CASPIAN ENERGY INC.
ANNOUNCES YEAR-END 2012 FINANCIAL RESULTS AND CORPORATE UPDATE

CALGARY – April 23, 2013 -- Caspian Energy Inc. (the "Company" or "CEK") (TSX: CEK) announced today its financial results for the year ending December 31, 2012. Its audited consolidated financial statements for the year and related management's discussion and analysis have been filed with Canadian securities regulatory authorities and are available for viewing at www.sedar.com.

In preparing the Aral Petroleum Capital LLP (the Company's 40% owned subsidiary) financial statements for the year ended December 31, 2012, management of Aral identified errors related to the year ended December 31, 2011. In addition, while preparing the consolidated financial statements for the year ended December 31, 2012, management of Caspian identified further errors related to the year ended December 31, 2011, which necessitated a restatement of the 2011 fiscal information. The effects of the restatement are summarized in Note 27 to the Audited Consolidated Financial Statements for the years ended December 31, 2012 and 2011, filed with the Canadian securities regulatory authorities and available for viewing at www.sedar.com.

Operational highlights

- During calendar 2012, five wells at East Zhagabulak were producing
- On December 29, 2012 the gas flaring permit for the EZ field expired
- EZ well #213 - "fishing" job may resume after resumption of production at EZ #301
- EZ #301 operated in a stable free-flow mode with a production rate of between 302 – 373 Bopd, during the entire year (2012)
- EZ well #303 is scheduled to start re-testing during 2013
- EZ well #306 - a permit for testing was obtained from the MOG and is in the process of review
- EZ well #308 - new target zones have been identified for testing
- EZ well #315 - the development of a technical plan for well testing is being prepared
- WZ well #316 is scheduled to resume testing in early May 2013

Outlook 2013

- Remedial recompletion procedures instituted

- On January 14, 2013, the Company reported that the Exploration license which governs the majority of the acreage, commonly referred to as the North Block, has been extended for a further two years up until December 2014

- During the two year extension period, the operator is planning to perform Geological and Exploration operations

- On February 8, 2013, the Company received a letter from the Toronto Stock Exchange (the "TSX"), which states that the "listing of CEK's shares on the main board of the TSX is under review with respect to meeting continued listing requirements". The Company has been granted 90 days in which to regain compliance with these listing requirements, pursuant to the TSX's remedial review process.

- Between April 8 and April 12, 2013, Canadian securities regulatory authorities issued cease trade orders pertaining to the trading of the Company's securities until it files its December 31, 2012 audited consolidated financial statements and management discussion and analysis and the regulatory authorities revoke or vary this order. The Company believes that, upon making the above noted filings, it will be in compliance with its regulatory filings and the cease trade orders will be lifted.

Financial highlights

- Oil revenues before transportation costs $3,683,000 (2011: $3,606,000)

- Comprehensive loss was $20,171,000 (2011: $37,863,000(***Restated***))

    - For the year ending December 31, 2012, CEK's comprehensive loss was $20,171,000, this compares to a comprehensive loss for the year ending December 31, 2011, of $37,863,000(***Restated***). Caspian recorded a loss of $7,761,000 (2011 $5,201,000(***Restated***)) pertaining to finance expense. Depletion, depreciation and accretion expenses were $751,000 and $1,034,000, respectively. Derivative fair value adjustment was equal to $2,111,000 during 2012 and $5,754,000 during 2011. CEK's operations used $11,698,000 in cash during year and used $17,460,000(***Restated***) for 2011. During 2012, an impairment charge of $9,796,000 was recorded (2011 - $nil), due to reserve engineering revisions.

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Operational Performance

East Zhagabulak

During calendar 2012, five wells at East Zhagabulak were producing. EZ #301 operated in a stable free-flow mode with a production rate of between 302 – 373 Bopd, during the entire year. At the close of 2012, the well was suspended due to expiration of the gas flaring permit. Renewal of well operations is expected in the first one-half of calendar 2013.

On December 29, 2012 the gas flaring permit for the EZ field expired. Currently the field is shut-in awaiting a renewed gas flaring permit for 2013. All operations on the EZ wells are suspended.

