



CASPIAN ENERGY INC

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CASPIAN ENERGY INC

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Reserve estimates contained in this presentation have been prepared by McDaniel & Associates in accordance with National Instrument 51-101 - Standards of Disclosure for Oil and Gas Operations of the Canadian securities regulatory authorities. Certain natural gas volumes indicated in this presentation have been converted to barrels of oil equivalent ("BOE") in the ratio of 1 cubic foot of gas to one barrel of oil (6 Mcf: 1 bbl). BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 bbl is based on an energy equivalent method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

All information contained in this presentation, including all forward-looking statements, is expressly qualified by this cautionary statement.



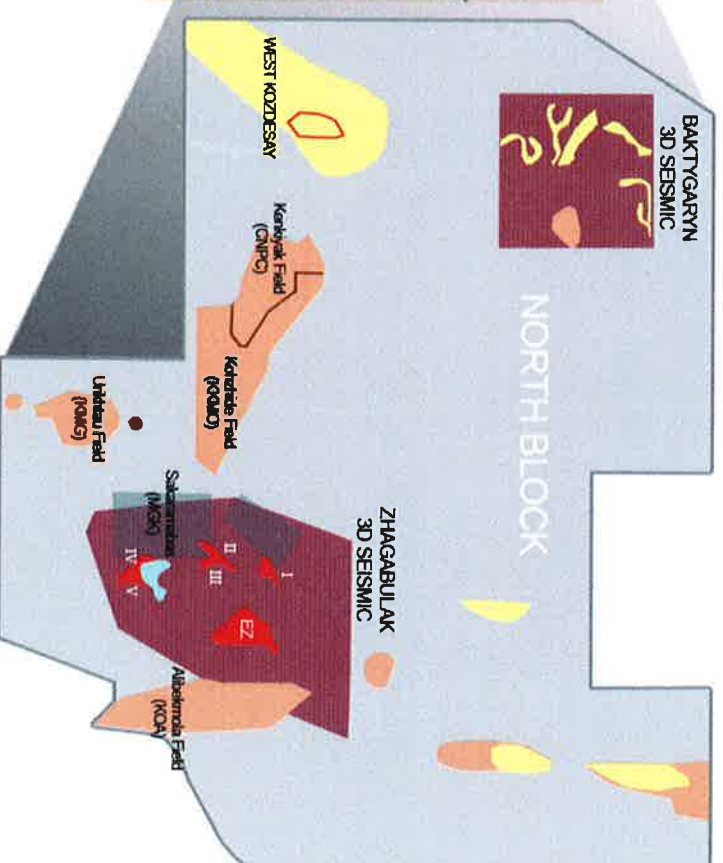
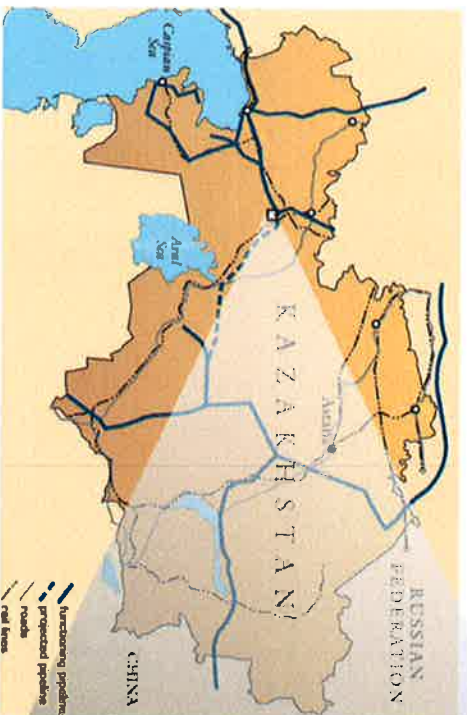
Caspian outlook transformed

- Caspian sells 10-per-cent interest in Aral Petroleum
- New partner advances all Aral's Kazakh opportunities
 - New ownership
 - 60% Asia Sixth
 - 40% Caspian



