



CASPIAN ENERGY INC.



CASPIAN ENERGY INC.

Corporate Information

- New company: Western technology and financing and Kazakh assets
- Caspian Energy Ltd. acquired 50% interest in Aral Petroleum Capital in June 2004
- Aral Petroleum Capital has the subsurface contract for 3,458 sq km of the “North Block”
- Remaining 50% owned by Azden Management
- Caspian is listed on Toronto Stock Exchange and London AIM, CEK



Corporate Information

Key Management:

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- **William Ramsay, Chief Executive Officer and Aral Chairman of the Board**, over 20 years experience in Asian Capital Markets with Warburgs, Baring International Investment Management and Jardine Fleming Securities, specialized in private-equity investment in oil and gas in Kazakhstan since 1997, former Chairman of Nelson Resources, 9 years in Kazakhstan.
- **Charles Summers, Chief Operating Officer and Aral General Director**, over 35 years in the oil and gas industry, previously General Manager of Kerr-McGee's Kazakhstan and Russian Business Unit; former President of Kazakhstan Petroleum Association, 11 years in Kazakhstan.
- **Kenneth W. Hopkins, Director of Exploration**, 25 years in the oil and gas industry; 17 years as production and exploration geoscientist for Oryx Energy Company, Chief Technical Advisor to the International Operations Advisory Group; previously Senior VP of Orient Petroleum (Central Asia) Ltd. Kazakhstan operations, 13 years in Kazakhstan.
- **Brian Korney, Chief Financial Officer**, Chartered Accountant and Notary Public, with 28 years of post-qualifying experience in the petroleum and natural gas exploration, development and production business.
- **Adil Mukhamedzhanov, VP Finance of Aral**, representative of Azden Management, previously worked in KazTransOil in project management department, graduated from Nottingham University: Finance Accounting and Management; and from Kazakhstan Economic University: International Economics.



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Corporate Information

Strategy:

- **Prove up the maximum amount of reserves with the minimum number of wells**
- **Utilize modern seismic, evaluation, drilling and completion technology;**
 - *First 3D, 406 sq. km., Zhagabulak Area*
 - *Second 3D, 235 sq. km., Baktygaryn Area, interpreted data June 06*
 - *2D Regional programme, 367 km, interpreted data June 06*
 - *Reprocessing Soviet era 2D seismic to aid in identifying third 3D seismic acquisition area outside of Zhagabulak and Baktygaryn.*
- **Focus initially on Zhagabulak, move to other areas within the North Block;**
 - **Wells for Zhagabulak,**
 - *Well 301 spud, 16 July, 2005*
 - *Well 302 spud 25 Dec, 2005*
 - *Well 303 will spud in May 2006*
 - **Capital Workovers, and Re-entries**
 - *EZ 213, add perms and stimulate*
 - *EZ 211, under consideration*
 - *EZ 216, under consideration*
 - **Current Production**
 - *1250 bopd*
- **Position the Company to maximize the value to the investor, through sales of discovered fields, selected developments, or sale of the Block**



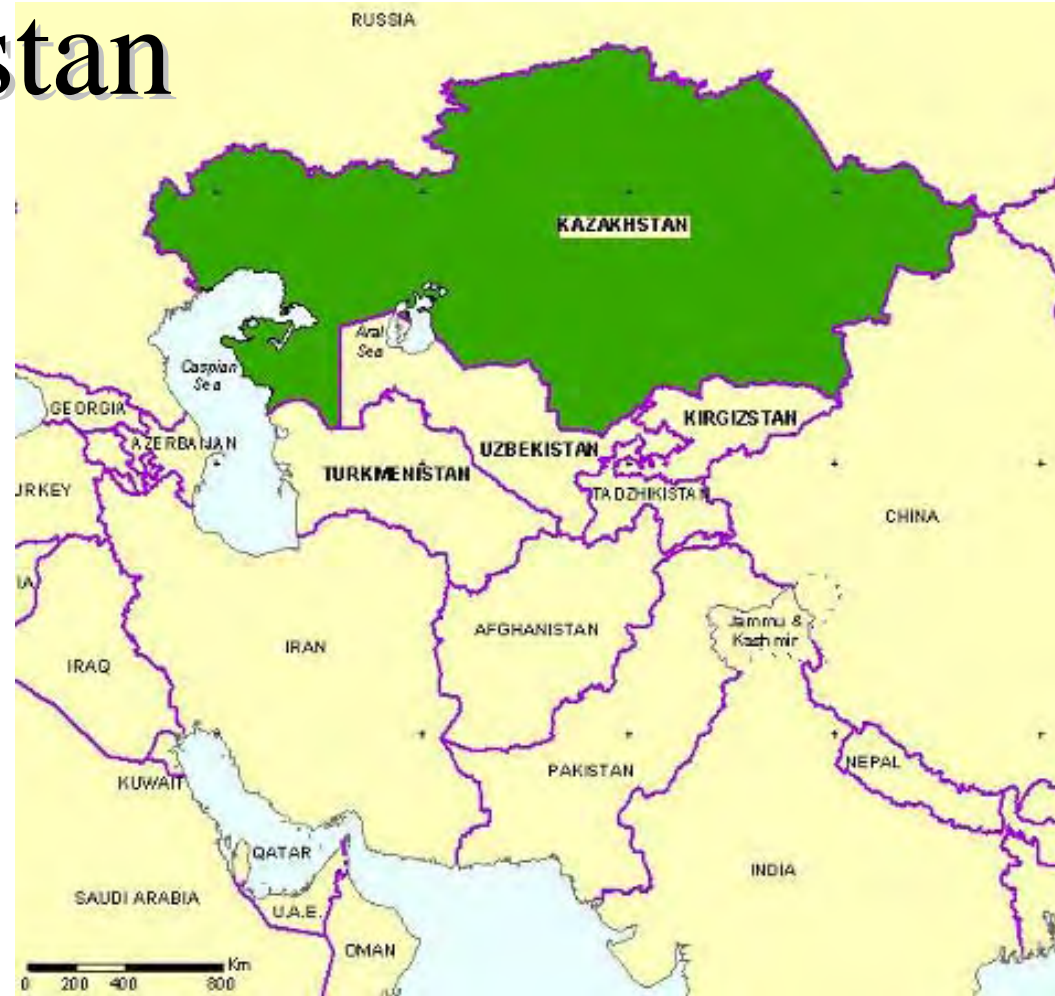
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OVERVIEW



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Kazakhstan



- Independent republic state.
- Chevron, Exxon Mobil, Agip, BG, Total, and other major oil and gas groups are active in the region.
- Reserves of 31.0 billion barrels of oil and condensate and 53.0 trillion cubic feet of gas, WoodMac.
- Production in 2005 was about 1.53 million bopd and 1.77 bcfcpd, WoodMac.
- The Pre-Caspian Basin is highly prospective and poorly explored.
- Underdeveloped Export Pipeline Infrastructure.



Pipeline Infrastructure

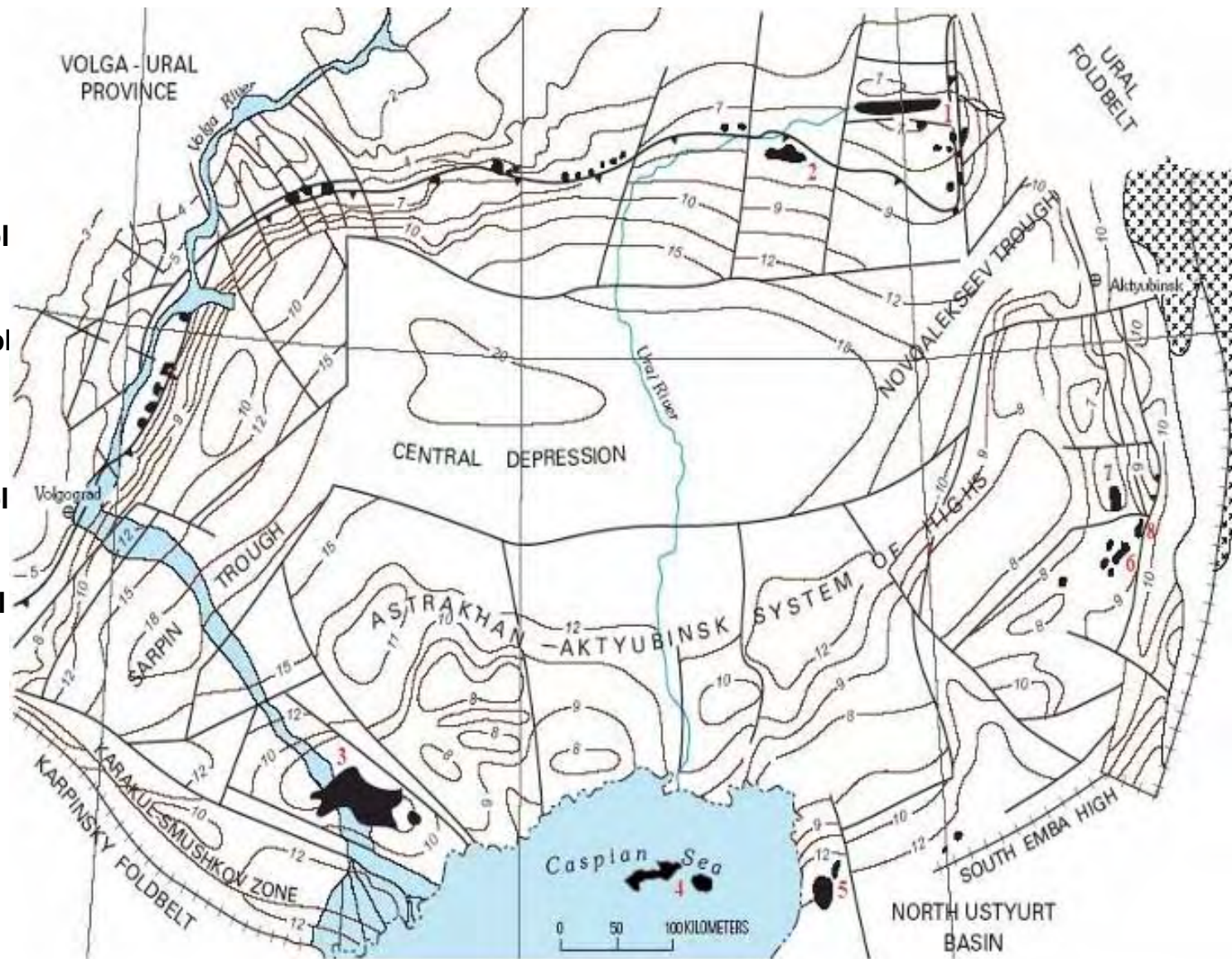
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Pre-Caspian Basin



1. ORENGBURG	4,542 MMbbl
	68,121 bcf
2. KARACHAGANAK	2,753 MMbbl
	18,069 bcf
3. ASTRAKHAN	124,000 bcf
4. KASHAGAN	13,900 MMbbl
	16,847 bcf
5. TENGIZ	9,220 MMbbl
	9,251 bcf
6. ZHANAZHOL	848 MMbbl
	1,319 bcf
7. KENKIYAK	500 MMbbl
	101 bcf
8. ALIBEKMOLA	210 MMbbl
	281 bcf

Reserve estimates for Astrakhan from Astrakhangazprom JSC, all others WoodMac.



