Caspian mobilizes Kazakh drilling fleet
Three targets to be probed in June

CALGARY, June 14, 2011 — Aral Petroleum Capital, currently owned 50 per cent by Caspian Energy Inc. of Calgary, is launching a three-rig drilling campaign on leases in Kazakhstan's North Block.

A contract signed today with a major drilling contractor calls for immediate mobilization of three rigs to the East Zhagabulak and Sakramabas sections of the North Block during June.

"This ends an extended period of enforced inactivity on our leases in Kazakhstan," said William Ramsay, Chairman and CEO of Caspian and Chairman of Aral. Ramsay said Aral had been idled for more than 30 months awaiting the selection of a new partner to participate in North Block exploration. With a new partner in place, as of Caspian's Nov. 5, 2010 announcement, they are now in a position to proceed.

The first rig will be dispatched within two to three days to the proven and producing East Zhagabulak field to conduct a workover on existing well EZ #213, install a new pump and reinstate production.

The second and third rigs will move within a week's time to drill top priority exploration wells in East Zhagabulak and Sakramabas. One of those rigs will drill a new well at EZ #306, a site within several hundred metres of established producing wells and on the same trend line. The other rig will drill Sakramabas #307, a site in the northwest section of Greater Zhagabulak, a portion of the North Block where newly obtained seismic data indicate the potential existence of a high-porosity carbonate reef structure.

"This prospect has shot to the top of our priority list and it will be tested by a new well immediately," Ramsay said. "Neighbours have drilled successful wells on surrounding leases and our new data give us confidence that our Sakramabas #307 location offers very serious potential."

"We're drilling two distinct and separate exploration plays, one in Sakramabas and one in East Zhagabulak, thereby defraying risk and enhancing the potential for a successful discovery," Ramsay said. "We're also conducting a workover project that we expect will improve existing East Zhagabulak production by a very significant margin."

As the operating entity in Kazakhstan, Aral holds a 25-year production contract with the Republic of Kazakhstan for East Zhagabulak. Aral also holds a three-year exploration agreement for the wider North Block region, an area of some 1,549 square kilometres. An agreement to be executed in coming days will see Caspian reduce its ownership in Aral to 40 per cent, while its new partner acquires 60 per cent of Aral.

“We all believe the North Block to contain very significant hydrocarbon reserves,” Ramsay said. “Our challenge has been to find a partner to assist in arranging financing that will enable us to prove up an array of highly prospective targets.

“Now we have that partner in place and, as a result, we have a drilling contract that enables us to pursue our highest priorities in a consistent and orderly fashion.”

Background

Caspian is an oil and gas exploration and development company, operating in Kazakhstan where it has a number of targets in the highly prospective Aktobe Oblast of Western Kazakhstan. The Company holds an exclusive licence, which entitles it to explore and develop certain oil and gas properties known as the “North Block,” an area of 1,549 square km, and a production contract for the area known as “East Zhagabulak,” through its interest in Aral.

Cautionary Note:

Forward Looking Statements – Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of Caspian, including, but not limited to the satisfaction of all conditions precedent to the sale by Caspian of a 10% interest in Aral, including the ability of the Purchaser 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 the Purchaser, the impact of general economic conditions, industry conditions, currency fluctuations, and dependence upon regulatory approvals. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.

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