



2 October 2009

ASX/MEDIA RELEASE

PLACEMENT & SHARE PURCHASE PLAN

The Directors of Caspian Oil & Gas Limited (ASX: CIG, "Caspian") are pleased to advise completion of a placement of 158,260,933 shares to raise \$2,373,914 (Placement). The share placement was undertaken by lead manager Patersons Securities Limited to a group of institutions and professional investors, with demand from these investors well in excess of the securities on offer.

Additionally, Patersons Securities Limited will act as lead manager to a Share Purchase Plan (SPP). Under the SPP all eligible shareholders will have the opportunity to subscribe for up to \$15,000 worth of fully paid ordinary shares. New shares under the SPP will be offered at the same price as the Placement, being 1.5 cents per share, subject to appropriate waivers being granted by ASX. No brokerage, commission or other transaction costs apply to applicants for the shares issued under the SPP.

The SPP is proposed to be capped at 150,000,000 shares to raise up to \$2,250,000.

The offer is open to all holders of fully paid ordinary shares registered on the Company's share register at the record date of 14 October 2009, with a registered address in Australia and New Zealand. The Board has taken this step to provide an opportunity for shareholders to increase their participation in the future growth of the Company on similar terms to those of the Placement.

Monies raised through the Placement and SPP will be used to fund the drilling of East Mailisu -1, drilling additional production wells in the Mailisu oil project and to augment working capital.

The timetable for the Share Purchase Plan is as follows:

Record Date to determine Entitlements to the SPP	14 October 2009
Despatch of SPP offer documents*	19 October 2009
Opening Date for SPP*	19 October 2009
Closing Date for SPP*	6 November 2009
Allotment and issue of shares*	13 November 2009

Graeme Parsons
Chief Executive Officer

* Indicative dates, subject to granting of appropriate waivers by ASX.