

**New issue announcement,
application for quotation of additional securities
and agreement**

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

CASPIAN OIL & GAS LIMITED

ABN

44 065 212 679

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Unlisted options to acquire ordinary fully paid shares. |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 400,000 unlisted employee options. |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Refer to Appendix 1 for option terms and conditions. |

4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

Options are in an unquoted class.

5 Issue price or consideration

Options have been issued free of charge to an employee as part of his remuneration package.

6 Purpose of the issue
(If issued as consideration for the acquisition of assets, clearly identify those assets)

See 5 above.

7 Dates of entering +securities into uncertificated holdings or despatch of certificates

9 November 2010.

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	1,331,500,513	Ordinary fully paid Shares

	Number	+Class
9	850,000	Options exercisable at 10 cents each between 1/07/2008 and 31/12/2010
	1,300,000	Options exercisable at 10 cents each during exercise periods ranging between 1 July 2009 and 31 December 2011
	2,000,000	Options exercisable at 10 cents each on or before 31/05/2011
	2,000,000	Options exercisable at 12 cents each on or before 31/05/2011
	8,100,000	Options exercisable at 3 cents each between 1 January 2010 and 31 December 2010
	6,500,000	Options exercisable at 3 cents each on or before 31 October 2013
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No plans to pay dividends at this stage.

Part 2 - Bonus issue or pro rata issue

Not Applicable

- | | | |
|----|---|--|
| 11 | Is security holder approval required? | |
| 12 | Is the issue renounceable or non-renounceable? | |
| 13 | Ratio in which the +securities will be offered | |
| 14 | +Class of +securities to which the offer relates | |
| 15 | +Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |
| 18 | Names of countries in which the entity has +security holders who will not be sent new issue documents

<small>Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.</small> | |
| 19 | Closing date for receipt of acceptances or renunciations | |
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | |

- 25 If the issue is contingent on +security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do +security holders sell their entitlements *in full* through a broker?
- 31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a)

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000
 - 1,001 - 5,000
 - 5,001 - 10,000
 - 10,001 - 100,000
 - 100,001 and over

- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

upon conversion of another security, clearly identify that other security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty.

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: .
(Company secretary)

Date: 15 November 2010

Print name: Susmit Shah

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APPENDIX 1

Caspian Oil & Gas Limited

Employee Option Terms

1. Each Option entitles the holder to subscribe for and be allotted one ordinary share (Share) in Caspian Oil & Gas Limited at an exercise price of \$0.03 per Option.
2. The Options are exercisable on or before 31 October 2013 by notice in writing to the Directors accompanied by payment of the exercise price of \$0.03 per share.
3. Any Options not exercised by 5.00 pm Australian Western Standard Time on 31 October 2013 (Expiry Date) will lapse.
4. The Options must not be assigned, transferred or otherwise dealt with except with the approval of the Board or in the case of a takeover offer or a Scheme of Arrangement.
5. The Options will not be listed on The Australian Securities Exchange (ASX), although the Company will apply for the official quotation of any shares which are issued as a result of exercise of Options.
6. If an optionholder ceases employment with the Company or otherwise ceases to provide services to the Company, Options held at that time will lapse unless exercised within thirty days of cessation of employment (or cessation of service), except where the employment/service has ceased as a result of special circumstances such as death or disablement, or with the approval of the Board of Directors of the Company.
7. Shares allotted and issued pursuant to the exercise of an Option will be allotted and issued not more than 10 business days after receipt of a properly executed notice of exercise of the Option and payment of the requisite application moneys.
8. All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's fully paid ordinary shares.
9. There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered or made to shareholders during the currency of the Options unless they exercise their Options prior to the date for determining entitlements to participate in any such issue.
10. There are no rights to a change in exercise price, or in the number of Shares over which the Options can be exercised, in the event of a bonus issue by the Company prior to the exercise of any Options.
11. In the event of any reorganisation of the issued capital of the Company on or prior to the Expiry Date, the rights of an option-holder will be changed to the extent necessary to comply with the applicable ASX Listing the name of the optionholder, the number of Options held and the number of securities to be issued on exercise of the Options, the exercise price, the due date for payment and the consequences of non-payment.