15 June 2005

CASPIAN ENERGY INC.

Caspian Energy Inc. announces results

Caspian Energy Inc. (the "Company" or "CEK") (TSX and AIM: CEK) announced today its financial results for the three months commencing February 1, 2005 and ending April 30, 2005 (1Q 06). Its unaudited consolidated financial statements for the period and related management's discussion and analysis have been filed with Canadian securities regulatory authorities and are available for viewing at www.sedar.com. All amounts are expressed in Canadian dollars unless otherwise indicated.

For 1Q 06, CEK's net loss was $1,017,293. Large non-cash items equal to $424,078 relating to stock-based compensation charges and $542,351 pertaining to unrealized foreign exchange losses contributed to this figure.

CEK's operations used $16,751 in cash for 1Q 06. The Company's working capital was $31.5 million at the close of the quarter.

Oil and gas revenues before transportation costs for 1Q 06 were $596,970.

For the period, operating costs were $341,818 ($10.89/boe) and transportation expenses were $3,918 ($0.12/boe). Administrative expenses for the quarter were $709,438.

Capital expenditure totaled $3,155,146, for the period. Capital expenditure is composed of advances to Aral Petroleum Capital joint venture and the Company's share of the expenditure of funds by Aral.

Caspian's first exploration well, East Zhagabulak #301, is expected to spud during June 2005 and is in the same geological trend as the Company's currently producing well, EZ #213. The drilling location has been constructed and the drilling rig is being mobilized to the site. All of the material, equipment and personnel for the drilling program are in Kazakhstan. This well is expected to cost in the range of US$6.8 million to US$9.2 million and to reach a depth of 5,000 metres.

The Company is an oil exploration and development corporation operating in the Republic of Kazakhstan.

For further information contact:

Caspian Energy Inc.
William Ramsay
President and Chief Executive Officer
00 7 3272 54 31 27

Bell Pottinger Corporate and Financial
Geoff Callow
020 7861 3232

CAUTIONARY NOTE

Some of the statements and information contained in this news release may include certain estimates, assumptions and other forward-looking information. The actual performance, developments and/or results of the Company may differ materially from any or all of the forward-looking statements, which include current expectations, estimates and projections, in all or in part attributable to general economic conditions, and other risks, uncertainties and circumstances partly or totally outside the control of the Company, including oil prices, imprecision of reserve estimates, drilling risks, future production of gas and oil, rates of inflation, changes in future costs and expenses related to the activities involving the exploration, development, production and transportation of oil, hedging, financing availability and other risks related to financial activities, and environmental and geopolitical risks. Further information which may cause results to differ materially from those projected in the forward-looking statements is contained in the Company's filings with Canadian securities regulatory authorities. The Company disclaims any intention or obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES.

REVIEW OF OPERATIONS

Caspian has a 50% indirect interest in Aral Petroleum Capital LLP ("Aral"), through which it has the right to explore and develop certain oil and gas properties known as the North Block, a 2,348 square kilometre area, located in the vicinity of the Kazakh pre-Caspian basin. Caspian has a temporary 100% beneficial interest in the currently producing well (EZ #213) of Aral. On February 18, 2005, the first extension of the "2 + 2 years" option pursuant to the exploration contract (see below) was approved by the Republic of Kazakhstan ("ROK") covering the 2006 and 2007 calendar years. During March 2005, Aral was awarded the exploration rights over an additional 1,110 square kilometre area adjacent to the north and west portions of the North Block.

Funds raised by the Company are used to discharge the obligations of Aral relating to a minimum work program pursuant to an exploration contract dated December 29, 2002 that Aral entered into with the Ministry of Energy and Mineral Resources - ROK. Under the terms of the work program, Aral has agreed to spend a minimum of US$20.8 million during the initial three year term of the exploration contract, of which US$3.7 million remains to be expended in the calendar year 2005. The expenditures include such things as processing and reinterpretation of geological and geophysical data of prior years, two dimensional and three dimensional seismic shoots and surveys, drilling exploration wells, well reactivations and well surveys and testing.

Under the terms of a shareholders' agreement dated June 25, 2004, as amended, between Caspian, Azden Management Ltd. ("Azden") and Aral, Caspian is obligated to fund this initial work program. Further, under the terms of this same agreement, Caspian has committed to use all reasonable commercial efforts to raise financing of US$84.0 million to fund the operations of Aral under the exploration contract. Funds are transferred to Aral via monthly instalments. The Company's strategy is to focus on the operations of Aral and the significant opportunity it presents in the North Block.

Terms of Aral's exploration contract include a 3% royalty during the pilot phase, a 10% fee, based upon sales, after VAT (value-added tax), a 30% corporate income tax and the liability for an excess profits tax based upon a sliding scale.