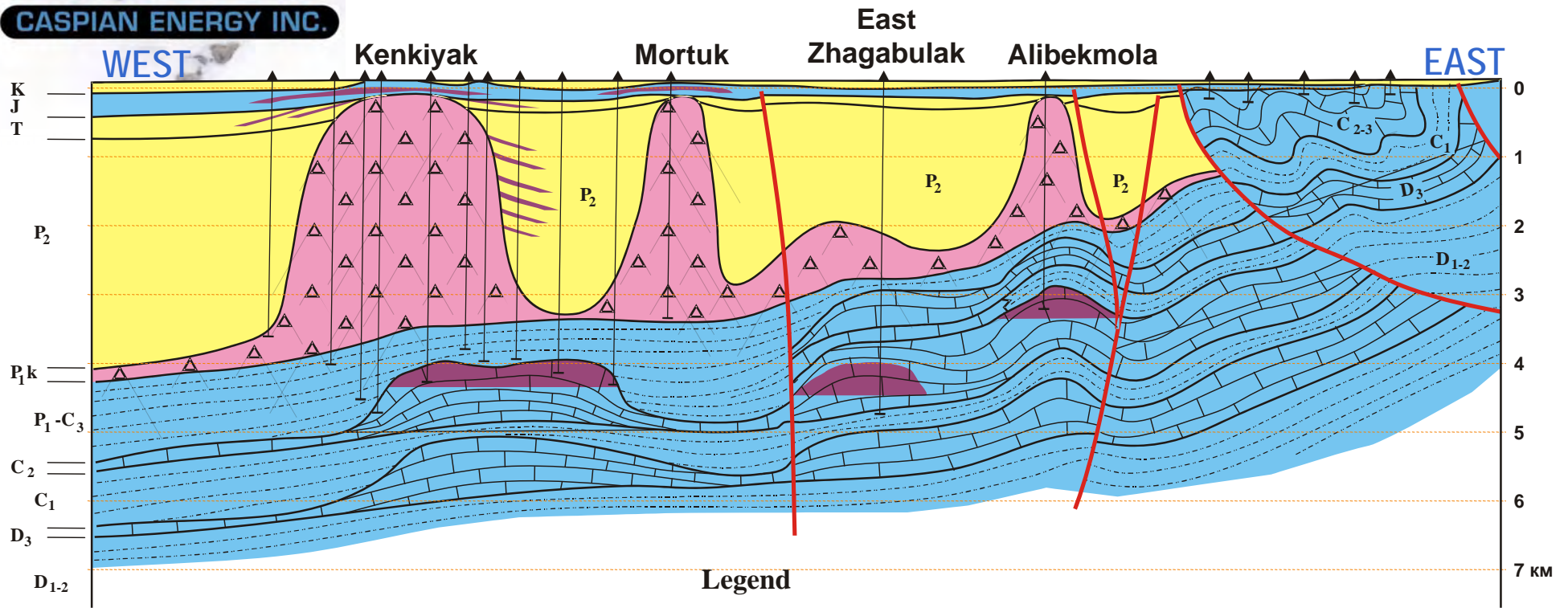
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NORTH BLOCK



North Block Cross Section

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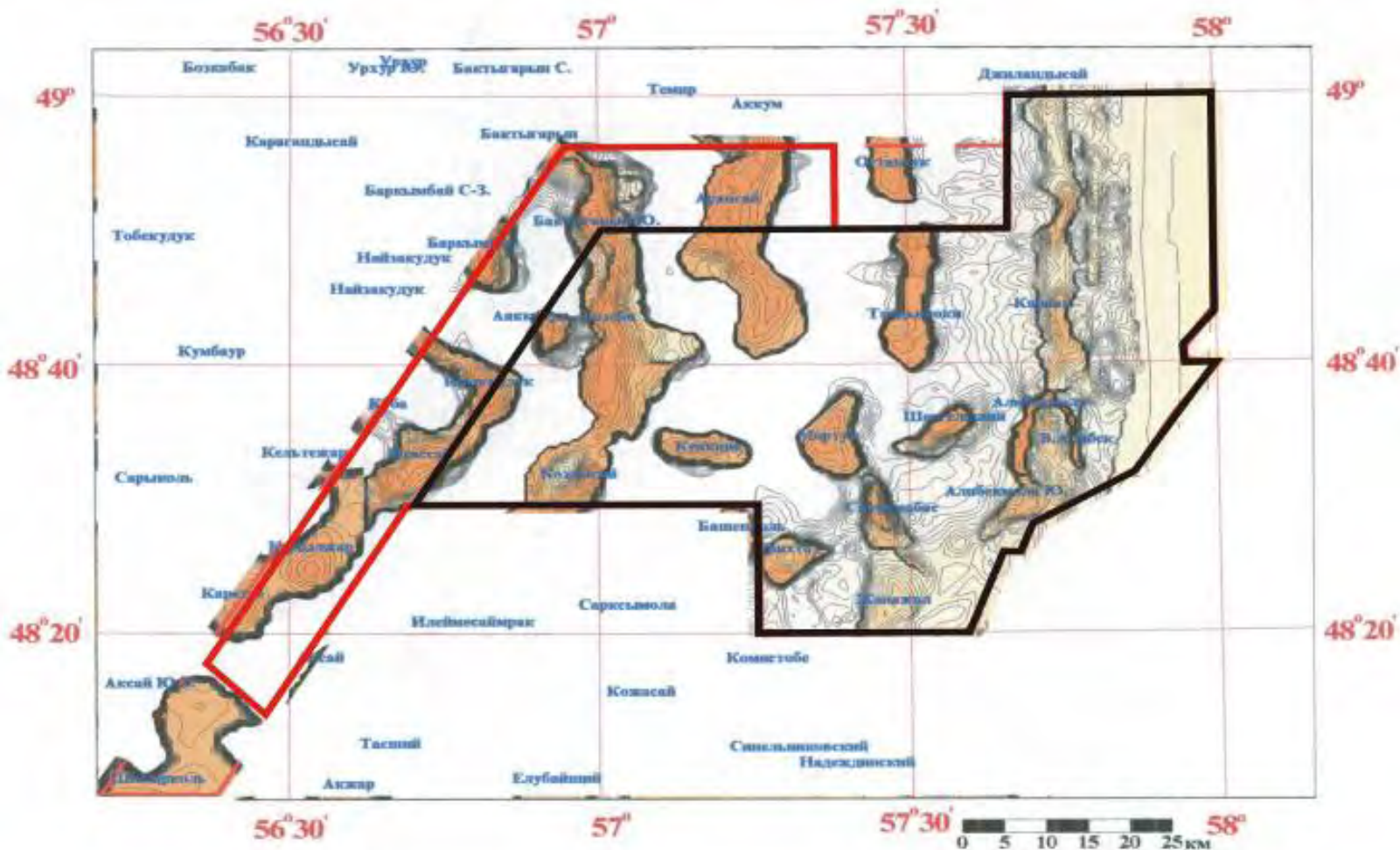
- Legend**
- Pre-Salt Clastics
 - Salt/Anhydrite
 - Wells
 - Marine Deposits
 - Pre-Salt Limestones
 - Faults
 - Oil Deposits
 - Continental Deposits

Note: all oil deposit areas depicted here are notional.



Contract Area

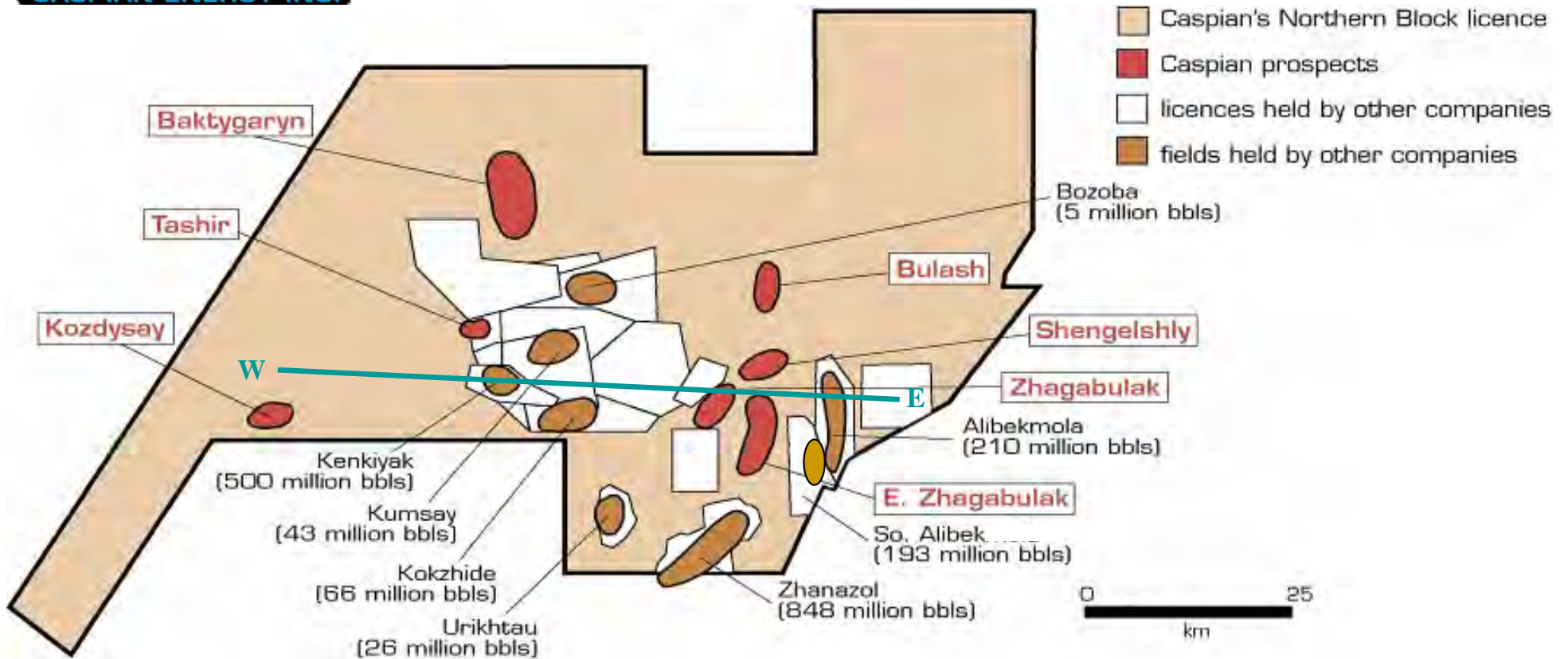
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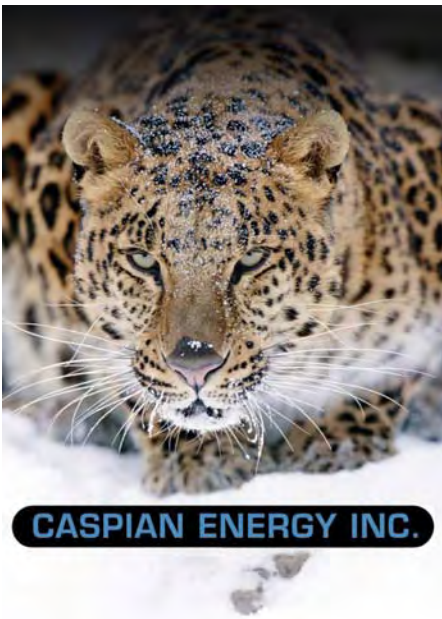




