

March 8, 2012  
(TSX: CEK)

## UPDATE ON DISPUTE INVOLVING ARAL PETROLEUM CAPITAL LLP

CALGARY (Alberta, Canada)— Caspian Energy Inc. (“**Caspian**”) today provided an update on the dispute involving Aral Petroleum Capital LLP (“**Aral**”), the entity in which it indirectly holds a 40% interest and which operates its oil exploration and development joint venture with Asia Sixth Energy Resources Limited (“**Asia Sixth**”) in Kazakhstan, and Nabors Drilling International Limited (“**Nabors**”).

### Background

During 2007, Aral had a dispute with its drilling subcontractor, Nabors, in relation to a mechanical failure at the drilling site that resulted in the loss of the well and the re-drilling of an interval of the well. Nabors made a claim for compensation in excess of what Aral believed was appropriate. Aral viewed Nabors as responsible for the failure. The matter was under negotiation and the amount of possible cash outflows was not then determinable.

### Court Decision & Further Appeal

The negotiations were unsuccessful and on October 25, 2011, the Specialized Inter-District Economical Court of Almaty City found in favour of Nabor and ordered Aral to pay the equivalent of approximately US\$3.2 million to Nabors. Aral appealed this decision and on December 28, 2011, the Almaty City Court (Appellate Collegium) upheld the lower court’s decision. On March 2, 2012, the Court Bailiff in Almaty seized the assets in Aral’s bank accounts in response to Nabors’ commencement of proceedings to enforce its judgement.

Aral continues to believe in the merits of its defence against Nabors’ claim and is considering its options, including the option to make a further appeal to The Supreme Court of the Republic of Kazakhstan which is Aral’s final route of appeal. If Aral is unsuccessful in its appeal, Caspian will be required to fund approximately US\$1.6 million of Aral’s obligation to Nabors pursuant to an indemnity in favour of Asia Sixth.

The Company has several options available to it for funding, and is confident that, if necessary, it can fulfil any obligations.

William Ramsay, Chief Executive of Caspian, commented: “I believe that the decisions of the Kazakh courts, to date, have been misguided and that the seizure of some funds was unjustified. We will follow every route open to us, to resolve this long standing dispute and will keep the market updated with further news, as it becomes available. I emphasise that this matter will, in no way, affect either our drilling program, or the general conduct of our business.”

**For further information, please contact Caspian Energy Inc.:**

<b>Caspian</b>	
<b>William Ramsay</b>	+44 (0)773663-1378
Chairman and Chief Executive Officer	
<b>Brian Korney</b>	+1 403-513-3375

Legal\*7258619.3

Chief Financial Officer	
<b>Tavistock Communications</b>	
Lydia Eades / Paul Youens	+44 (0)20 7920 3150

*This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation which we refer to herein, collectively, as "forward-looking information". Forward-looking information includes, but is not limited to, information with respect to our objectives, strategies, operations and financial results, competition as well as initiatives to grow revenue or reduce retention payments. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes" or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". Caspian's actual performance, developments and/or results 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 Caspian, 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 Caspian's filings with Canadian securities regulatory authorities and includes the ability of its new partner to meet its obligations under the foundation agreement to secure US\$80 million in debt financing for Aral, and the limited remedies available to Caspian in the event of any such failure of that third party, the impact of general economic conditions, industry conditions, currency fluctuation and dependence upon regulatory approvals. All material assumptions used in making forward-looking information are based on management's knowledge of current business conditions and expectations of future business conditions and trends. Although we believe the assumptions used to make such statements are reasonable at this time and have attempted to identify in our continuous disclosure documents important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. We do not undertake to update any forward-looking information, except in accordance with applicable securities laws.*