

CASPIAN SPUDS NEW WELL – EZ WELL #315

TORONTO, May 23/2012 – Caspian Energy Inc. and partners have initiated drilling of a fifth well, EZ Well #315, in the East Zhagabulak field of West Kazakhstan. EZ Well 315 was spud on May 9 with a target depth of 4700 m.

EZ Well 315 is approximately 700 m. north-east of the producing well, EZ Well No.301, and 600 m. south-east of EZ Well 308, which is presently being tested. EZ Well 315 is currently drilled to a depth 680 m. and the setting of the surface casing has been completed. There are now a total of five wells on the East Zhagabulak field: two producing; one undergoing testing; one currently being drilled; and one having been spudded. The Contract for production of hydrocarbons at the East Zhagabulak field in the Aktobe Oblast is valid for a 24 year period up to 2034.

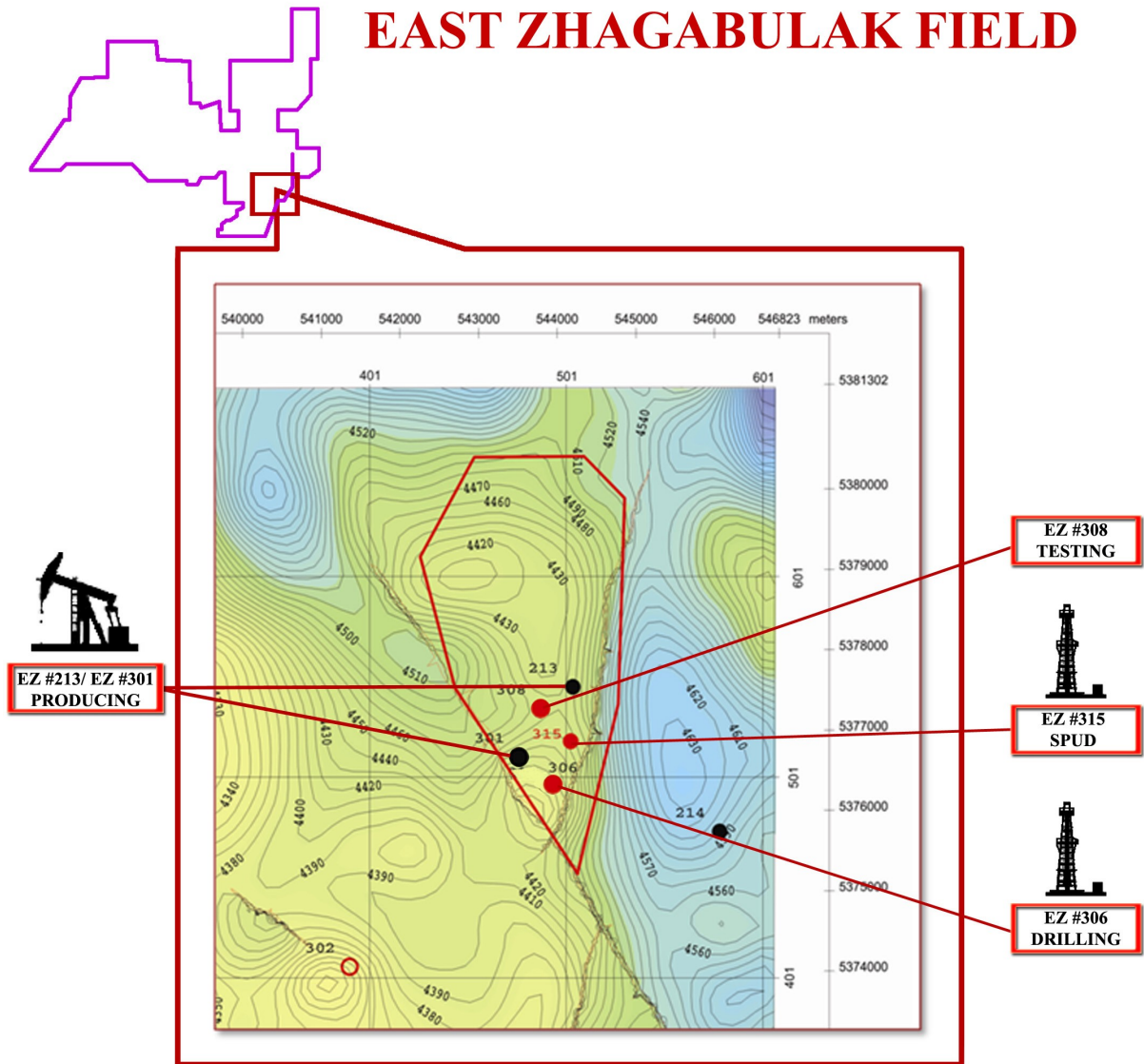
Caspian Chairman and CEO William Ramsay commented, “we now have two deep rigs drilling two additional wells in the East Zhagabulak field. In addition, we have two service rigs performing testing of recently drilled wells. We expect to be able to update the shareholders with plenty of news this year. As such, the spudding of EZ Well 315 represents the latest drilling activity, which will see the rigs constantly in operation throughout the year”.