North Block Resource Map

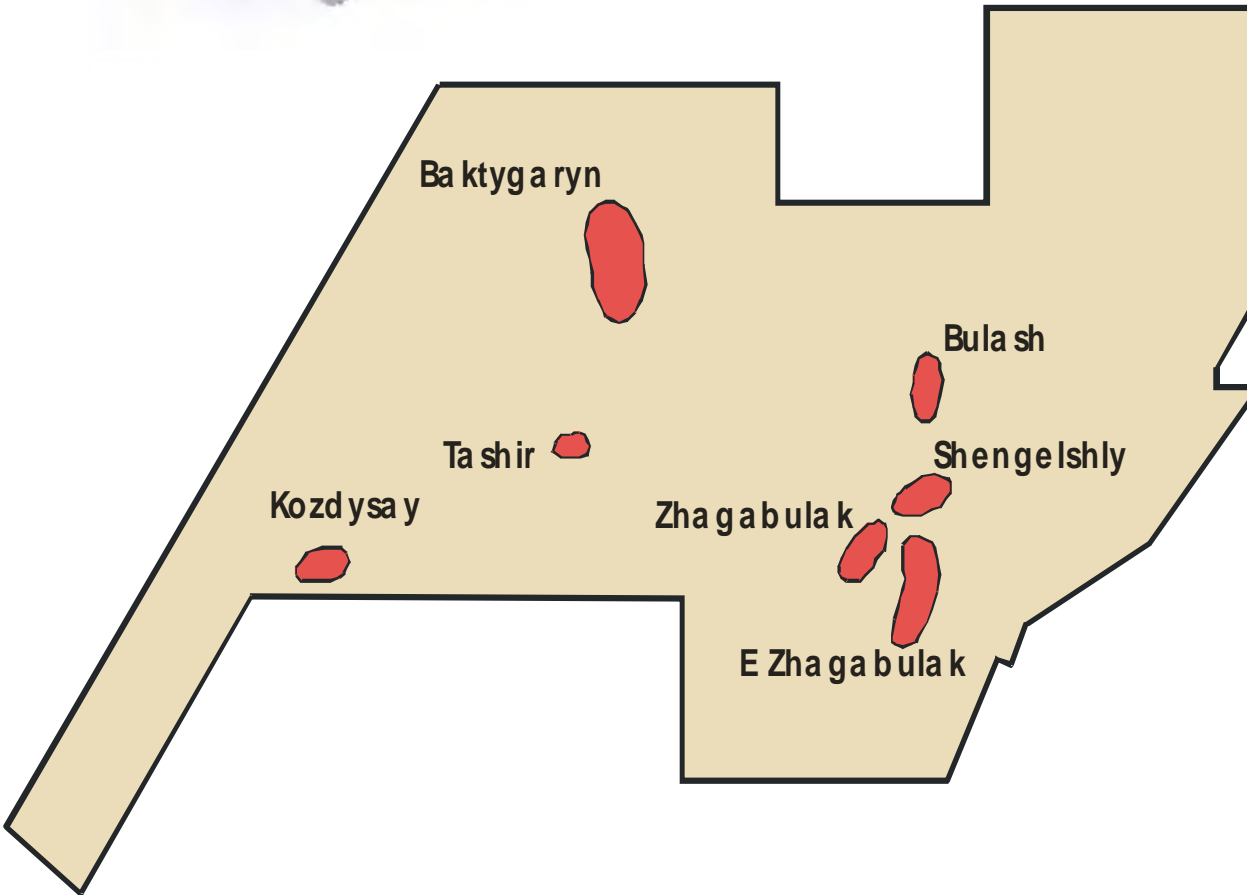
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Prospects

Kazakhstan Government's Reserve Estimates

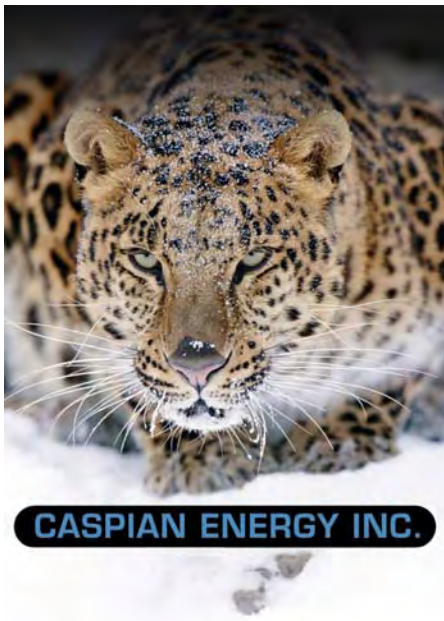


Prospect Names	MMbbls Oil in Place	C3, MMbbls Recoverable
Zhagabulak	642	193
Baktygaryn	863	259
Kozdysay	567	170
Tashir	126	38
Bulash	116	35
Shengelshy	90	31
Total	2404	726



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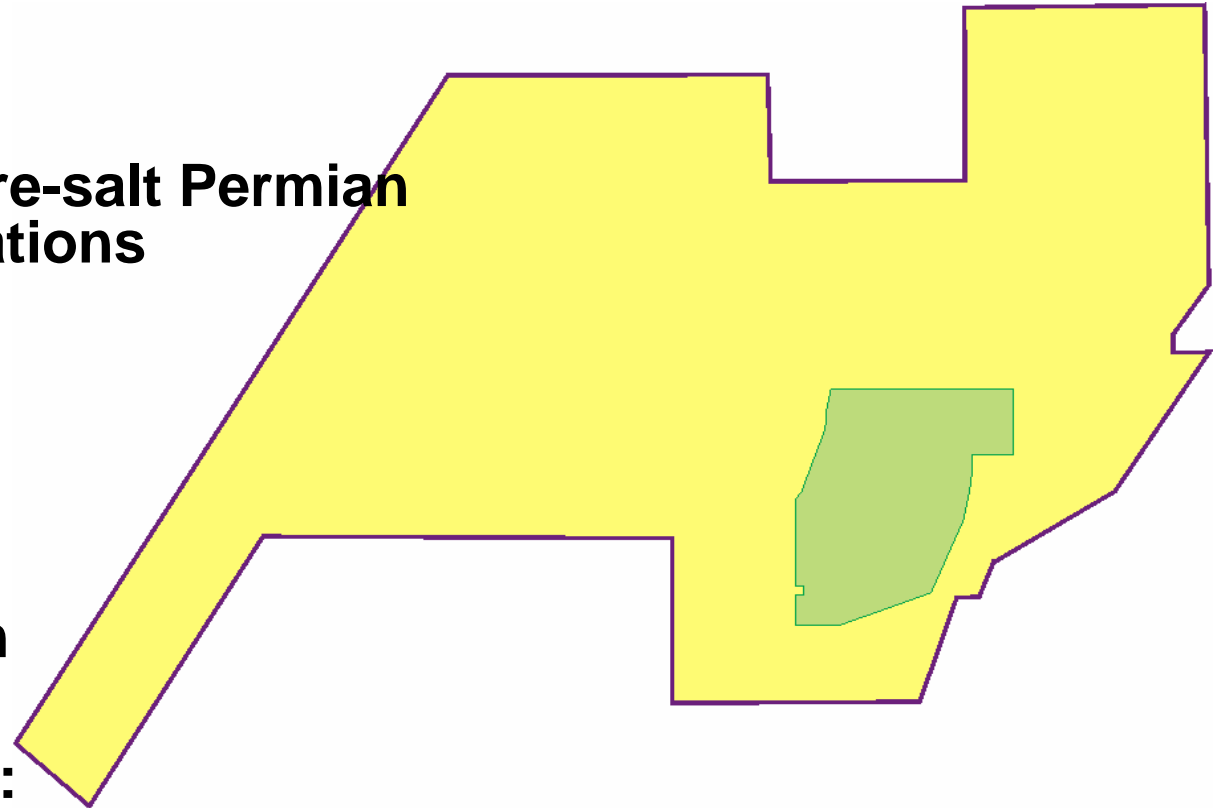
ZHAGABULAK



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Zhagabulak 3D Seismic Programme

