

Caspian Holdings Plc

25 May 2012

Caspian Holdings Plc ("Caspian" or the "Company")

Caspian to Acquire New Tungsten and Gold Assets in Portugal **Proposed Change of Name and Notice of AGM**

Caspian Holdings Plc (AIM:CSH) announces the acquisition of Australian Iron Ore Plc (AIO) and its 100% owned subsidiary Iberian Resources Portugal Recursos Minerais Unipessoal LDA (IRP) for a consideration of €1 million.

The acquisition delivers new tungsten development and exploration assets in Portugal to the Company complementing the near term tungsten production and exploration at La Parrilla in Spain and an additional opportunity in gold exploration.

IRP has been operating in Portugal since 2007 and has three assets:

- **Régua tungsten permit**, which has an existing JORC resource of 3.4 million tonnes grading 0.37% WO₃;
- **Tarouca exploration licence** which includes the former Tarouca tungsten mine and several other tungsten and/or tin deposits; and
- **Portalegre gold exploration licence** comprising two adjacent exploration licences. Exploration drilling is currently under way and approximately 1000m has been drilled during 2012

As a result of the acquisition of AIO, Caspian will own/have rights to four tungsten projects and the prospective Portalegre gold exploration property:

- 100% ownership of the La Parrilla tailings deposit targeting first production in 2013
- An option to acquire 100% of the La Parrilla mine currently undergoing extension drilling
- 100% ownership of the high grade Régua tungsten deposit
- 100% ownership of the Tarouca tungsten exploration licence containing old tungsten mine workings
- 100% ownership of the two Portalegre gold exploration licences currently being drilled.

The acquisition expands Caspian's focus on Tungsten in the Iberian peninsula while adding an option for gold exploration at a time of high gold prices and European financial uncertainty.

Since 2007, €1.4 million has been spent on Régua and €638,000 has been spent on Portalegre from 2006 to the end of 2011. On 4 January 2009 AIO purchased 100% of the share capital of IRP. AIO/IRP has cash in bank deposits of €210,000 supporting guarantees on the 4 licence areas.

Consideration

The Company now proposes to acquire the entire issued share capital of AIO for a consideration amounting to €1 million to be satisfied by the issue of 269,300,000 Ordinary Shares at 0.30p per Ordinary Share. The directors will seek authority to issue such shares at the forthcoming AGM.

Related Party

Michael Masterman controls 100% of Australia Iron Ore Plc, and as such the acquisition of AIO by the Company constitutes a related party transaction under the AIM Rules. The Independent Directors consider, having consulted with the Company's Nominated Adviser, that the terms of the transaction are fair and reasonable insofar as its shareholders are concerned.

Following the completion of the acquisition of AIO, Michael Masterman, along with related parties will be interested in 713,174,010 Ordinary Shares in the Company representing an interest of 57.60% in the total voting rights of the Company.

City Code

The Company is not subject to the City Code and consequently, Michael Masterman, a Director of the Company, may acquire over a 30% interest in securities in the Company without being required to make a mandatory offer to Shareholders, as is normally required under the City Code.

Proposed Change of Company Name

The Board has determined that the business would benefit from a change of name as the Company no longer operates in the Caspian region, therefore the Directors believe that this name is no longer appropriate and have proposed the name "W Resources Plc" as an alternative.

Annual General Meeting

The Company announces that a notice of Annual General Meeting will be sent to shareholders of the Company today.

The Annual General Meeting of the Company has been called for 11.00am on 22 June 2011 at 18b Charles Street, Mayfair, London.

The notice and proxy for the Annual General meeting are available to download from the Company's website www.caspianoil.co.uk

2011 Annual Report

Caspian Holdings Plc advises that the 2011 Annual Report of the Company for the year ended 31 December 2011 will be posted to shareholders today.

The annual report is also available on the Company's website www.caspianoil.co.uk

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About Iberian Resources Portugal

IRP has been operating in Portugal since 2007 and has three assets:

Portalegre gold exploration licence (which comprises of two adjacent exploration licences) covers an area of 101.7km², and is located around 200km east of Lisbon. Exploration drilling is currently under way and almost 1000m has been drilled during 2012.

Régua tungsten development has a resource of 3.4 million tonnes grading 0.37% WO₃ covering an area of 8km², and located 400km North of Lisbon and 95km East of Porto, in the municipality of the town of Armamar. The deposit has not been previously mined and is located close to infrastructure with good road access.

Tarouca exploration licence which includes the former Tarouca tungsten mine and several other tungsten and/or tin deposits covers an area of 48 km² is located 400 km North of Lisbon and 140km East of Porto, in the municipality of the town of Tarouca.

About La Parrilla

The La Parrilla project site is situated in the Extremadura region of southwest Spain, in the Provinces of Caceres-Badajoz, approximately 310 km southwest of Madrid. The site is accessed directly from the highway along a 3km asphalt road and is serviced by electricity and water. The project comprises a tungsten mine and a tungsten tailings project. The historic mine resource estimated by SRK in 2008 is 36.0m tonnes at 0.09% WO₃ making it one of the largest tungsten deposits in the western world.

The technical design of the La Parrilla tailings project has now been finalised and approval documents submitted to the mining authorities. All approvals are expected to be granted by the end of Q3 2012. Annual plant feed will be 330,000 tonnes and annual production is anticipated to be 28,000 MTU Tungsten (W) and 26 tonnes Tin (Sn), which will deliver over €7million per annum in revenue at current tungsten and tin prices. The tailings project is expected to be in production in H2 2013.

The price of tungsten has increased rapidly over the last 3 years by more than double. The La Parrilla tailings deposit and tungsten mine development offer a low cost, high margin resource development opportunity for Caspian.