East Zhagabulak Update

EZ Well 308 is currently being tested. The interval from 4,668 m. up to 4,500 m., in the KT-II has been perforated and acid treatment of the four sub-intervals has been completed. The results of the testing of this well will be forthcoming in the very near future.

EZ Well 306, which was spudded in January is currently drilled to depth of 3,878 m. The KT-I horizon has been penetrated. The anticipated depth of this well is 4,700 m.

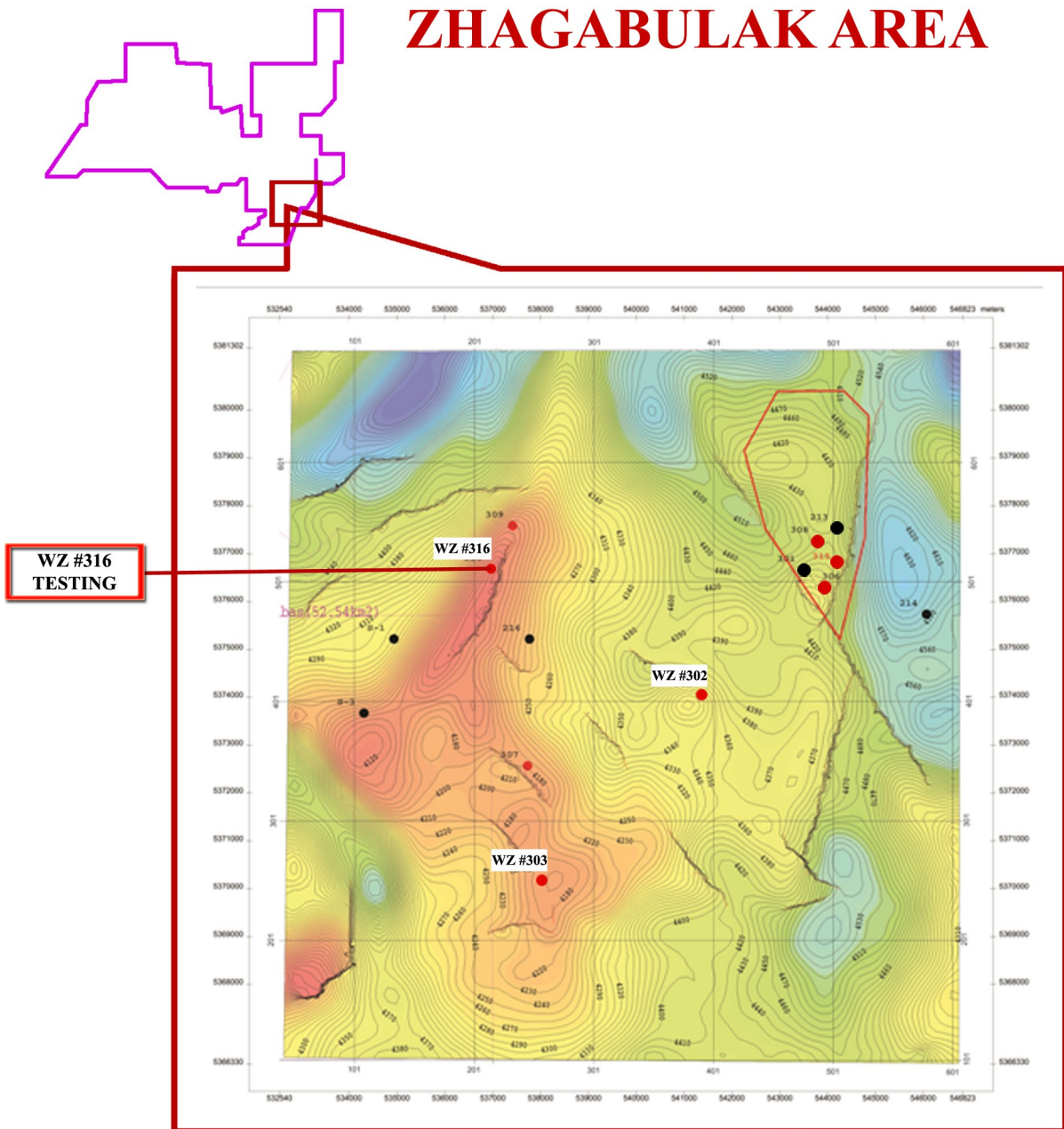
Following the granting of the flaring permit, production from EZ Wells 213 and 301 resumed on 3rd May, 2012. Aggregate daily production from these two wells is slightly less than 500 bopd.