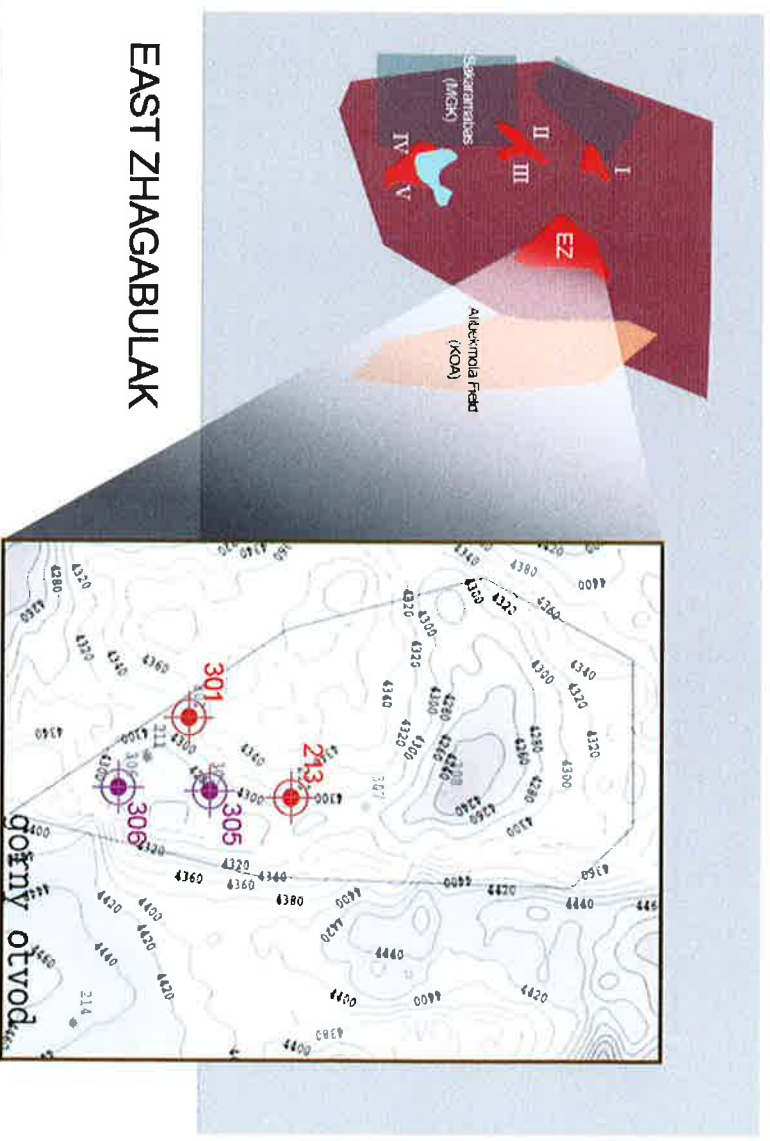
Where we stand today

- Cash to maximize production from two EZ wells
- 25-year production contract for EZ
- Cash for drilling on trends in the North Block
- three-year contract for North Block exploration
- A position on major pipelines



Access to 80 million barrels potential oil reserves

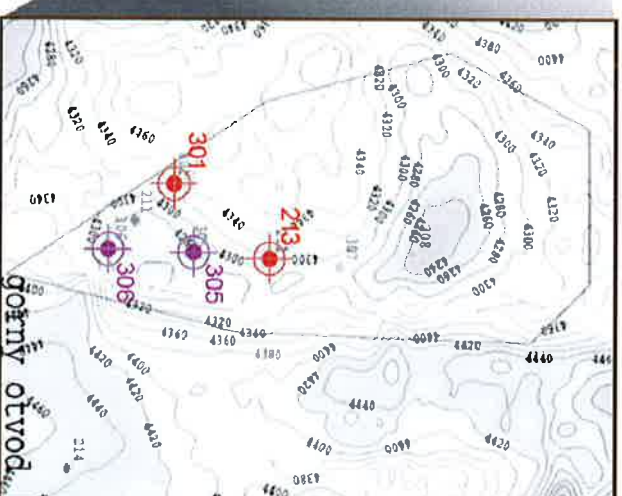
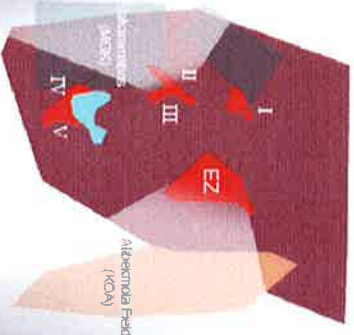
- Zhagabulak I — some 20 million barrels in recoverable reserves estimated by McDaniels and Soviets
- Zhagabulak II and III (Sakarambas) — each some 20 million barrels of recoverable reserves estimated by McDaniels and Associates
- Zhagabulak IV
- 13 million / P-10 resources
- Zhagabulak V
- 18 million / P-10 resources



EAST ZHAGABULAK

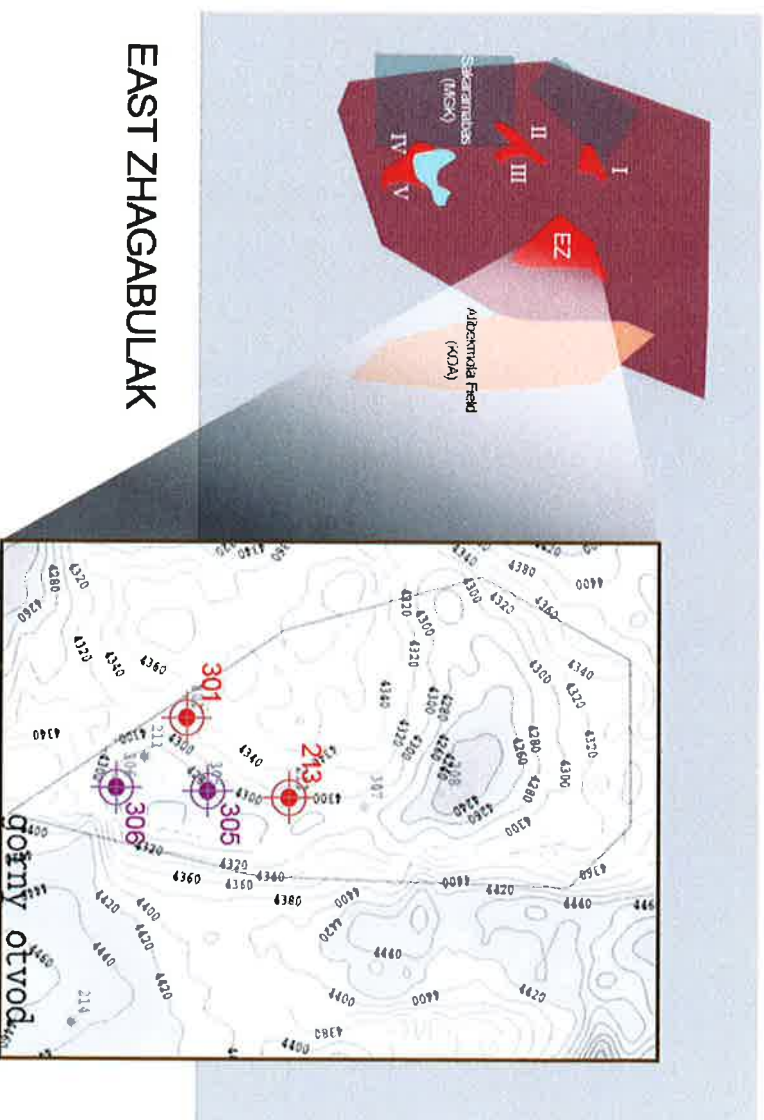
How we plan to proceed in 2011

- Install new pump in producing well EZ#213
- Purchase new pump for producing well EZ#301
- Drill EZ#305 (Q1/11)
- Re-enter old Soviet well #216 near Sakaramabas
- Drill Sakramabas #304
- Drill EZ#306