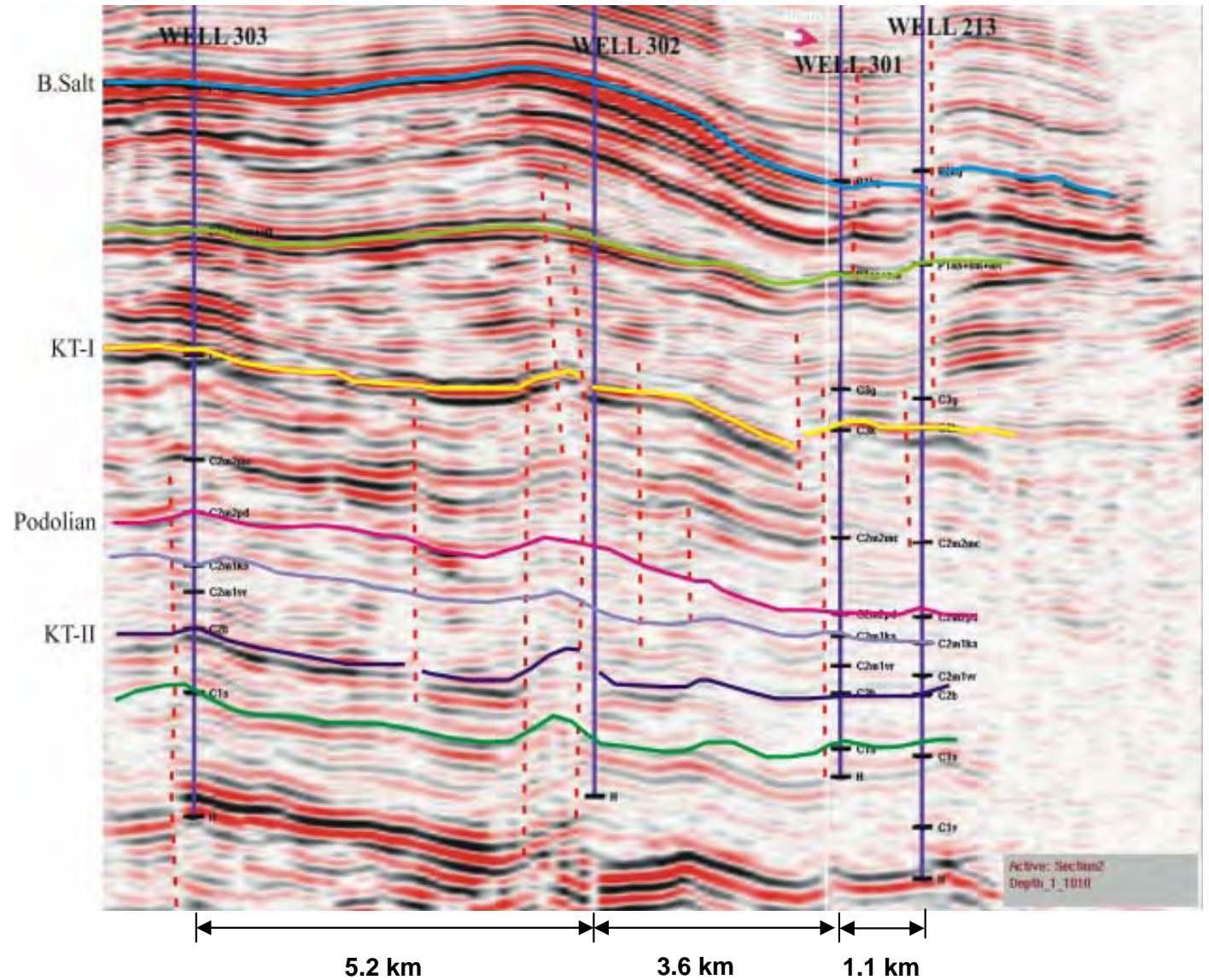
- Zhagabulak 3D Target, pre-salt Permian and Carboniferous formations
- Acquisition Contractor: Azimut Energy Services
- Processing Contractor: PGD Services - Paradigm
- Interpretation Contractor: Landmark
- Several Drilling Locations Identified

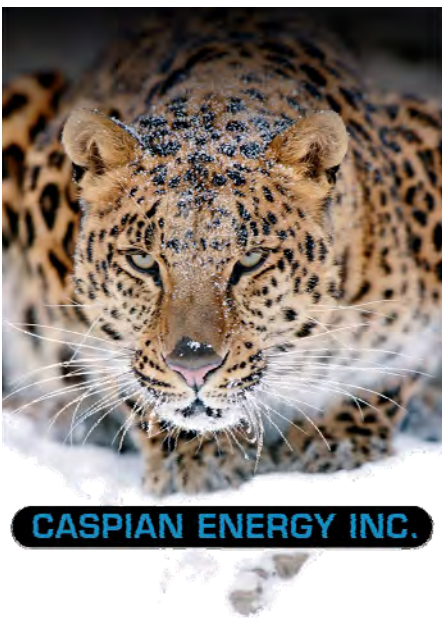




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N-S SEISMIC PROFILE THROUGH EZ-303





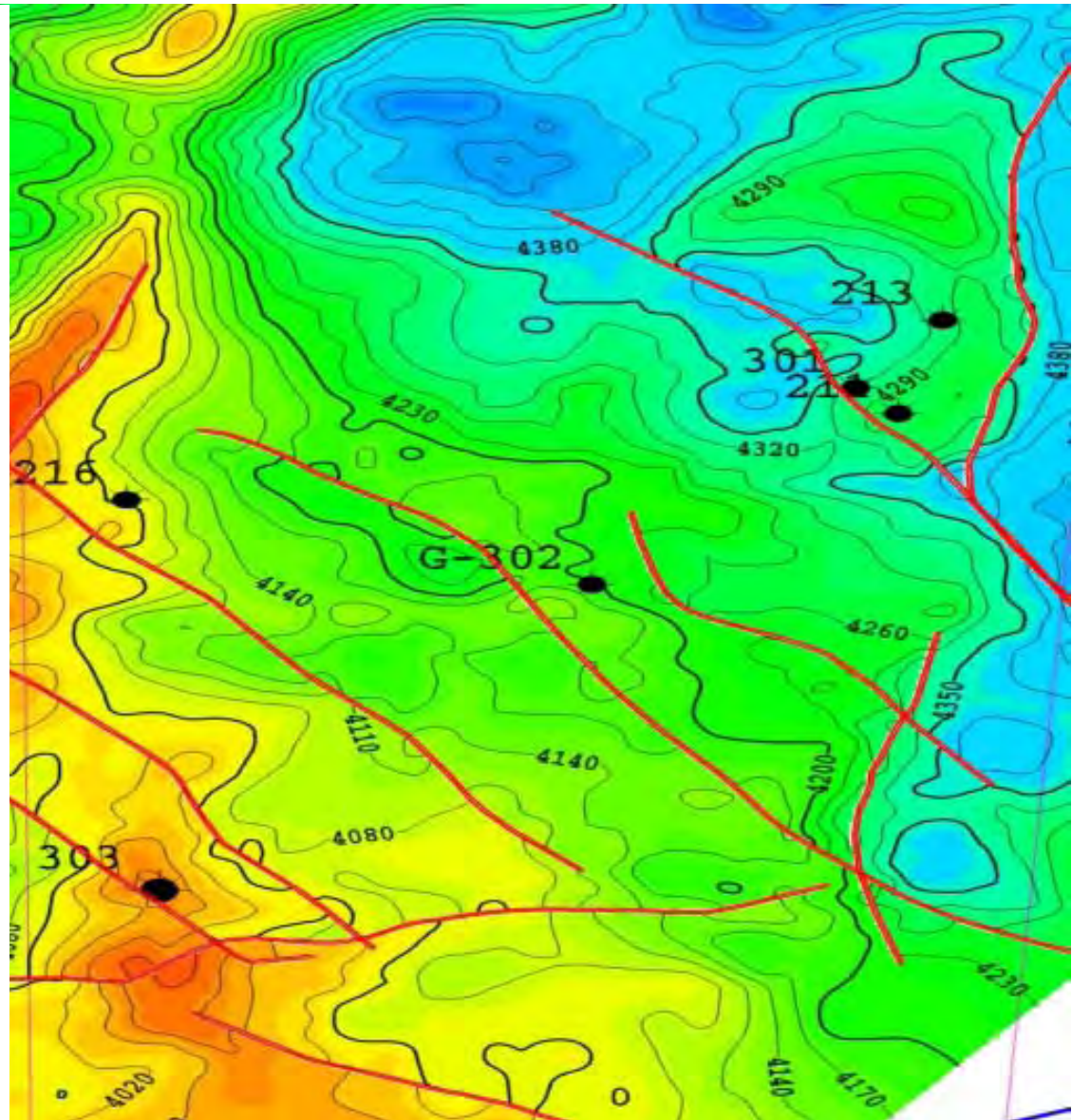
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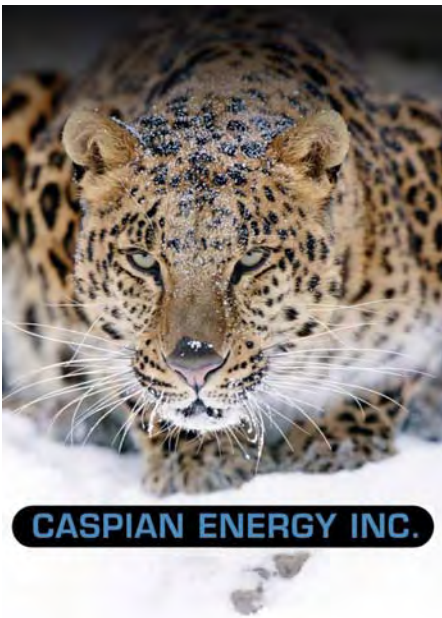
Wells EZ-301, 302, and 303 Drilling Locations

At Bashkirian level
EZ-303 location
gains 270 meters
structural elevation
to EZ-302 and 360
meters to EZ-301