West Zhagabulak Update

EZ Well #316 is located approximately 10km west of the East Zhagabulak field and is sited on the West Zhagabulak structure. WZ Well #316 is a particularly exciting prospect, because success at this well will represent a new discovery for the Company. The testing of EZ Well #316 is underway and the initial results will be forthcoming in the near future.

ZHAGABULAK AREA



Reconsideration of WZ Well #302 and WZ Well #303 has been undertaken in the light of further analysis and it has been decided that the logs from these two wells indicate that both wells should flow oil and therefore justify their being re-tested. Approval to test these wells has already been granted by the local authorities and the subsequent filing of the application with the Ministry in Astana has been made. It is intended that WZ Well #302 and WZ Well #303 be tested concurrently and therefore two additional service rigs should be mobilized and brought onto their locations in mid July.

The Company has opened a tender for the re-testing of WZ Wells #302 and #303. WZ Well #302 was drilled and completed in 2006, it is situated halfway between the East Zhagabulak field and the West Zhagabulak structure. WZ Well #303 was drilled and completed later the same year, 2006. It is situated at the most southern end of the West Zhagabulak structure.

William Ramsay commented further, “success at either of these wells will have enormous implications for defining the areal extent of the oil-bearing structure of West Zhagabulak. Once again, the pace of activity in the field reflects the strategic benefit of our new partner, Asia Sixth Energy. This new partnership has resulted in the availability of finance, technical skills, and the procurement of equipment to enable us to resume an aggressive exploration program. Once this tender is awarded, we will be employing throughout the license a total of six rigs: two deep rigs drilling two deep wells; and four service rigs performing testing operations”.

Proactiveinvestors Interview

William Ramsay was recently interviewed by the media company, Proactiveinvestors. Proactiveinvestors also published a complete article on Caspian. The interview and the article are available at the links below:

Proactive Investors UK: <http://www.proactiveinvestors.co.uk/companies/news/41932/caspian-energy-asia-investment-a-game-changer-41932.html>

Proactive Investors North America:
<http://www.proactiveinvestors.com/companies/news/28188/caspian-energy-asia-investment-a-game-changer-28188.html>

The same interview can also be found on the following:

Full Interview on Thomson Reuters :- <http://reut.rs/JjMZe9>

Stocktube: <http://www.stocktube.com/video/caspian-energy-ceo-says-it-has-a-world-class-asset>

Youtube: <http://www.youtube.com/watch?v=4K22RkBkDHY>

Google News: <http://news.google.co.uk/news/search?aq=f&pz=1&cf=all&ned=uk&hl=en&q=caspian-energy>

StockTube Archive : <http://www.proactiveinvestors.co.uk/archives/stocktube>

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