Reasons for confidence (1)

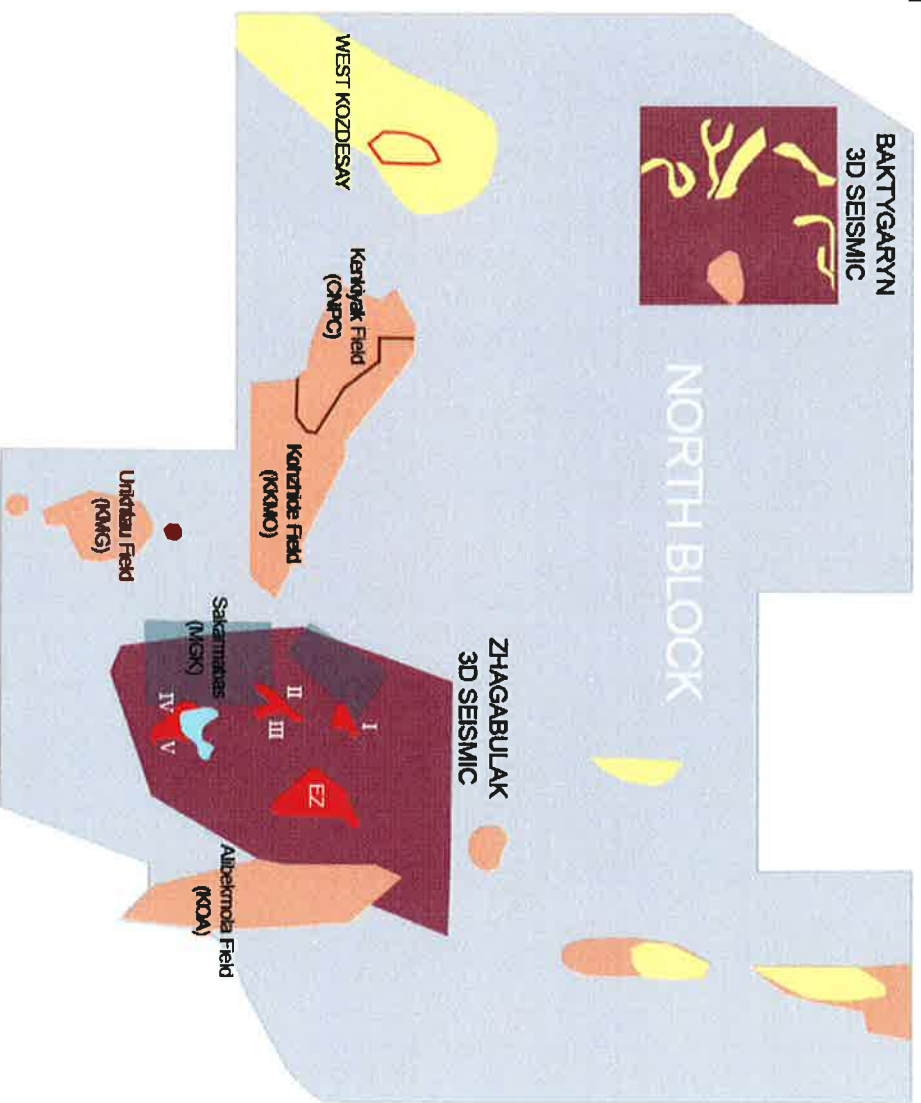
- East Zhagabulak is a designated field
- EZ #213 produces - simply needs a new pump
- EZ #301 is a strong producer and can be made stronger by a new pump



EAST ZHAGABULAK

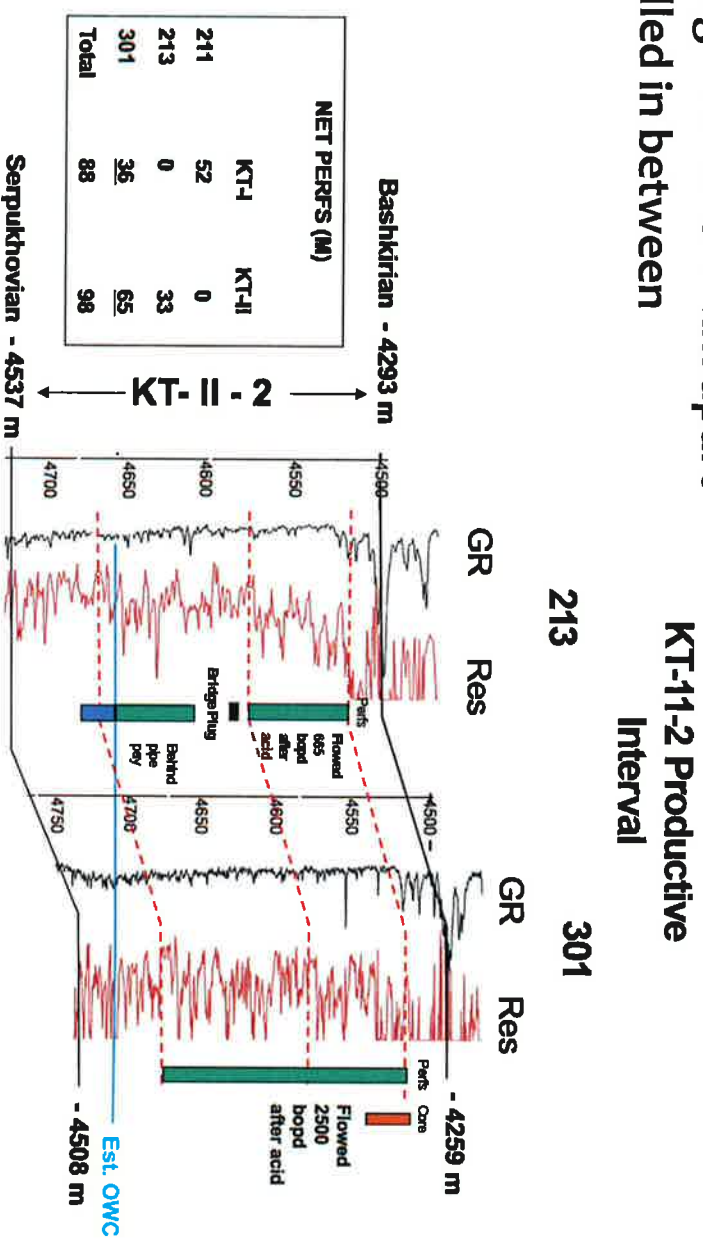
Reasons for confidence (2)