Structure Near Top of
Bashkirian (KT-II-2)
Horizon

—
Approx 1 Km

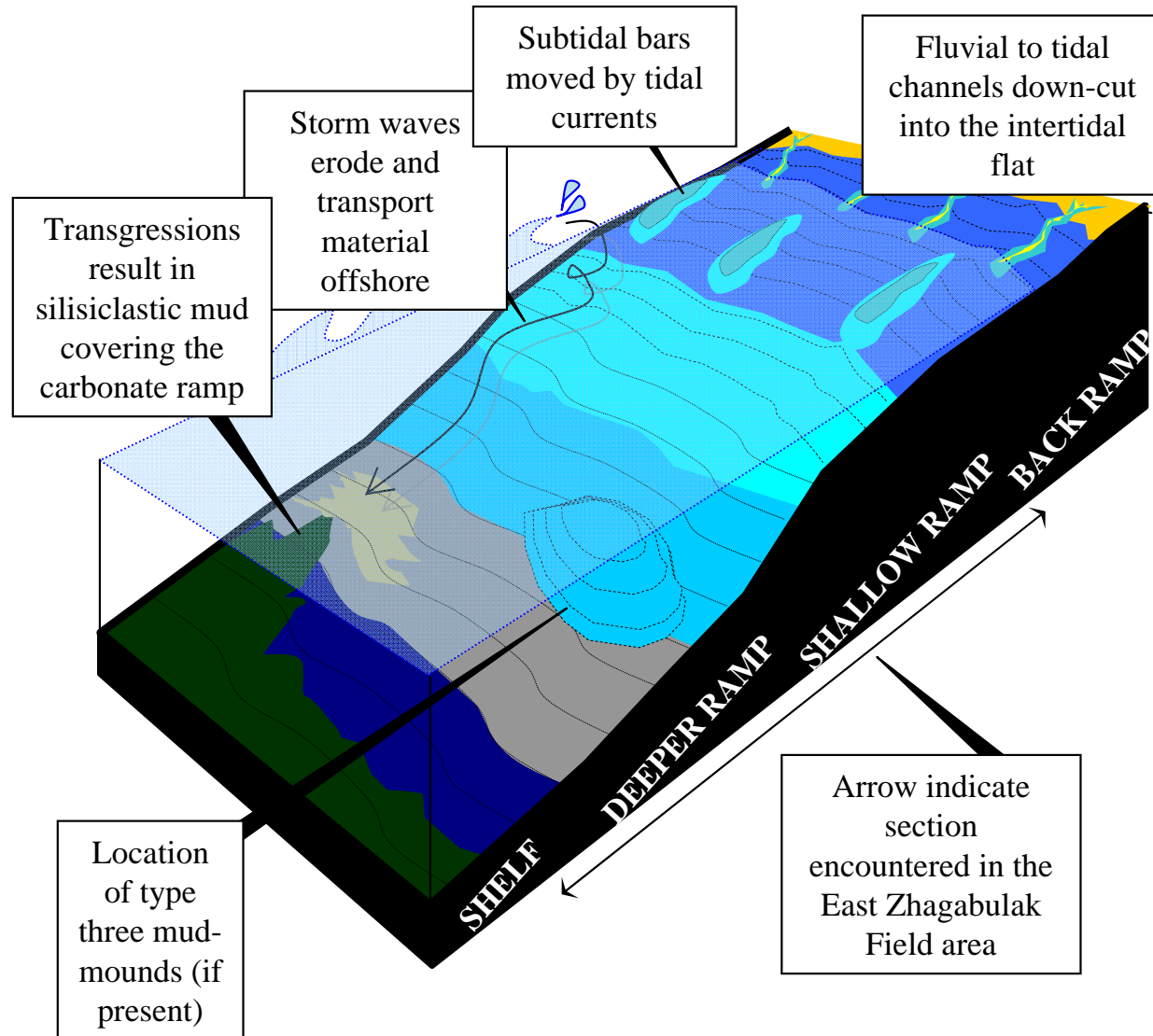




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Zhagabulak

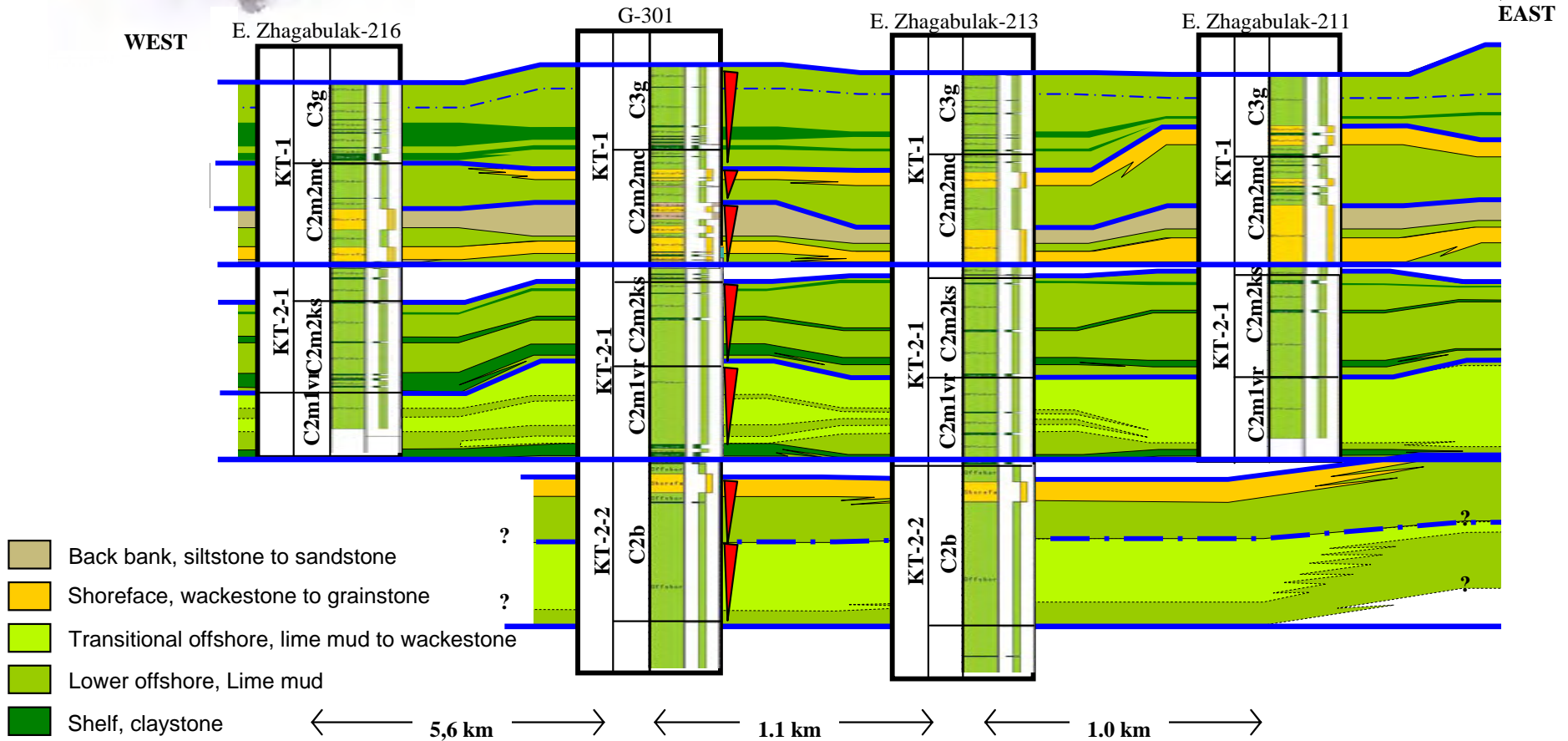
3D Geologic Model

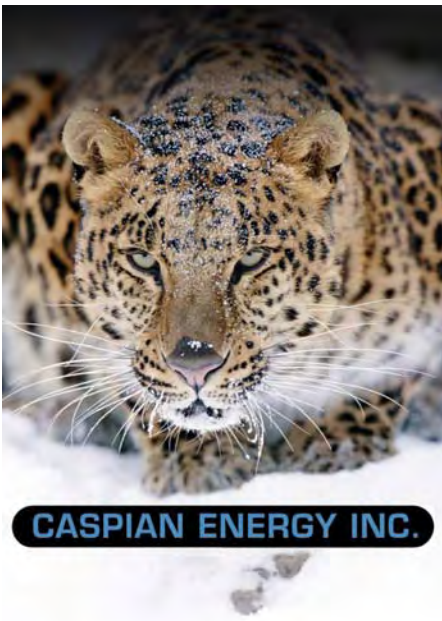




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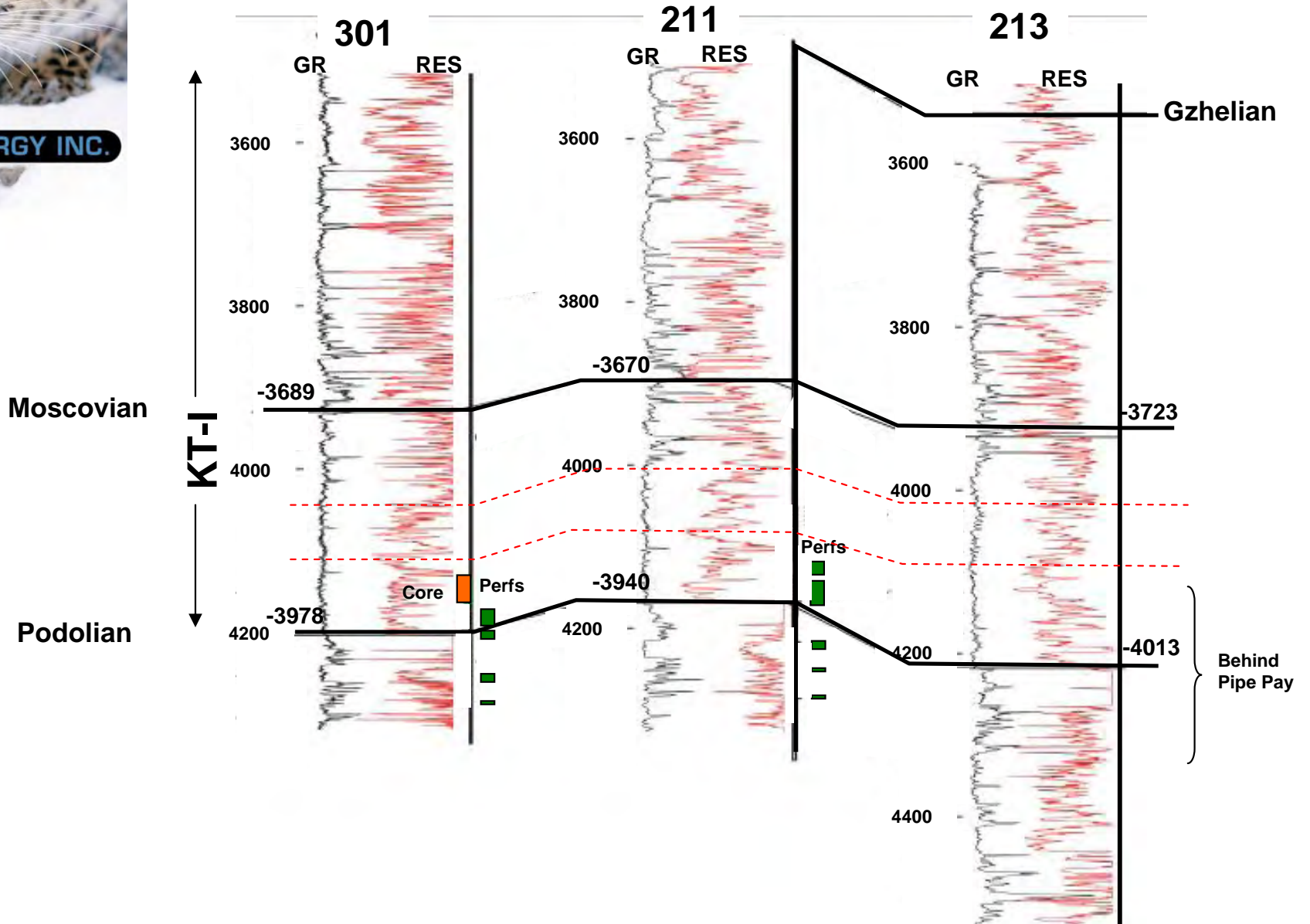
KT-I & KT-II Zhagabulak Facies Analysis





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KT-I & PODOLIAN PRODUCTIVE INTERVAL