During November 2012, the CDC (Central Development and Exploration Committee) reviewed and approved the Report on Results of Activities Performed During the Period of 2011-2012 at the East Zhagabulak field (wells 301, 213, 308, 306 and 315) and made a decision to extend the period of pilot production at the field for one year, until the end of 2013. During calendar 2013, work will be conducted to complete the Technology Scheme for field development and transition to the production stage. Simultaneously, the pilot program for injection of associated petroleum gas back to the formation, to maintain formation pressure, will be implemented.

The CDC has approved the project report "Design (Author) Supervision for Pilot Production Project in 2012". Consequently, the Period of Pilot Production was extended for one year to December 29, 2013". This CDC resolution is expected to be approved by the Committee of Geology and Subsoil Use (CGSU) during the first one-half of calendar 2013, after which our field operations can be restarted.

EZ #213 is currently shut-in. Due to an electrical failure, the downhole pump in EZ #213 ceased working on June 6, 2012. Subsequently, while pulling the pump for remedial action, the cable broke resulting in fish in the hole. On September 2, 2012, during the fishing operation, the fish (39 pieces of tubing, 354 metres of cable and the electronic submersible pump) were "lost" and dropped to 4,211 metres. At the close of 2012, remedial work has not been completed. A "fishing" job may resume after resumption of production at Well 301.

Well EZ #308 spud on July 16, 2011. Production casing was set to 4,775 metres. Electronic logging operations have identified substantial intervals of possible pay in the KT-I zone and an additional 88 metres of net pay in the KT-II.

On March 26, 2012, the KT-II zone was perforated from 4,500 - 4,668 metres. Four horizons, consisting of 15 pay stringers, were perforated. Total thickness of the stringers is about 80 metres.

The well was unsuccessfully acidized in an attempt to stimulate production. A downhole pump was installed to lift fluid from the well bore.

Subsequently, new target zones have been identified for testing. During testing, 9,569 barrels of oil were produced. At the close of 2012, of the three target zones to be tested, one target zone in the oil-bearing KT-II was tested and the other two target zones, in the KT-II and KT-I, are scheduled for testing during 2013.

Well 306 spud on January 9, 2012. It is intended to delineate the southern extent of the discovery and further confirm the considerable value of the East Zhagabulak field. The geological conditions for Well 306 are the same as for the recently drilled Well 308, targeting the same hydrocarbon bearing horizons; KT-I at a depth of 3,360 to 3,879 metres and KT-II at 4,070 to 4,700 metres.

Well 306 reached target depth during July 2012. Log results confirmed the presence of pay zones in both the KT-I and KT-II. Four prospective intervals were selected for testing with a total thickness of 145 metres. Two KT-II intervals were identified (4,605.9 - 4,661 metres and 4,557.4 - 4,585.9 metres). Additionally, an inter-carbonate, sedimentary stratum, in the interval 4,223.9 - 4,235 metres together with the KT-I horizon at the interval 3,563 - 3,667 metres will be tested. Production casing was set in the well to a depth of 4,780 metres.

A permit for testing was obtained from the MOG and is in the process of review and approval by State Ecological Services. Upon receipt of the approval for this permit, expected in the first one-half of calendar 2013, testing will commence.

Well 303 in East Zhagabulak scheduled to start re-testing during the second half of calendar 2013. Permits from the MOG and the Environmental Ministry are expected to be received by early May 2013. Well 303 will be tested after completion of testing Well 316, using the same rig.

The rig which drilled Well 316 to total depth in the West Zhagabulak field, was immediately mobilized to East Zhagabulak, where it set surface casing on Well 315 on May 9, 2012. If successful, Well 315 will result in the material conversion of P3 (possible) reserves to P2 (probable) reserves.

Well 315 reached its target depth of 4,743 metres on January 2, 2013. Four prospective oil and gas bearing intervals in the KT-II and KT-I were identified. Currently the development of a technical plan for well testing is being prepared. Testing is expected to commence during the second half of calendar 2013, after approval by the CDC and completion of Well 306.