- The Carboniferous trend



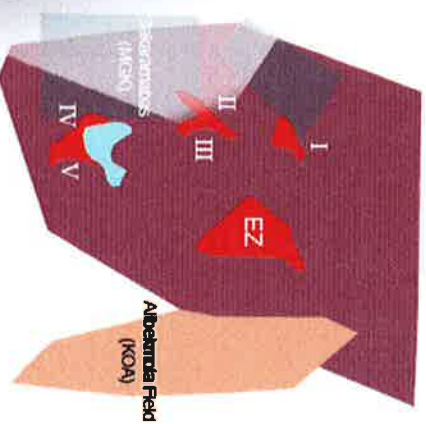
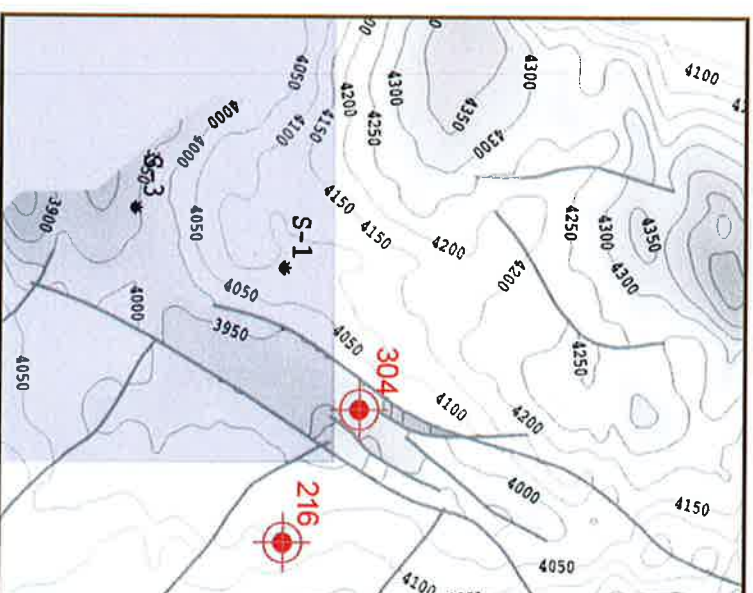
Reasons for confidence (3)

- Gross pay of K-II horizon is some 420 metres
- Net pay in the EZ# 213 well is 33 metres
- Net pay in the EZ# 301 well is 65 metres
- The two producing wells are 1.1 km apart
- EZ# 305 to be drilled in between



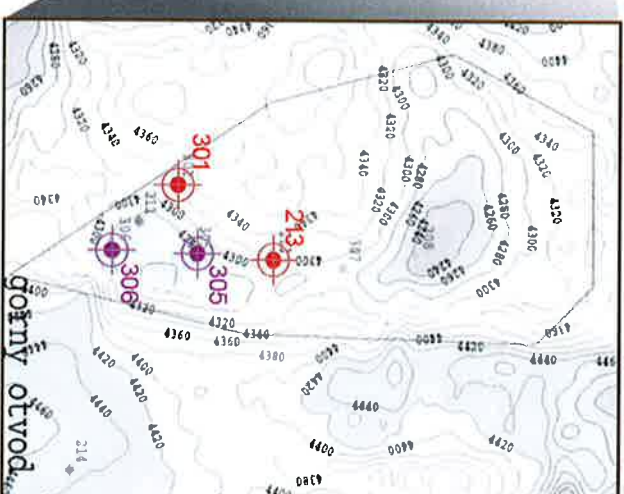
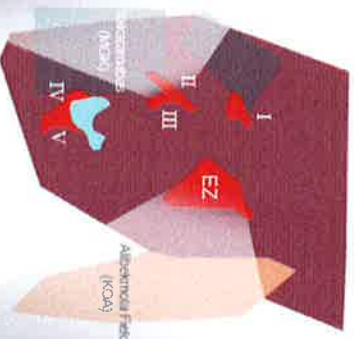
Reasons for confidence (4)

- Sakaramabas (Greater Zhagabulak II and III)
- Sakaramabas #216 lies on trend proven by neighbours
- Sakaramabas #304 lies on the same trend