KT-II-2 PRODUCTIVE INTERVAL

213

301

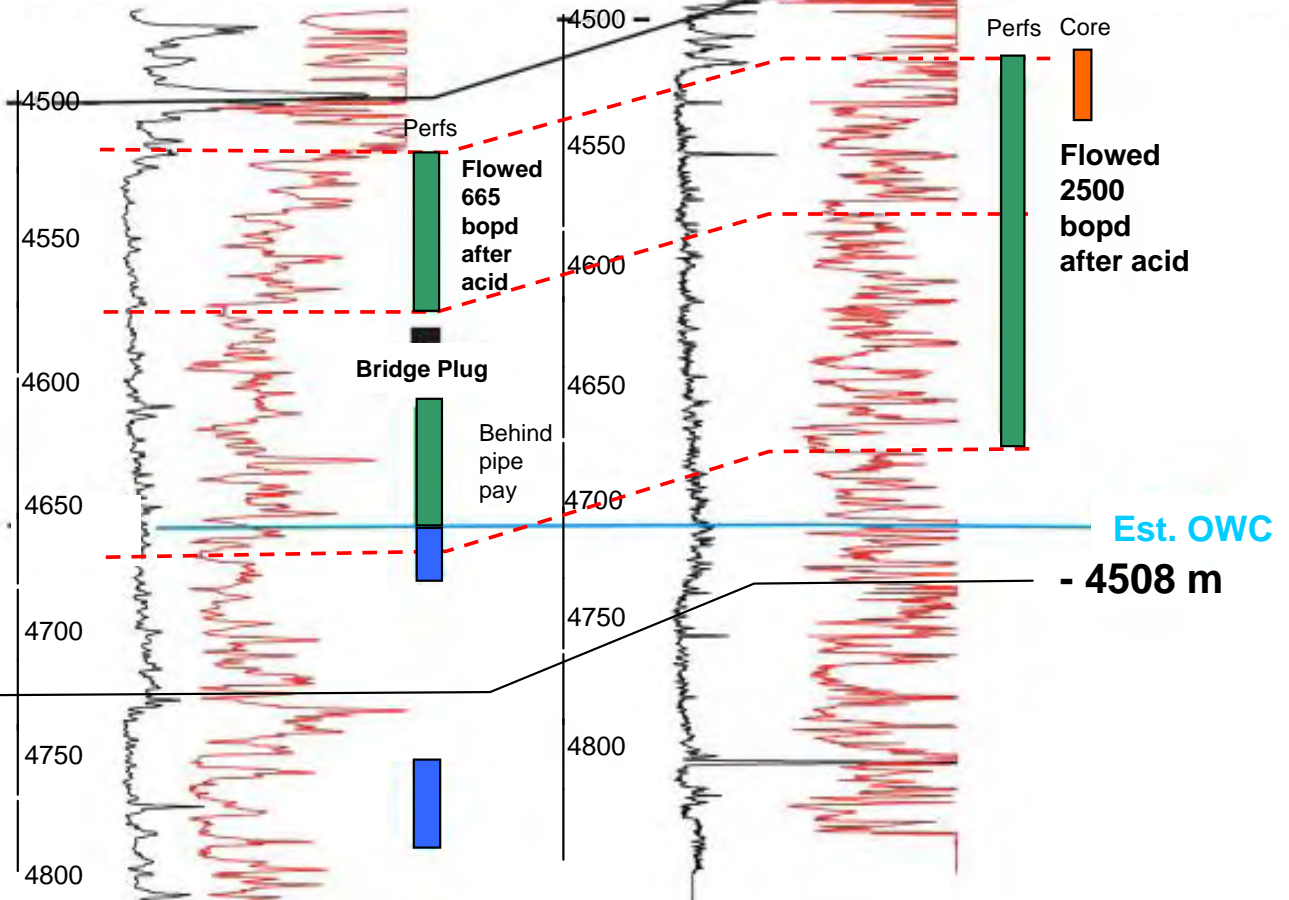
GR

Res

GR

Res

Bashkirian - 4293 m



- 4259 m

Perfs Core

Flowed 2500 bopd after acid

Flowed 665 bopd after acid

Bridge Plug

Behind pipe pay

Est. OWC

- 4508 m

KT-II-2

Serpukhovian - 4537 m

NET PERFS (M)

	KT-I	KT-II
211	52	0
213	0	33
301	<u>36</u>	<u>65</u>
Total	88	98



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BAKTYGARYN

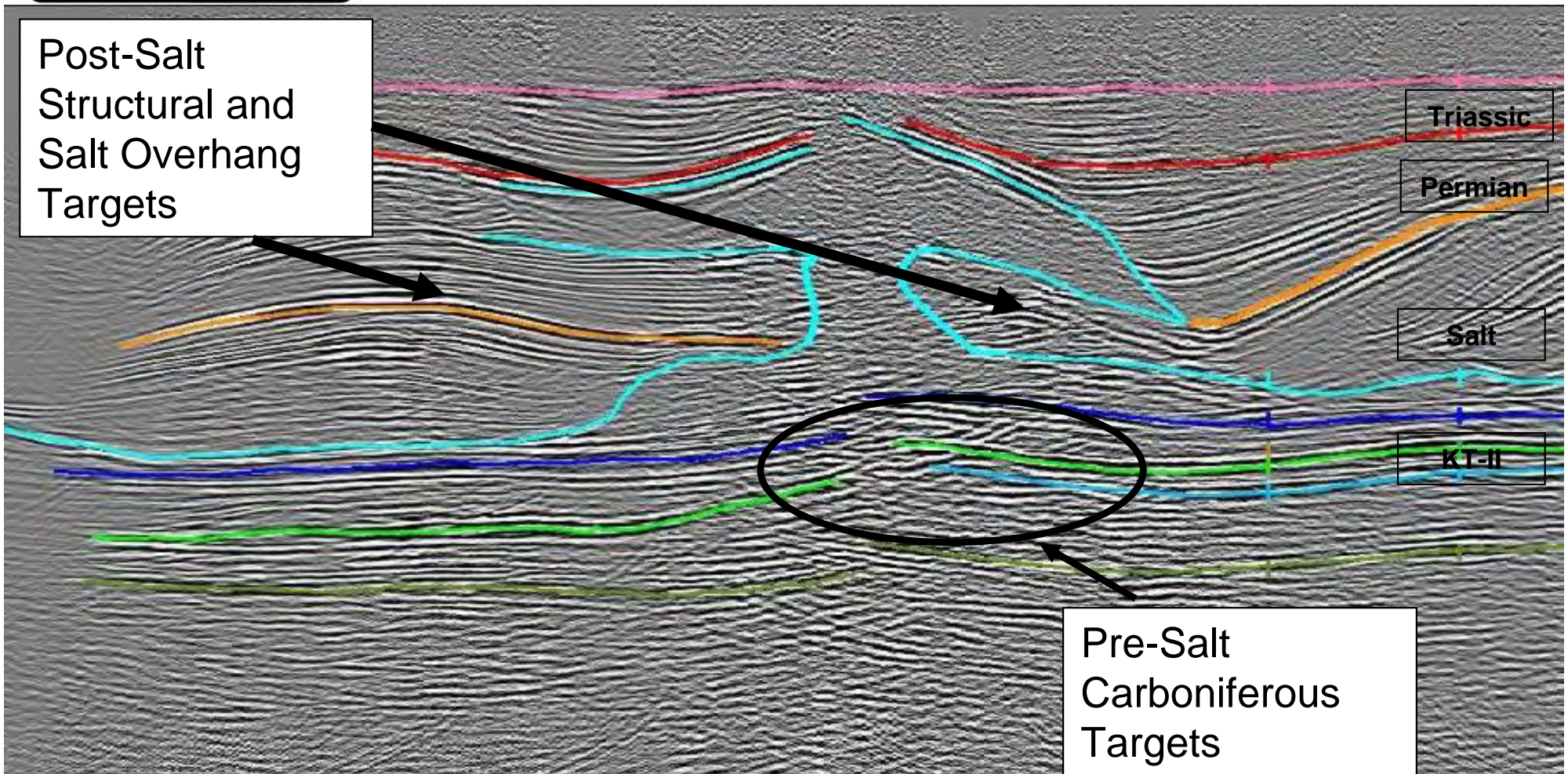


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Baktygaryn

Preliminary Interpretation

Seismic Profile 151



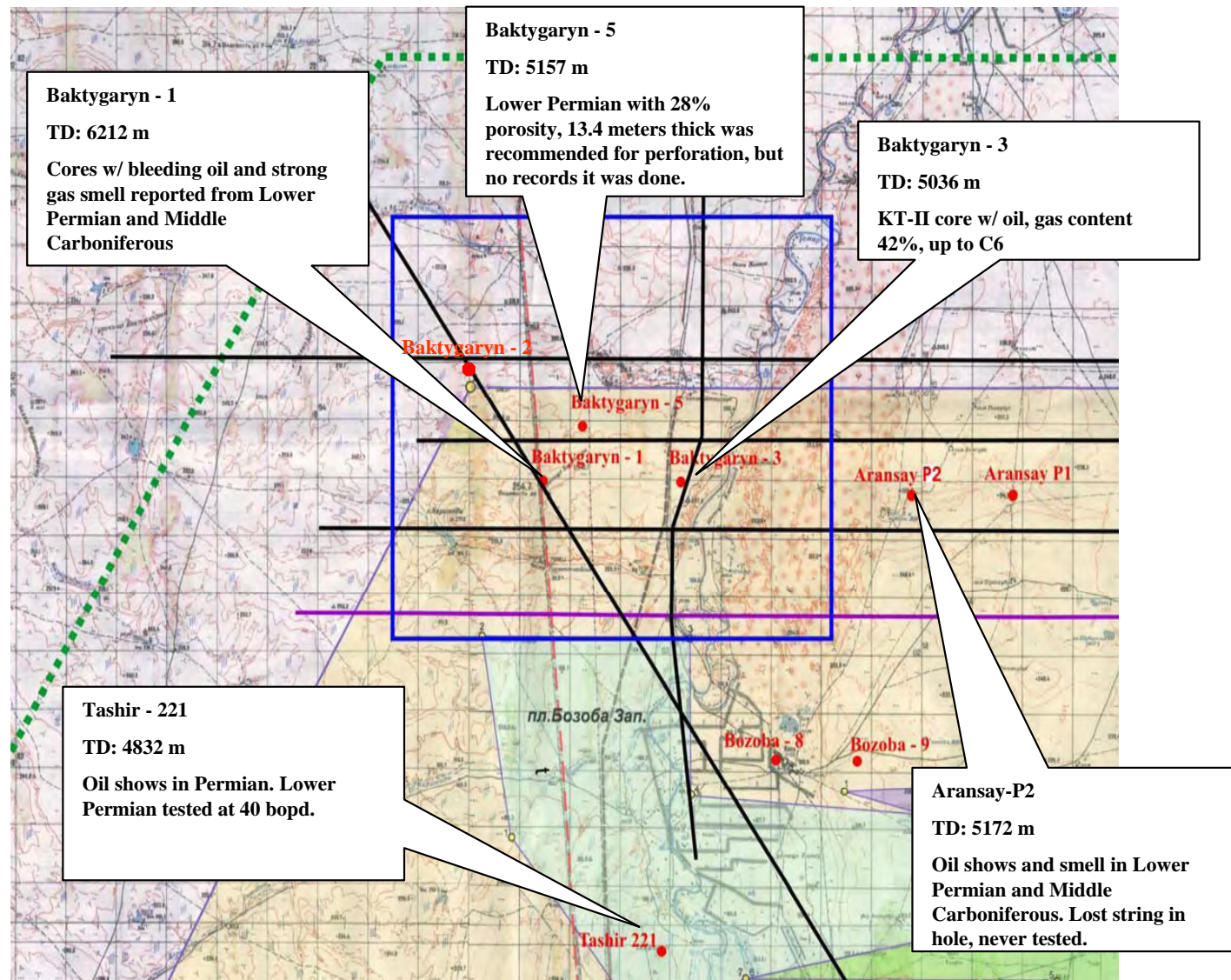


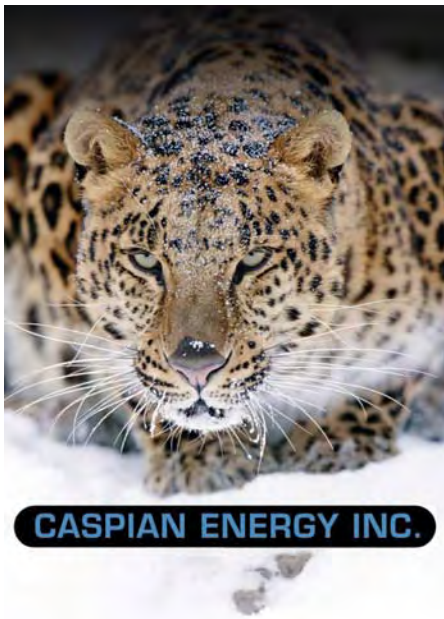
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- 9 wells drilled in the region of Baktygaryn during the Soviet period from 4142 – 6200 m.

