,778. Assuming (i) the full draw down of the US\$3 million convertible loan facility provided by Meridian Capital International Fund (“**Meridian**”) and Firebird Global Master Fund Holdings, Ltd., Firebird Avrova Fund, Ltd., Firebird Republics Fund, Ltd., Firebird New Russia Fund, Ltd. and Firebird Fund L.P. (collectively, “**Firebird**”) pursuant to a loan agreement dated July 7, 2014 as amended on November 4, 2014, and (ii) the conversion of such convertible loan amount into common shares of Caspian, at Closing (as defined below), it is expected that nominees of Asia Sixth will be issued 162,743,814 common shares and the Investors will be issued in the aggregate 115,450,742 common shares (based on an exchange rate of \$1.00 US dollar to \$1.0677 Canadian dollars for the drawdown of the first US\$1.5 million and an exchange rate of \$1.00 US dollar to \$1.1357 Canadian dollars for the second US\$1.5 million). The shares will be issued at an average price of US\$0.17 per share. Immediately upon the completion of the Transactions (“**Closing**”), Sixth Energy Limited (“**Sixth Energy**”) and Excellent Harvest Holdings Ltd. (“**Excellent Harvest**”) (parent companies to Asia Sixth) as the nominees of Asia Sixth, will own directly and indirectly 33.4% and 1.7% of all issued and outstanding shares of Caspian, respectively. Meridian and Firebird will own 26.5% and 8.8% of Caspian, respectively, and the Investors will own, in the aggregate, 24.9%.

The Share Purchase Agreement contains a condition precedent in favour of Caspian that Sixth Energy and Meridian will on Closing provide a secured loan facility (the “**Loan Facility**”) of up to US\$21.5 million to Aral. Effective November 11, 2014, the parties amended the Share Purchase Agreement to provide, among other things, that the Loan Facility will be increased to US\$61.5 million. The Loan Facility will be secured by, *inter alia*, share pledges over the entirety of the Company’s direct and indirect interests in Aral in favour of the lenders on a pro-rata basis. Funding of the Loan Facility is subject to a number of conditions.

Sixth Energy, as nominee of Asia Sixth, will also be granted convertible securities of Caspian at the date of Closing. Such convertible securities are only exercisable by Sixth Energy upon the exercise or conversion of convertible securities previously issued by Caspian prior to the execution of the Share Purchase Agreement and will be subject to dilution following subsequent share issuances by the Company and other specified dilutive events post-Closing. If all the convertible securities granted were exercised by Sixth Energy, Sixth Energy will hold a 35.8% interest in the Company.

Caspian has received conditional approval for the Transactions from the TSX Venture Exchange (the "TSXV"). Such conditions include, among other things, approval of the Transactions by the Shareholders at the Meeting and all required approvals from the Kazakhstan government relating to the Transactions being obtained. If the Transactions are completed and the conditions specified in the TSXV conditional approval letter are satisfied on or prior to February 2, 2015, the Company's common shares will become listed on the TSXV.

Pursuant to the Share Purchase Agreement, Closing is also subject to conditions including but not limited to:

- Caspian having received the required Shareholder approval;
- The approval by the Kazakh government for the acquisition of the Aral interests;
- The execution of a shareholders' agreement among Caspian, Sixth Energy and Meridian governing certain matters relating to Caspian;
- The termination of previous agreements made directly or indirectly by Asia Sixth and the Investors; and
- Customary regulatory approvals and other closing conditions.

The parties intend to amend the Share Purchase Agreement to provide that Closing will also be subject to:

- The execution of the financing documents providing for the US\$61.5 million Loan Facility; and
- Meridian and Firebird having converted the balance outstanding on the loan facility of up to \$3 million created on July 7, 2014 and as amended on November 4, 2014 into common shares of Caspian.

The Transactions must be approved by an affirmative vote of at least a simple majority of the votes cast by all Shareholders entitled to vote at the Meeting, present in person or represented by proxy at the Meeting, after excluding votes cast in respect of common shares held by any party whose votes may not be included in determining minority approval pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* and the requirements of the TSXV. The Company's board of directors (the "**Board**") has unanimously (with conflicted directors abstaining) approved the Share Purchase Agreement and the Transactions and the Board recommends that Shareholders vote in favour of the SPA Resolution (as described in the Circular).

Pursuant to the shareholders' agreement to be entered as a condition of Closing, Sixth Energy and Meridian will each be entitled to nominate two nominees to the Board and will be

entitled to agree on three nominees in consultation with management, at least two of whom are to be independent. The shareholders' agreement will also provide that the approval of each of Sixth Energy and Meridian will be required for certain fundamental matters affecting the governance of the Company and its subsidiaries.

Copies of the Circular and the Share Purchase Agreement are available on Caspian's SEDAR profile at www.SEDAR.com.

Michael Nobbs, the Chairman of the Board, stated "the completion of the Transactions will represent a significant milestone on the Company's journey back to having a stronger balance sheet and renewed activity on the North Block. In a short time, we have successfully eliminated the Company's past due debts at the corporate level by the conversion of approximately US\$14 million in debentures to equity and we have arranged for the provision of short-term funding to satisfy historical liabilities and keep the Company moving forward. If completed, the Transactions will consolidate the fragmented ownership and operation of Aral, our Kazakh subsidiary, into one publically listed company, Caspian. By completing the Transactions, the Company will gain a substantial and experienced cornerstone investor in Asia Sixth, and Aral will gain access to a new US\$61.5 million three year term loan from Meridian and Sixth Energy which we believe will, subject to the satisfaction of certain conditions, enable Aral and Caspian to fund certain operating and capital expenditures as well as repay historical obligations. Operations have commenced to open up existing wells to production and anticipated future cash flow, and in September, oil production was reinstated at the East Zhagabulak field. Upon completion of the Transactions and final approval from the TSXV, the Company's common shares will trade on the TSXV which we believe will also give Shareholders increased liquidity. We welcome our new investor, Asia Sixth which joins our existing cornerstone investors, Meridian and Firebird, and look forward to being able to make further announcements of activity as these are determined by the Board."

For further information, please contact:

DF King Canada, Caspian's proxy solicitation agents, at 1-800-294-4817 (Toll Free in North America) or 201-806-7301 (Collect outside North America) or by email at inquiries@dfking.com; or

Caspian Energy Inc.:

Brian Korney, Acting Chief Executive Officer and Chief Financial Officer, at 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" and include statements relating to the completion of the transactions contemplated by the Share Purchase Agreement. 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 including statements relating to receipt of regulatory approvals and the satisfaction of all other conditions to the Share

Purchase Agreement 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. The timing and completion of the transactions contemplated by the Share Purchase Agreement are subject to certain conditions, termination rights and other risks and uncertainties. Accordingly, there can be no assurance that the transaction will occur, or that it will occur on the timetable or on the terms and conditions contemplated. 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.