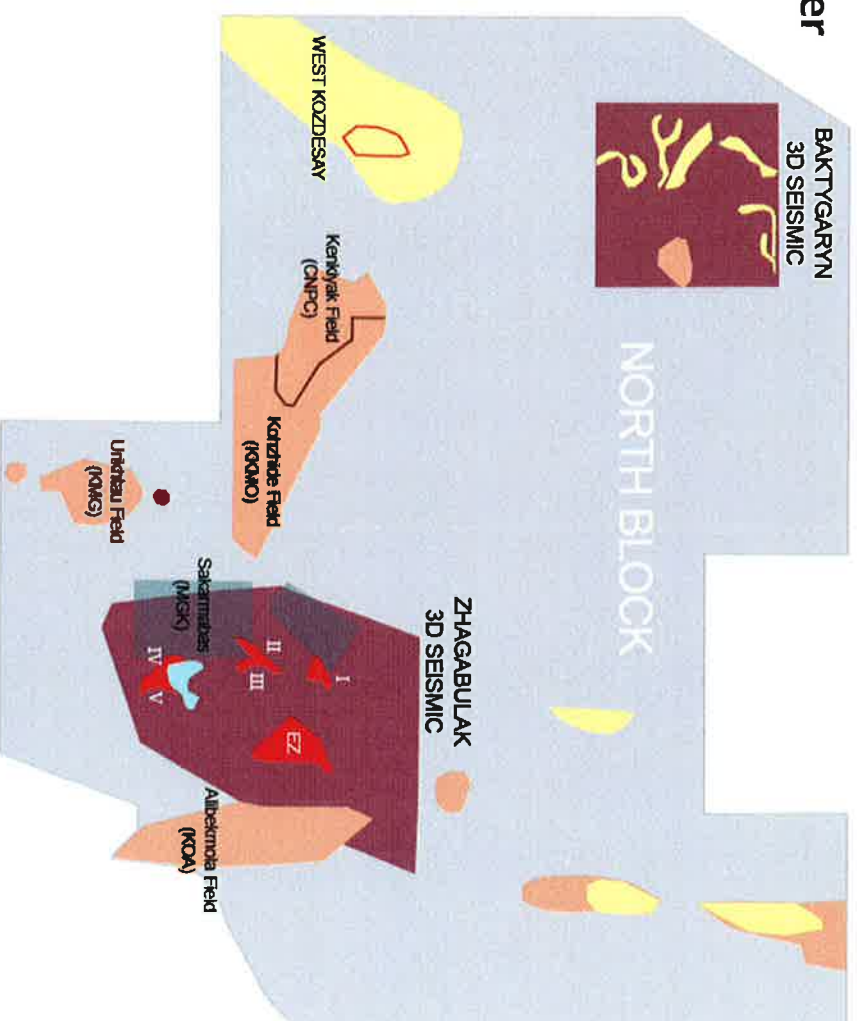
Groundwork is done

- \$109.7 million has been invested
 - seismic, drilling and production equipment
- exploration and production contracts are in place
- two producing wells in East Zhagabulak
- targets identified in the larger North Block
- funding secure for future drilling



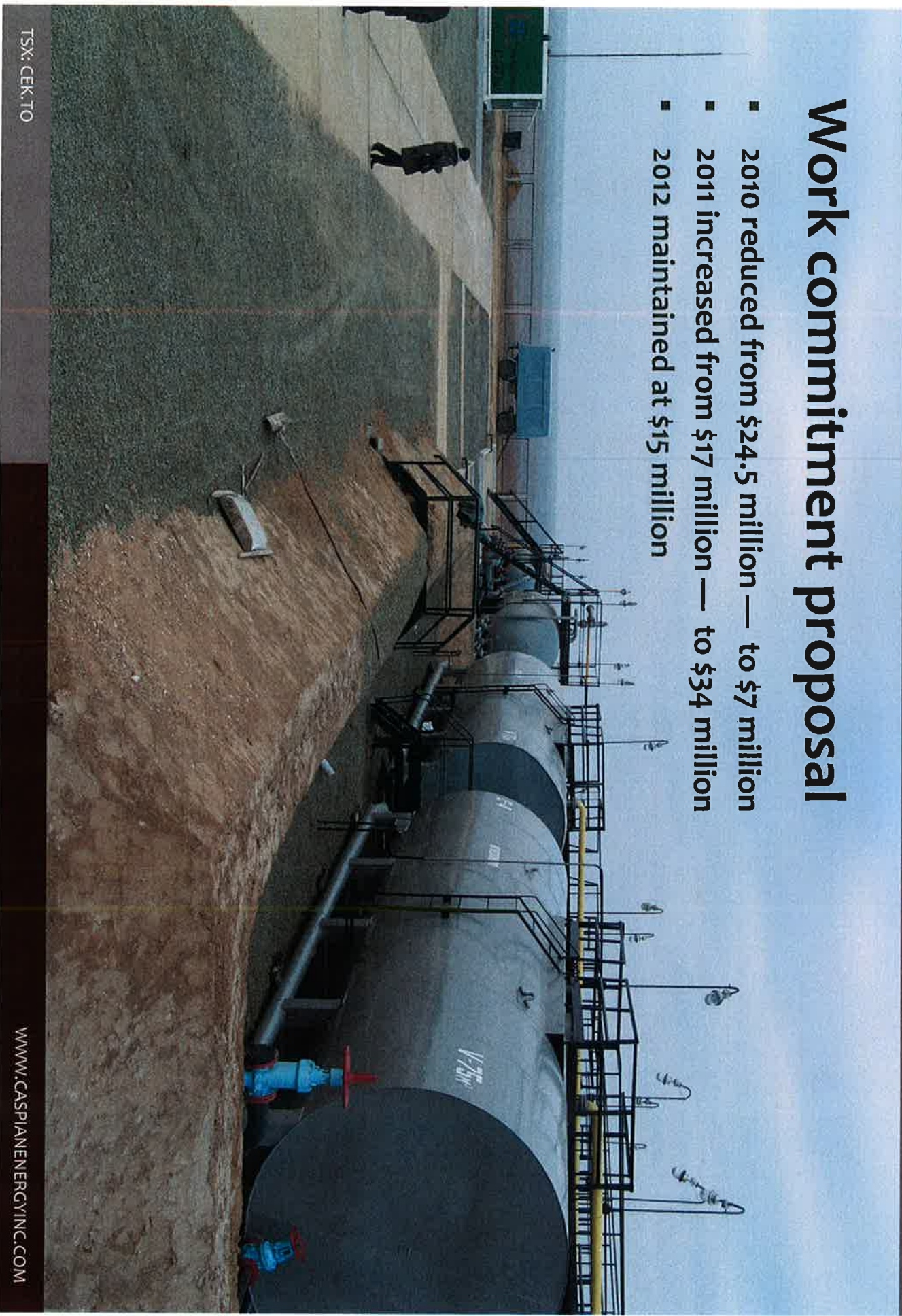
Remaining hurdles

- renewing our work commitment
- taking East Zhagabulak to commercial production
- proving Sakaramabas (Greater Zhagabulak II and III)



