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Caspian Energy Inc. Announces Closing of Private Placement

Toronto, Ontario – May 27, 2010. Caspian Energy Inc. (TSX:CEK) (“Caspian” or the “Company”) is pleased to announce that has closed its previously announced non-brokered private placement pursuant to which it has issued an aggregate of 9,320,000 common shares at a price of \$0.20 per share to raise aggregate gross proceeds of \$1,864,000. The common shares issued in connection with the private placement are subject to a statutory hold period expiring on September 28, 2010.

The proceeds of the private placement will be added to corporate working capital and provide surety that the Company is in position to complete the previously announced transaction entered into with AsiaStar Petroleum Limited (“AsiaStar”), which will enable and promote exploration and exploitation of the Company’s interest in the Kazakh Exploration Block. The arrangement with AsiaStar is progressing, expected to close prior to the end of the second quarter of 2010, with necessary regulatory approvals an outstanding item. The approvals are expected and anticipated in the near term.

The private placement remains subject to the final approval of the Toronto Stock Exchange.

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

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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 Petroleum Capital LLP (“Aral”), including the ability of AsiaStar 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 AsiaStar, the impact of general economic conditions, industry conditions, currency fluctuation 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.