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NOVEMBER 17, 2011

**CASPIAN ENERGY INC.**  
**(“Caspian” or the “Company”)**

**Testing Results and Drilling Operations Update**

**Well 308 “Target Depth Reached”**

Today we are pleased to report that after 125 days of drilling activity on well 308, in the East Zhagabulak field, the target depth of 4700 meters was reached.

Based on the core samples, recovered and the mud logs, APC is pleased that the existence of hydrocarbons in the central part of East Zhagabulak has been confirmed. Moreover, the initial evidence suggests that the thickness of the carbonate in well 308, in particular, the producing zones referred to as the KT-II, closely match the profile of the KT-II in the neighboring producing wells 213 and 301.

In the very near future, APC plans to perform a well log survey in well 308’s borehole. In order to obtain detailed information on the lower part of the KT-II oil-bearing formation, it has been decided to deepen well 308 by an additional 80 meters; the new total depth of the well is 4780 m., which should be reached very shortly.

**Well 316**

Well 316 is being drilled on a separate structure in West Zhagabulak and is approximately 10 km from well 308. Well 316 is targeted to be drilled to a total depth of 4700 meters. The primary target is the KT-II formation. As of yesterday well 316 had been drilled to a depth of 3800 meters.

**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 license, 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.

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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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