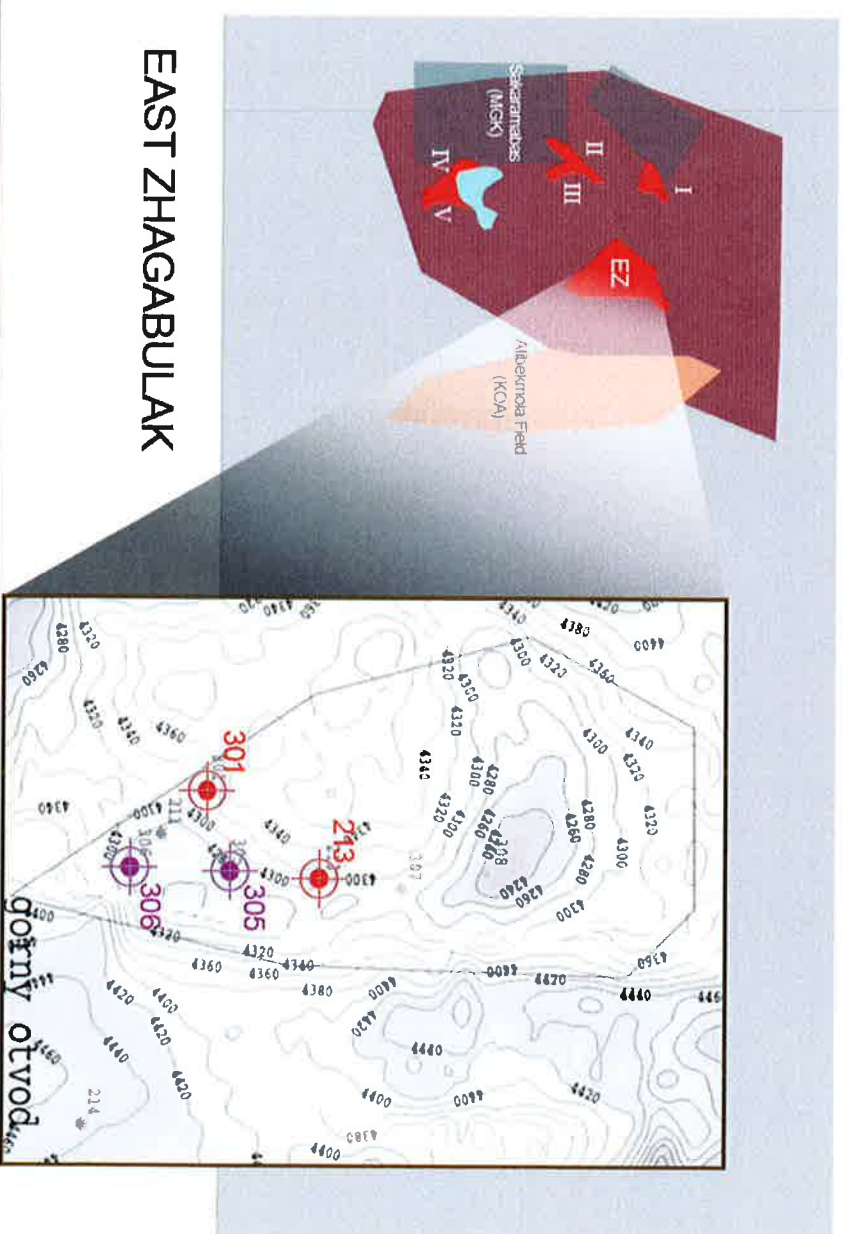
Work commitment proposal

- 2010 reduced from \$24.5 million — to \$7 million
- 2011 increased from \$17 million — to \$34 million
- 2012 maintained at \$15 million



Achieving commercial production

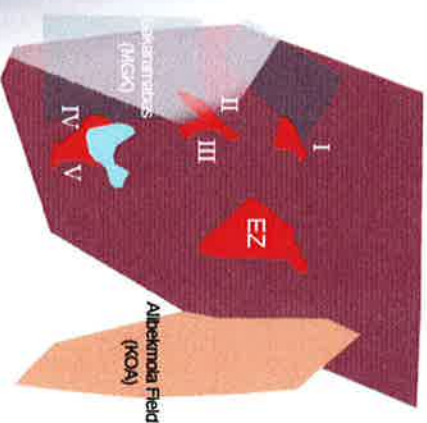
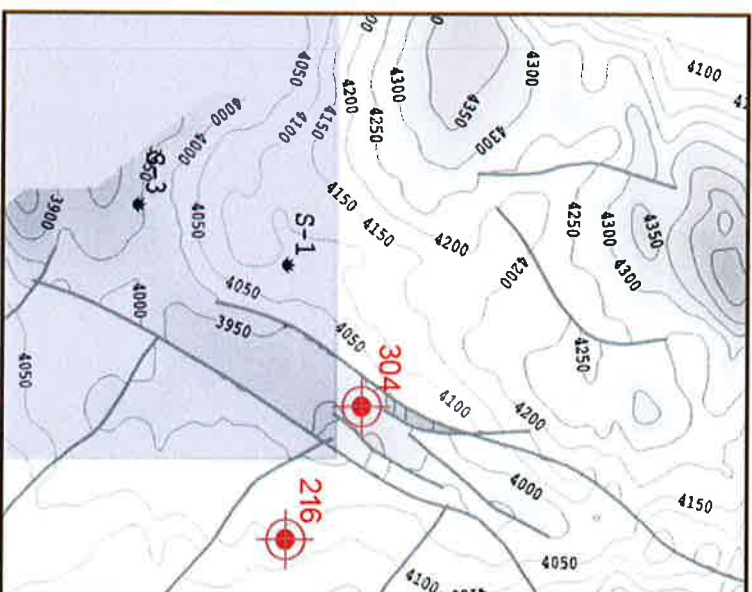
- new pump for EZ# 213
- new pump for EZ# 301 — when needed
- new well at location EZ# 305