West Zhagabulak

Sakramabas #316 spud on July 22, 2011. This well encountered net pay zones aggregating 184.8 metres and equates to a new discovery well in the West Zhagabulak field of Kazakhstan.

Following successful logging, Well 316 has been cased to a depth of 4,950 metres.

While testing the interval 4,346 - 4,352 metres, the well flowed at an estimated rate of 78 Bopd. Based on the results of testing, a submission was made to the RK MOG requesting the recognition of the discovery of a new oil pool. The RK MOG Expert Commission confirmed the discovery.

Well 316 is scheduled to resume testing in early May 2013. Permits from the state agencies in Aktobe Oblast, for re-testing, are in the process of being obtained. Permits from the MOG and the Environmental Ministry are expected to be received by early May 2013.

Outlook 2013

On January 14, 2013, the Company reported that the Exploration license which governs the majority of the acreage, commonly referred to as the North Block, has been extended for a further two years up until December 2014.

During the two year extension period, the operator is planning to perform Geological and Exploration operations on several prospective areas of the North block. Geological documentation has been prepared for the drilling of 4,950 metre deep wells in three pre-salt areas Baktygaryn, Aransay and North Mortuk. Further, 900 metre deep post wells in the Taldyshoky, Itassay, Krykkudul and other areas are contemplated. Additional 2D and 3D seismic shoots are expected prior to drilling. Invitation for tenders for 2D and 3D seismic operations in the Aransay and Kozdysay Areas have been published.

This Geological and Exploration work is conducted in the expectation of the discovery of new oil pools in the North Block contract territory.

On February 8, 2013, the Company received a letter from the Toronto Stock Exchange (the "TSX"), which states that the "listing of CEK's shares on the main board of the TSX is under review with respect to meeting continued listing requirements". The Company has been granted 90 days in which to regain compliance with these listing requirements, pursuant to the TSX's remedial review process.

Between April 8 and April 12, 2013, Canadian securities regulatory authorities issued cease trade orders pertaining to the trading of the Company's securities until it files its December 31, 2012 audited consolidated financial statements and management discussion and analysis and the regulatory authorities revoke or vary this order. The Company believes that, upon making the above noted filings, it will be in compliance with its regulatory filings and the cease trade orders will be lifted.

Funding

Aral Petroleum Capital LLP (Aral or APC), the operating entity in Kazakhstan, holds a 25-year production licence for East Zhagabulak and a three-year exploration permit for the larger North Block, an area of some 2,200 square kilometres in West-Central Kazakhstan that contains both East and West Zhagabulak.

The deal with Asia Sixth was signed November 1, 2010 and closed on December 29, 2011, with satisfaction of the last of several conditions precedent. Caspian now owns 40 per cent of Aral Petroleum Capital LLP, the operating entity in Kazakhstan, while Asia Sixth Energy Resources Limited owns 60 per cent of Aral.

Caspian, originally a 50 per cent owner in Aral, conveyed 10 per cent ownership to Asia Sixth in return for Asia Sixth's undertaking to finance capital expenditures to the cumulative threshold of US$80 million over the duration of the deal. Caspian also receives a US$2 million loan, secured by production-oriented cash flow, plus access to a further two million on each of the first two anniversaries of the transaction. This arrangement permits Caspian to access a total of US$6 million over two years, if the Company so decides. Loans have a maturity of 10 years and bear interest at 10 per cent per year for the first five years.

These loans, together with the US$80 million capital facility, ensure that Aral will have sufficient funds for the initial phase of the project in East Zhagabulak, though the program should become self-funding before the loan facility is fully expended.

Under the Exploration Agreement with the ROK, the approved work program calls for expenditures of US$25.8 million in 2011 and US$22.5 million in 2012. The various requirements of the work program agreed to with the Ministry of Oil and Gas for 2011, both in terms of functions and expenses, have been carried out by Aral. During 2011, Aral's total expenditures for the year exceeded the commitment, reaching a total of US$34.3 million. As at December 31, 2012, Aral had incurred US$39.7 million of qualifying expenditures, exceeding the 2012 Minimum Work Program.