Caspian accesses western capital markets and utilizes western technology to explore and exploit Kazakh assets. The proceeds of the capital issues during the period are being used to fund the exploration program and support pilot production. The operational strategy of the Company is as follows:

- To prove-up the maximum amount of reserves with the minimum number of wells
- To utilize 3-D seismic and international standards and evaluation technology
- To focus initially on the Zhagabulak area in the North Block, where the pilot production exists, and then move to other areas within the North Block
- To position the Company to maximize value to the investor through sales of discovered fields, selected developments, or sale of the North Block

To date, the initial 3-D seismic program covering 400 square kilometres is complete and 140 square kilometres have been processed and interpreted indicating a significant structure and several drilling locations. The full extent of the structure will be determined after the complete data set is interpreted in August 2005. Two 5,000 metre exploration wells are planned for Zhagabulak. The first exploration well, East Zhagabulak #301, is expected to spud during June 2005 and is in the same geological trend as the Company's currently producing well, EZ #213. The drilling location has been constructed and the drilling rig is being mobilized to the site. All of the material, equipment and personnel for the drilling program are in Kazakhstan. The wells are expected to cost in the range of US$6.8 million to US$9.2 million depending upon the outcome.

The Company's common shares trade on the Alterative Investment Market (AIM) of the London Stock Exchange and the Toronto Stock Exchange under the symbol CEK.

Consolidated Balance Sheet (Unaudited)

For the three months ended April 30, 2005

	April 30, 2005 $	January 31, 2005 $
Assets		
Current assets		
Cash and cash equivalents	38,039,859	43,066,470
Accounts receivable	135,801	181,387
Prepaids and other deposits	1,616,311	486,992
Other assets	11,731	11,731
	39,803,702	43,746,580
Property, plant and equipment (note 3)	43,574,678	40,419,409
Less: Accumulated depletion and depreciation	(112,088)	(76,139)
	43,462,590	40,343,270
	83,266,292	84,089,850
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	947,055	1,366,096
Loan payable (note 7)	7,395,924	7,336,841
	8,342,979	8,702,937
Asset retirement obligation (note 4)	70,352	70,540
Future income taxes	642,663	644,376
	9,055,994	9,417,853
Shareholders' Equity		
Share capital (note 5)	75,507,794	75,376,278
Warrants to purchase common shares (note 6)	667,738	667,738
Contributed surplus (note 6)	4,053,514	3,629,436
Deficit	(6,018,748)	(5,001,455)
	74,210,298	74,671,997
	83,266,292	84,089,850

Consolidated Statement of Loss and Deficit (Unaudited)

For the three months ended April 30, 2005

	Three months ended April 30, 2005 $	Period from April 13, 2004 to April 30, 2004 $
Revenue		
Oil and gas revenue, net	594,652	-
Interest	443,771	-
	1,038,423	-
Expenses		
General and administrative	709,438	390,047
Operating	341,818	-
Transportation	3,918	-
Stock-based compensation (note 6)	424,078	-
Unrealized foreign exchange loss	542,351	-
Depletion, depreciation and accretion	35,826	-
	2,057,429	390,047
Loss before income taxes	(1,019,006)	(390,047)
Future income taxes (recovery)	(1,713)	-
Net loss for the period	(1,017,293)	(390,047)
Deficit – Beginning of period	(5,001,455)	-
Deficit – End of period	(6,018,748)	(390,047)
Basic and diluted loss per share (note 5)	(0.01)	(0.01)

Consolidated Statement of Cash Flows (Unaudited)

For the three months ended April 30, 2005

	Three months ended April 30, 2005 $	Period from April 13, 2004 to April 30, 2004 $
Cash provided by (used in)		
Operating activities		
Net loss for the period	(1,017,293)	(390,047)
Items not affecting cash		
Stock-based compensation	424,078	-
Unrealized foreign exchange loss	542,351	-
Depletion, depreciation and accretion	35,826	-
Future income taxes (recovery)	(1,713)	-
	(16,751)	(390,047)
Changes in non-cash working capital balances	45,586	-
	28,835	(390,047)
Financing activities		
Loan payable	59,083	-
Foreign exchange	(542,351)	-
Issuance of common shares	135,300	13,001,478
Share issue expenses	(3,784)	(11,174)
	(351,752)	12,990,304
Investing activities		
Acquisition of property, plant and equipment	(3,155,146)	(12,878,063)
Asset retirement	(188)	-
Changes in non-cash working capital balances	(1,548,360)	402,126
	(4,703,694)	(12,475,937)
(Decrease) increase in cash and cash equivalents	(5,026,611)	124,320
Cash and cash equivalents – Beginning of period	43,066,470	-
Cash and cash equivalents – End of period	38,039,859	124,320
Interest paid and received		
Interest paid	-	-
Interest received	259,016	-