



17 October, 2012
(TSX: CEK)

Results of Technical Report

Toronto – Caspian Energy Inc. (“Caspian” or “the Company”) is pleased to announce an update following the appointment of Roger Nutt as a senior consultant on 20 August 2012.

Mr Nutt has now visited the Company’s operations in the Republic of Kazakhstan and spent significant time analysing the data with assistance from Caspian and its partners Aral Petroleum Capital LLP’s and Asia Sixth. Mr. Nutt was given access to all the information available on the logs, core data and Spectral Gamma Rays (SGR) from Wells 301, 302, 303, 306, 308 and 316.

Mr Nutt has subsequently submitted his findings via a report to the Board and concluded the following summation:

- It is the belief of Mr. Nutt that the carbonate host rock is fractured, and the evidence shows that it is also almost certainly karstic. Mr. Nutt believes that these fractures and karstic intervals will contain oil and that if the wells are completed in a manner more appropriate to the true nature of the reservoir, subject to the next point they could produce oil at an improved rate.
- It is the belief of Mr Nutt that the data examined has demonstrated that the geology is not a normal, conventional reservoir. Mr. Nutt is of the opinion that the reason for the disappointing flow rates achieved to date is that all the wells drilled so far have been completed on the false premise that the rock is a normal, conventional, permeable formation, in which oil flows to the wells between the rock grains. In fact, it is the view of Mr Nutt, that the rock is impermeable to the extent that very little oil can be extracted from the drilling techniques adopted to date.
- Mr. Nutt believes that to achieve the full potential of these wells, each well must be perforated at the depths which will give access to the relevant fractures or karsts. These depths are currently being established. Each perforated interval must then be mini-fractured and propped open, to allow the oil access from the reservoir to the well-bore perforations, through the cement around the casing.

Chief Executive of Caspian, William Ramsay, commented: “Mr Nutt’s report has been presented to Caspian, Aral Petroleum and Asia Sixth for analysis and discussion. I am pleased to say that each party believes the findings and suggested strategy to improve the flow rates have considerable merit. It is the opinion of Mr. Nutt that the carbonate host rock is fractured and almost certainly karstic. These fractures and karstic intervals have the potential to contain oil but have not been tested with the drilling techniques adopted to date.

It is extremely difficult, prior to further testing, to make an estimate of the amount of producible oil which may exist in the voids of the fractures and karsts until further work is done. I look forward to updating shareholders on progress in the next six-eight weeks.”



For further information, please contact Caspian Energy Inc.:

Caspian Energy Inc	
William Ramsay	+44 (0)773663-1378
President and Chief Executive Officer	
Brian Korney	+1 403-513-3375
Chief Financial Officer	
Tavistock Communications	
Jos Simson/Conrad Harrington	+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.