

CASPIAN ENERGY INC.
ANNOUNCES THIRD QUARTER 2010 FINANCIAL RESULTS

TORONTO, November 4, 2010 -- Caspian Energy Inc. (the "Company" or "CEK") (TSX: CEK) announced today its financial results for the three and nine months ending September 30, 2010. Its interim unaudited 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.

Although, for the three months ending September 30, 2010, CEK's net income (loss) and comprehensive income (loss) was \$(2,021,924) and for the three months ending September 30, 2009, the comparative number was \$(3,577,690), non-cash charges, beyond the Company's influence, were the major components of these amounts. Mostly unrealized foreign exchange gains (losses) of \$712,289 (prior period - \$(1,757,808)), debentures interest charges of \$535,867 (3Q 2009 - \$572,734), \$86,969 (3Q 2009 - \$91,796) pertaining to accretion of the discount on its convertible debentures and depletion, depreciation and accretion expenses of \$1,639,438 and \$1,214,960, respectively were recorded. With respect to the comparable quarter of 2009, Caspian's 3Q 2010 loss was \$1,555,766 or 43% less than the figure recorded in the prior period.

CEK's operations consumed \$277,419 in cash during the current three month period as opposed to the provision of \$24,451 for the comparative quarter of 2009. The increased cash utilization over the 2009 fiscal period is attributable to increased field operating expenses and transportation charges in the East Zhagabulak oilfield.

At the close of 3Q 2010, Caspian had a consolidated working capital deficiency of \$1.9 million; however, this figure reflects the pro rata addition of Aral's current liabilities. The Company had a cash balance of \$1.5 million in Canadian accounts and domestic liabilities of \$207,000.

Oil revenues before transportation costs during 3Q 2010 were \$1,331,060 and for 3Q 2009 were \$1,247,281. The Company sold an average 208 Bopd (3Q 2009 - 249 Bopd) at a price of \$69.40 (3Q 2009 - \$54.40), per barrel, net of ROK takes, during the quarter ended September 30, 2010. The East Zhagabulak field continued producing on an uninterrupted basis throughout the third quarter. Daily field production rate average over the third quarter of 2010 was 340 Bopd. Caspian reports a 50% net interest.

Caspian, through Aral, has a contractual commitment to expend US\$ 24.5 million during calendar 2010 to discharge its exploration obligations pursuant to its exploration license with the ROK. To fund this circumstance, the Company is pursuing a farmout or sale of the North Block, which will result in an up-front cash payment plus an undertaking of the exploration and development obligations to earn a portion of the Company's interest

As at September 30, 2010, Aral had expended US\$ 5.9 million toward discharging this financial obligation. Aral projects qualifying expenditures in 2010 to approximate US\$ 7 million. The Kazakh entity intends to address this deficiency with the ROK by presenting to the ROK the executed transaction documents with Asia Sixth together with a proposal that includes moving the expenditures deficiency in 2010 to 2011. The qualifying expenditures obligations would then amount to US\$ 34 million, in 2011; and US\$ 15 million in 2012. The ROK has historically

proved amenable to the amendment of individual years within the term of an Exploration Contract.

Certain debentures holders have requested that interest totalling US \$390,505 be paid in cash pertaining to the third quarter of 2010. This payment has not been made. Due to the Company's limited financial resources, management has met and continues to negotiate with debentures holders to negotiate settlement of the interest obligation through avenues other than cash payment. If management does not reach an agreeable alternative to cash payment and fails to make payment within the stipulated time frame, an event of default may occur pursuant to the debentures contract. If the delinquency is not remedied within 30 days of the default, the debentures holders then may formally notify the Company of such circumstance and demand payment of the delinquent interest to be made within ten business days. Failing payment by the Company, the debentures holders may demand that their principal and accrued interest be immediately paid and appoint a private Receiver to accomplish such objective. If the private Receiver wishes to dispose of the property in the Republic of Kazakhstan, ministerial assent is required. The Company has not been formally notified as to an event of default under the debentures agreement.

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

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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 and includes the satisfaction of all conditions precedent to the sale by Caspian of a

10% interest in Aral Petroleum Capital LLP (“Aral”), including the ability of Asia Sixth to meet its obligations under the foundation agreement to secure US\$80 million in debt financing for Aral, and the limited remedies available to the Company in the event of any such failure of Asia Sixth, the impact of general economic conditions, industry conditions, currency fluctuation and dependence upon regulatory approvals. 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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