- In immediate vicinity of Baktygaryn structure all 3 wells reported either oil shows in core, high pressure formations, or excellent reservoir rock properties in Permian and Carboniferous.

Baktygaryn Area

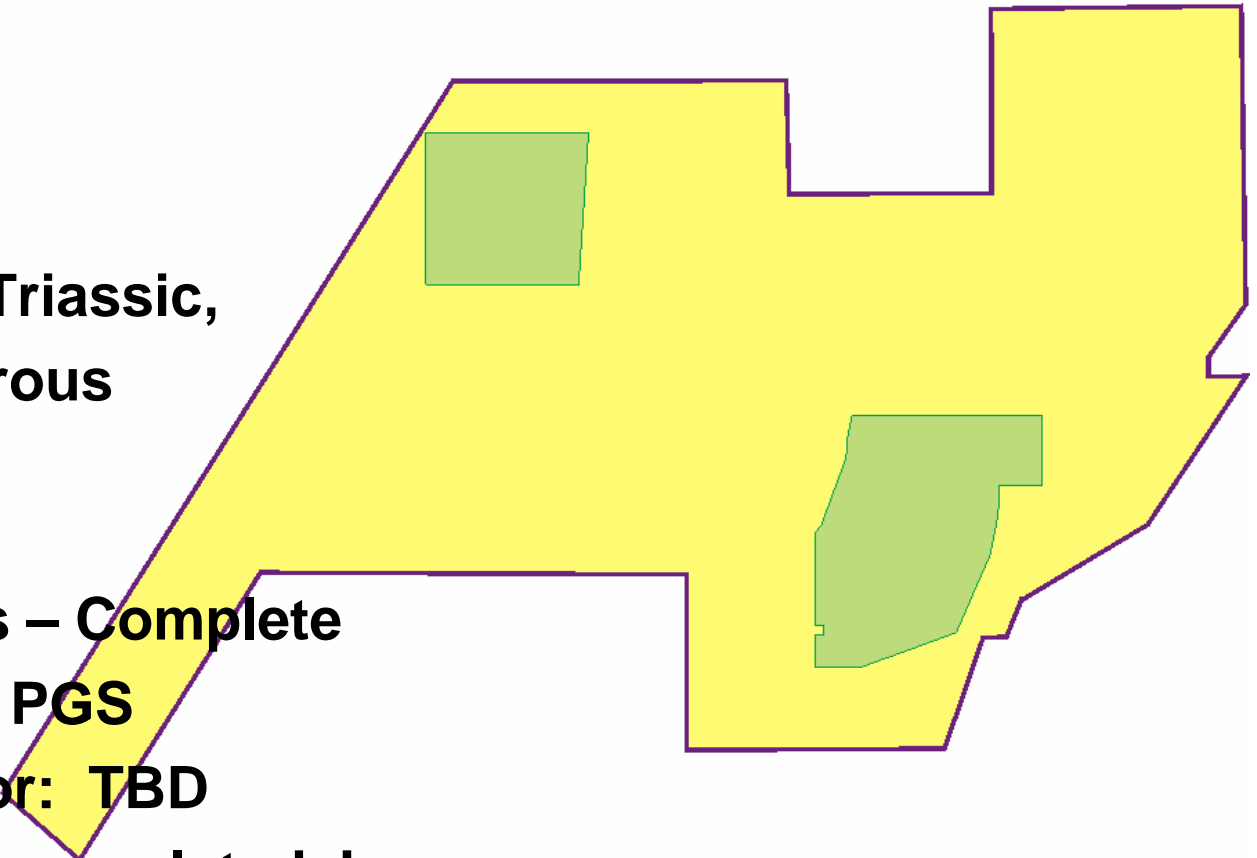




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Baktygaryn 3D Seismic Programme

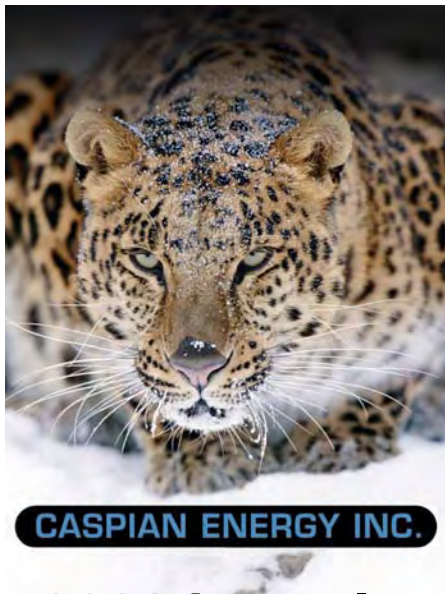
- **Baktygaryn 3D Target, Triassic, Permian and Carboniferous formations**
- **Acquisition Contractor: Azimut Energy Services – Complete**
- **Processing Contractor: PGS**
- **Interpretation Contractor: TBD**
- **Full interpretation to be completed June 2006**



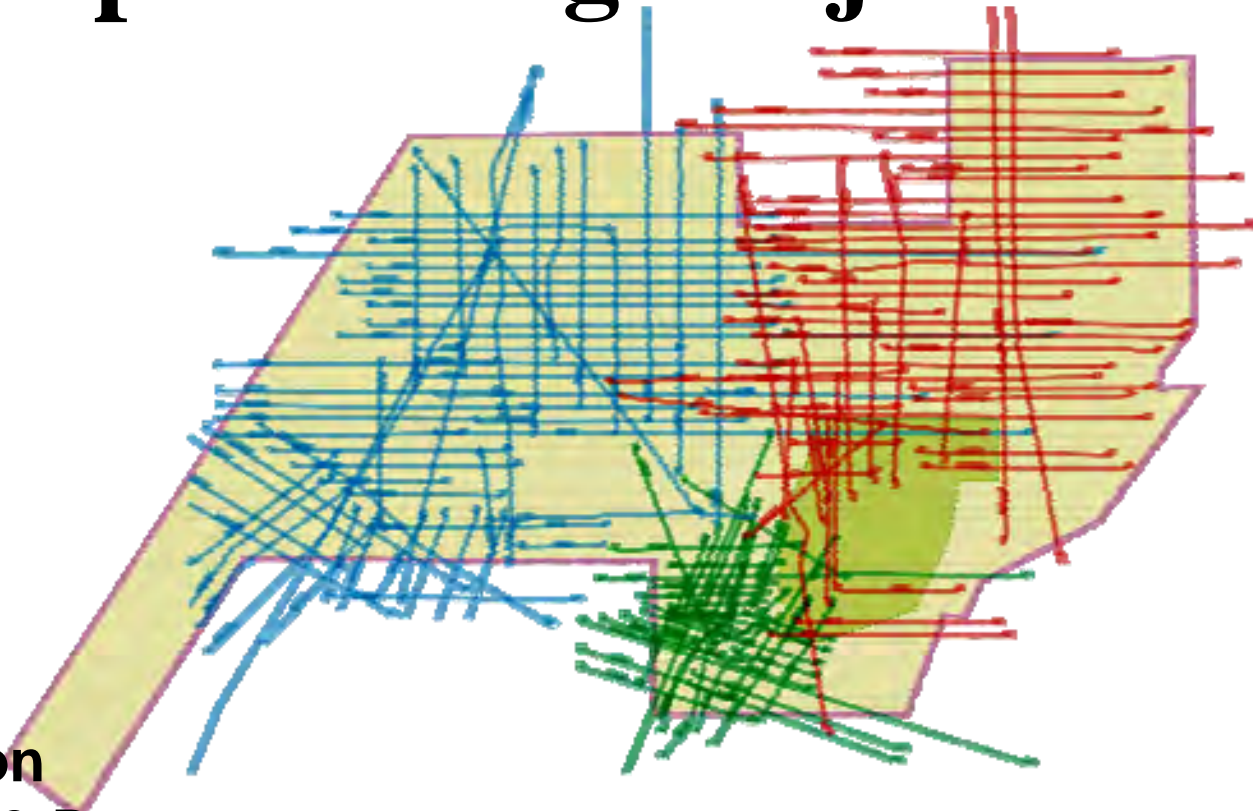


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2D SEISMIC PROJECT



2-D Seismic Reprocessing Project



- **3000 km selected for reprocessing and interpretation**
- **2000 km completed reprocessing**
- **Results of ongoing reprocessing/interpretation to drive selection of third 3-D acquisition area in 2006**