On February 7, 2013, the Company entered into an Agreement with Asia Sixth, whereby Asia Sixth undertakes to provide the necessary resources and support to procure that Aral conducts testing work in accordance with Mr. Roger Nutt's (a consulting petrophysicist) innovative completion strategy.

Financial Performance

For the year ended December 31, 2012, Caspian's comprehensive loss was $20,171,000 (2011: $37,863,000(***Restated***)). Caspian recorded a charge of $7,761,000 (2011 - $5,201,000(***Restated***)) pertaining to finance expense. Pursuant to the pronouncements of IFRS, Caspian's convertible debentures constitute a financial liability with an embedded derivative (which is the conversion feature of this instrument). Revaluation of the derivative component of the Company's Convertible Debentures from the start of this fiscal year to quarter end has resulted in an unrealized gain equal to $2,111,000 (2011: $5,754,000) as the fair value of the conversion option has decreased due to the deteriorating market value per share of the Company's common shares. Through to the end of Q4 2012, due to the fluctuation in the

Canadian dollar versus the United States dollar and Kazakh Tenge, mostly unrealized foreign exchange gains of $1,337,000 were recorded (to the close of Q4 2011 – a gain of $321,000(***Restated***)).

Depletion, depreciation and accretion expenses were $751,000 and $1,034,000 respectively. CEK's operations used $11,698,000 in cash during 2012 and used $17,460,000 (***Restated***) for 2011.

At the close of 2012, the Company recorded an impairment charge equal to $9,796,000 as a consequence of:

- The mapped OOIP (original oil in place) decreased due to the exclusion of most of the area contained within the "no drill sanitary zone".
- The Proved Developed and Total Proved reserves were limited to production from June to December 31, 2013 when the gas flaring permit for 2013 expires.
- There is considerable uncertainty in the gas utilization project, which manifests itself in uncertainty in a field waterflood (secondary recovery).
- The wells that were drilled in 2012 are drilled on tighter spacing and, as a consequence this has increased the number of wells needed to develop the field on a 2P and 3P basis.

At the close 2012, Caspian had a working capital deficiency of $67.0 million. This figure reflects the pro rata addition of Aral's current liabilities. The Company's Convertible Debentures are now classified as a current liability as they are due in less than one year.

Oil revenues before transportation costs for the year ending 2012 were $3,683,000 and for 2011 were $3,606,000. Operating costs were $2,476,000 and for the 2011 comparative period, operating costs were $2,963,000, while transportation expenses were $1,321,000 and $1,578,000, respectively. Administrative expenses for the same periods were $3,045,000 and $4,313,000(***Restated***), respectively. Included in 2011(***Restated***), upon finalization of a legal settlement is $1,247,000 related to the Nabors Drilling lawsuit.

Share structure

On July 9, 2012, 636,364 common shares and 318,182 share purchase warrants were issued to satisfy Q2 2012 interest obligation on the Company's Convertible Debentures. The deemed price of the stock issued is $0.13443 per share and the warrant exercise price is $0.183957.

On October 2, 2012, 787,212 common shares and 393,606 share purchase warrants were issued to satisfy the 3Q 2012 interest obligation on the Company's Convertible Debentures. The deemed price of the stock issued is $0.102798 per share and the warrant exercise price is $0.140672.

On January 9, 2013 1,286,684 common shares and 643,342 share purchase warrants were issued to satisfy the 4Q 2012 interest obligation on the Company's Convertible Debentures. The deemed price of the stock issued is $0.063769 per share and the warrant exercise price is $0.087263.

The Company's existing sources of financing and expected cash flow from operating activities are not sufficient to meet: (i) the repayment of the Loans payable of $37,350,000; and (ii) the Convertible Debentures plus accrued interest, totalling $11,011,000 on December 31, 2012, which mature on June 2, 2013.

The Company's ability to continue as a going concern is in significant doubt and is dependent upon achieving profitable operating results from its Kazakhstan operations. There are no assurances that these initiatives will be successful. See Note 1 to the Audited Consolidated Financial Statements.

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.

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