**CASPIAN ENERGY INC.**
**ANNOUNCES FIRST QUARTER 2011 FINANCIAL RESULTS**

TORONTO, June 14, 2011 -- Caspian Energy Inc. (the "Company" or "CEK") (TSX: CEK) announced today its financial results for the three months ending March 31, 2011. 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.

## *Highlights*

- *Caspian reduces convertible debentures debt by 44%, post quarter-end*
- *Close of Aral financing is imminent*
- *Flaring permit granted, production to resume*
- *Rework of EZ213 has begun and rigs mobilized to drill two new tests*

**All financial data presented in this Release is in thousands of Canadian dollars, unless otherwise indicated**. This is the first reporting period during which data is presented pursuant to International Financial Reporting Standards (IFRS).

For the three months ending March 31, 2011, CEK's net income (loss) and comprehensive income (loss) was $(2,185)) and for the three months ending March 31, 2010, CEK's net income and comprehensive income was $(2,051)). Caspian recorded charges of $1,658 (1Q 2010 - $1,102) pertaining to Finance expense. Depletion, depreciation and accretion expenses were $55 and $261, respectively. CEK's operations used $751 in cash during the three month period and used $314 for the comparative quarter of 2010. At the close of 1Q 2011, Caspian had a working capital deficiency of $27,746. ; however, this figure reflects the reclassification of the Convertible debentures, in the amount of $21,634, from long-term to current liabilities plus the pro rata addition of Aral's current liabilities. The Company had a cash balance of $619 in Canadian accounts and domestic liabilities of $432 at the close of the first quarter.

Oil revenues before transportation costs during 1Q 2011 were $304 and for 1Q 2010 were $492. The Company sold an average 44 Bopd (1Q 2010 – 87 Bopd) at a price of $77.23 (1Q 2010 - $63.12), per barrel, net of ROK takes, during the quarter ended March 31, 2011 The East Zhagabulak field was shut-in concurrent with the expiration of the gas flaring permit on December 31, 2010. The renewal permit has been granted; however, an additional environmental emissions permit is necessary before we can resume production. This permit is expected imminently.

For the quarter ended March 31, 2011 operating costs were $121 and for the 2010 comparative period, operating costs were $380 while transportation expenses were $118 and $252, respectively. Administrative expenses for the same periods were $537 and $548, respectively.

The Company's existing sources of financing and expected cash flow from operating activities are not sufficient to meet: (i) the repayment of the Loan payable of $4,600; and (ii) the Convertible Debentures plus accrued interest, totalling $21,634 on March 31, 2011, which matured on March 2, 2011.

On April 7, 2011, the Company concluded an arrangement with its Debenturesholders regarding the USD 16 million, 10% per annum, convertible debentures which matured on March 2, 2011. It was mutually agreed to restructure the existing Debentures as follows:

- Convert 44% of the principal plus accrued interest into common shares of the Company at a price of $0.19 per common share (this aggregates $9,790,753 convertible to 49,777,218 common shares)

- Amend the existing Debentures to an amount of $12,460,958, with a conversion price of $0.28 per common share, a floor price (minimum conversion price) of $0.10 per common share and a 24 month maturity date

- Interest remains at 10% per annum, payable in cash quarterly, or at the election of the holders in stock at a 5% discount to 20 day Volume Weighted Average Price (VWAP) plus ½ share purchase warrant (2 year life) at a 30% premium to VWAP

As at December 31, 2010, Aral had expended US$ 8.5 million toward discharging the financial obligations of US$ 24.5 million stipulated by the 2010 Updated Work Program. Aral addressed this deficiency with the ROK by presenting to the ROK executed transaction documents associated with its forthcoming financing transaction together with a proposal that includes moving the expenditures deficiency in 2010 to 2011. The ROK has historically proved amenable to the amendment of individual years within the term of an Exploration Contract.

As at March 31, 2011, Aral had expended an additional US$ 1.7 million of contractual expenditures toward the cumulative obligations.

Aral expects an addendum to the Exploration Contract to be signed by the close of June 2011, which will accept the shortfalls with the following conditions; increase in the Work Program commitments of US$ 13.95 million, drilling of two additional wells and increase in total Work Program commitments for 2011-2012.

Non-fulfillment of commitments under the Work Program may result in punitive actions by the Government of the Republic of Kazakhstan, including suspending or revoking the Exploration Contract.

As part of the previously announced financing transaction for Aral, it will be the new partner's responsibility to secure US$ 80mm in debt financing for Aral for further exploration and development. This transaction will achieve several strategic imperatives. It will provide the funding necessary to develop the East Zhagabulak field, phase one of which envisages the immediate drilling of development wells. It will provide the funding required for a sustained exploratory drilling campaign in the Greater Zhagabulak, Baktygaryn, and Urikhtau areas, among others.  Finally, it should ensure that Caspian will not have to provide additional funds for the activity in the North Block in the near term.

The potentially new partner in Aral filed necessary documents with the Anti-Monopoly Committee of the ROK during the first quarter of 2011.  The partners in Aral completed their filings for approval of the transaction with the Ministry of Oil and Gas of the ROK, during this second quarter, and the Inter-Department Commission for Consideration of Pre-emptive Rights will consider our application at their next meeting.  Closing is expected during the second quarter of 2011.   A critical precedent outstanding is the acceptance of the amended work program by the ROK.

The agreement with the new partner, which expired on March 31, 2011, has been extended by mutual consent of both parties. The Company's objectives continue to be focused on executing this agreement or another similar arrangement to maximize value to shareholders through development of its oil and gas properties.

The Company’s ability to continue as a going concern is in substantial doubt and is dependent upon a successful outcome to the aforementioned financial transaction.

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 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 the Company 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. 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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