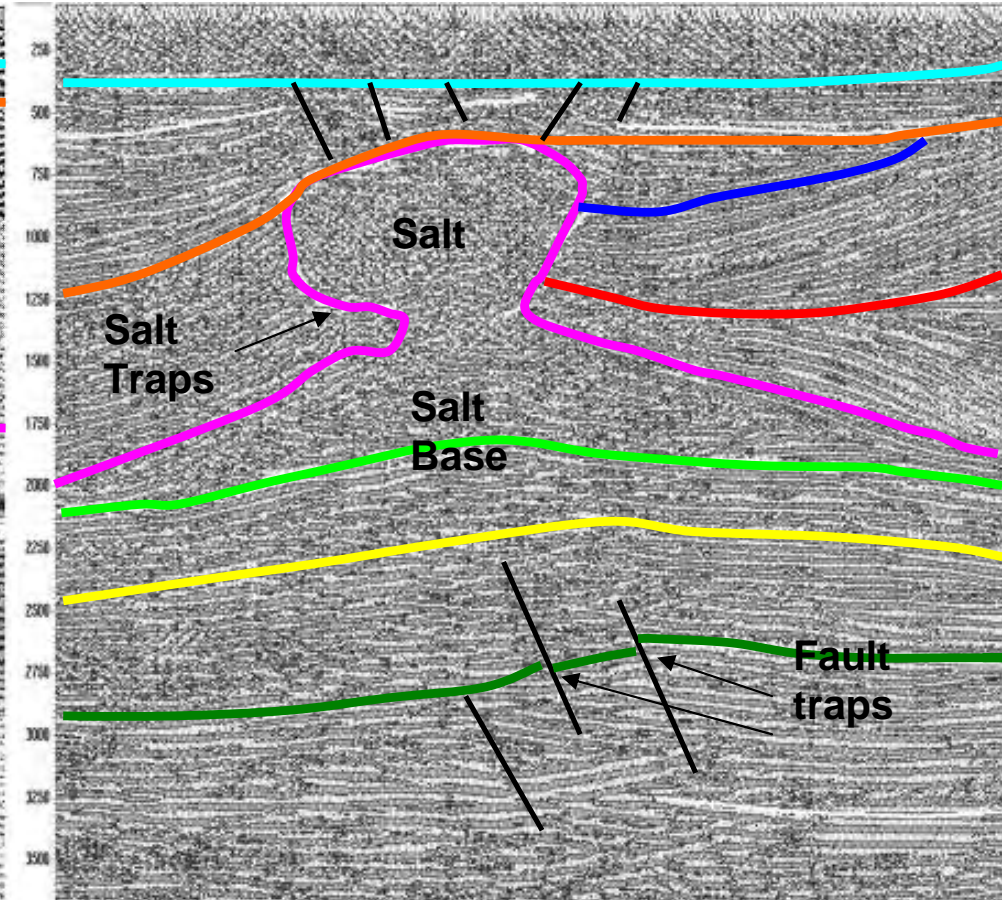
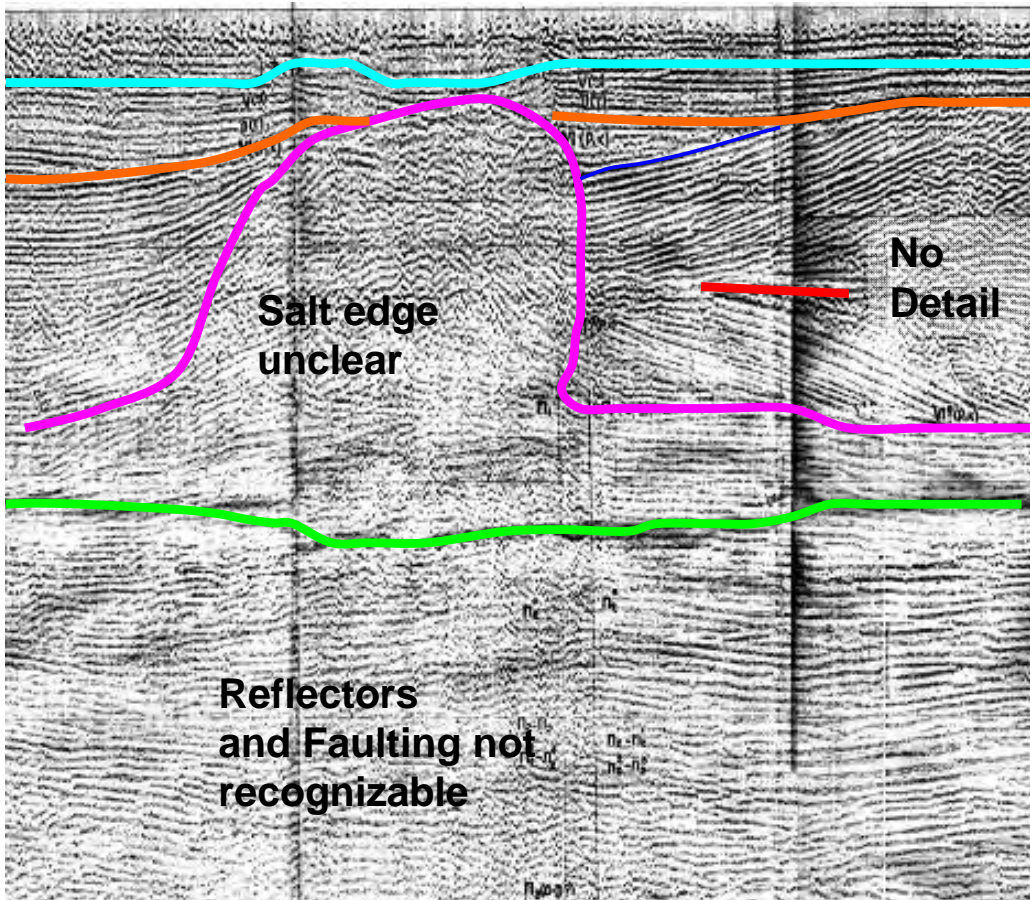
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Soviet 2-D Seismic Reprocessing Programme

Original Version

Seismic Profile 152

Reprocessed Version

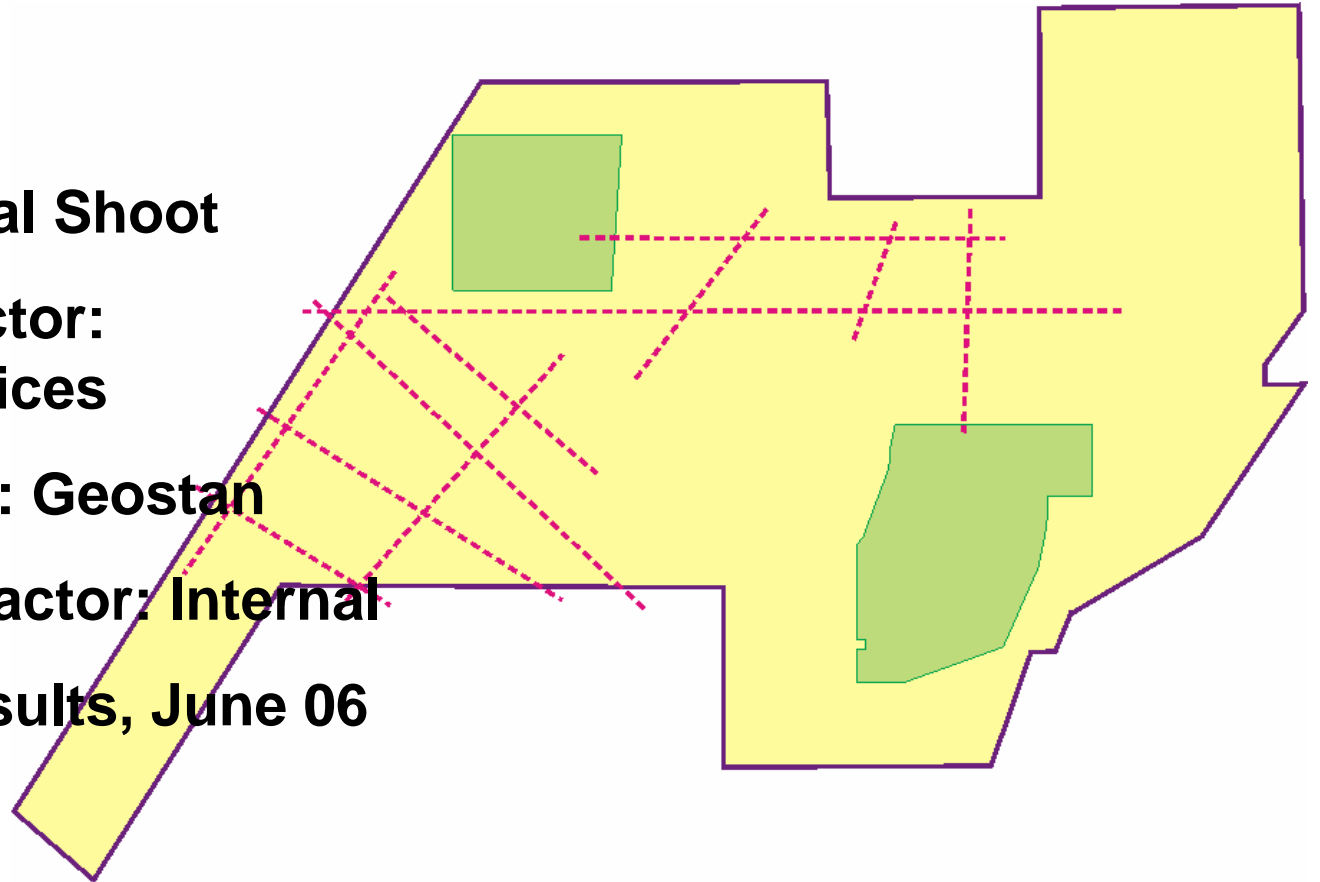




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New 2-D Seismic

- **North Block Regional Shoot**
- **Acquisition Contractor: Azimut Energy Services**
- **Process Contractor: Geostan**
- **Interpretation Contractor: Internal**
- **Fully interpreted results, June 06**





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SUMMARY



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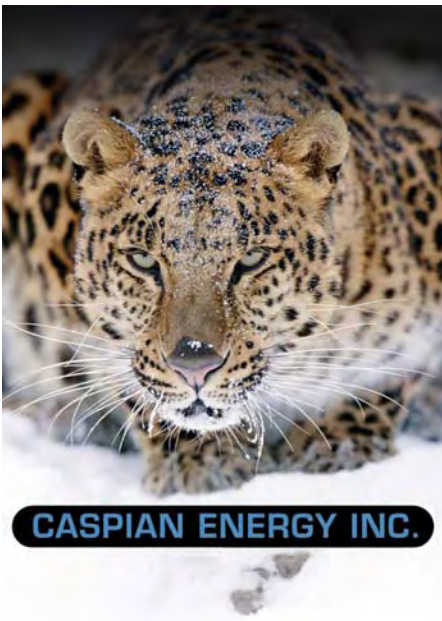
Contract Terms and Dates

- **Aral Contract signed 29 Dec 2002**
- **Exploration phase – 3 years, with option to extend “2 + 2 years”**
 - *First extension granted through 29 Dec 2007*
 - *Added 1110 sq. km., to contract area*
- **3% Royalty during the Pilot Phase**
- **10% Fee, based on sales, after VAT.**
- **30% Corporate Income Tax**
- **Excess Profit Tax**
 - *Sliding Scale 0% to 30%*



Work Programme

Activity	2005												2006												2007											
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
Seismic Programmes	Zhagabulak										Baktygaryn						New 2D						Third Area													
													EZ 301						EZ 302						EZ 303											
																			EZ213						Expl. Well 4						Expl. Well 5					
Exploration Operations																																				



SUMMARY

- **Experienced Management**
- **North Block in a very prospective area**
- **Strong Local Support, Government Relations, and Permits.**
- **Geological and Geophysical and Drilling Activities are well advanced.**
- **On Schedule**



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SHAREHOLDER INFORMATION

- **Shares Outstanding:** **103.9 MM**
- **Fully Diluted:** **126.3 MM**
- **Recent Price:** **Cdn\$3.00**
- **Market Cap:** **Cdn\$311.8 MM**
- **Financing:**
 - **Private placement US\$40MM at Cdn\$1.90**
 - **Convertible Debentures (Cdn\$2.45) US\$16MM**
 - **Private placement Cdn\$50MM at Cdn\$2.55**
- **Listed:** **AIM, TSX**
- **Symbol:** **CEK**











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