EAST ZHAGABULAK

Proving Sakaramabas

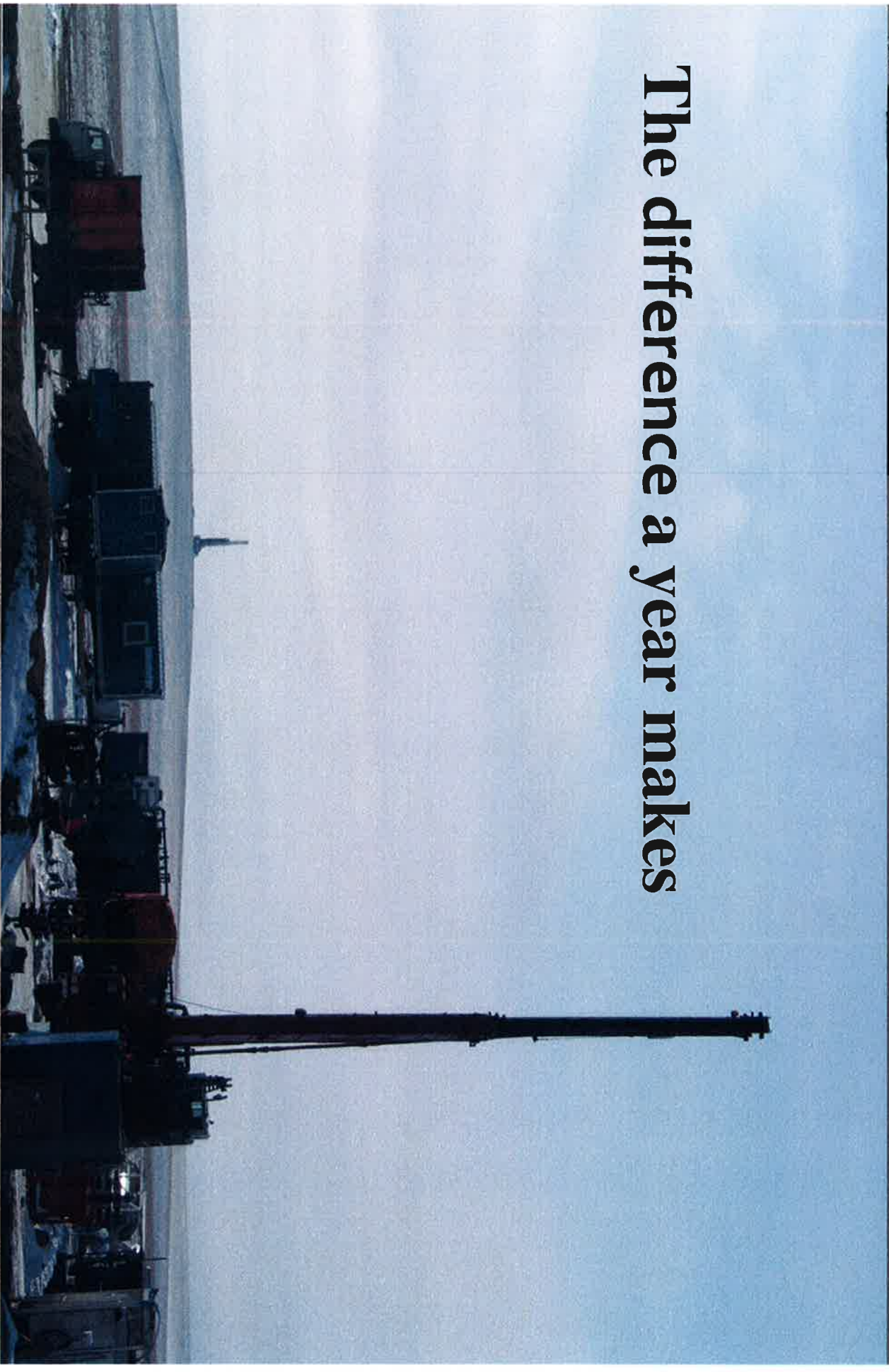
- re-entering 216
- drilling 304





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The difference a year makes

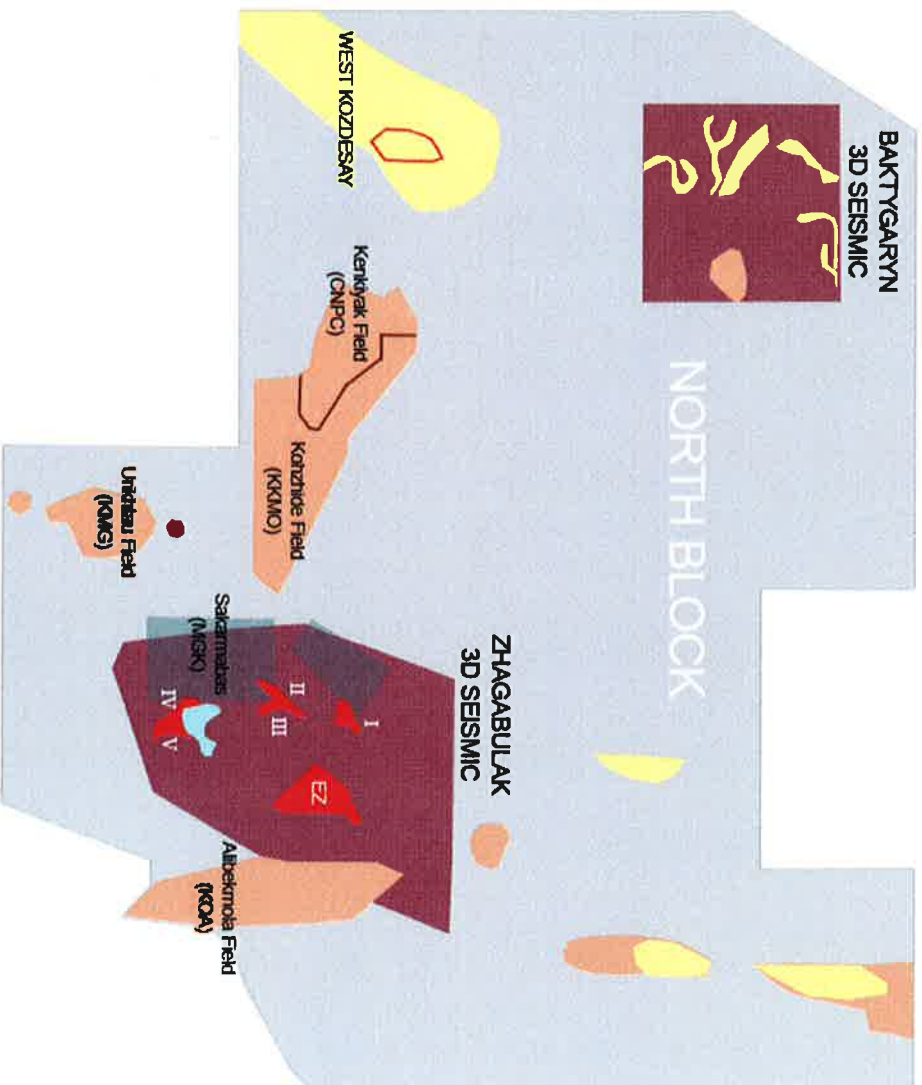


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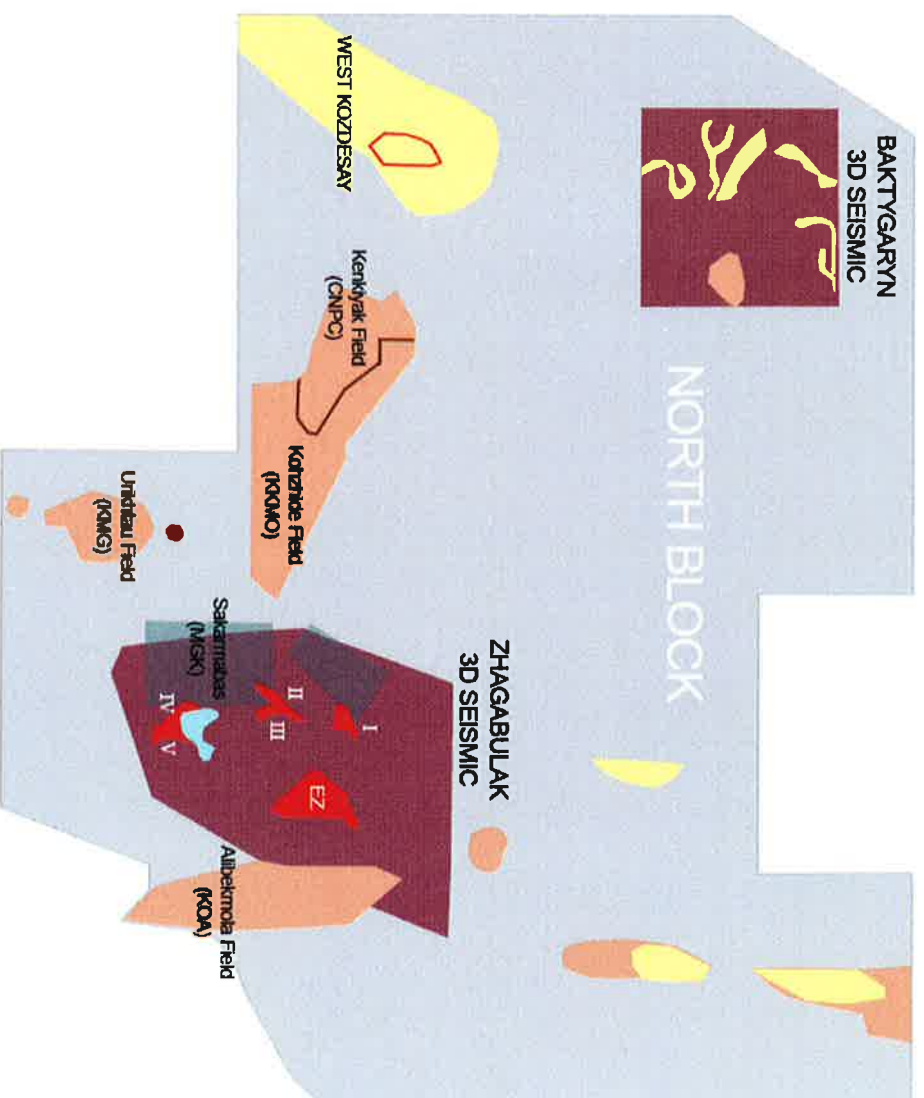
2012 and beyond

- West Kozdesay
 - Strong potential, modest cost - 1,300 metres to target
- Baktygaryn
 - Learned from #703 - targeting Triassic channel sands
- Greater Zhagabulak IV and V
 - Learned from #303 - re-entry will seal off water zones
- Urikhtau
 - Soviets drilled large condensate find



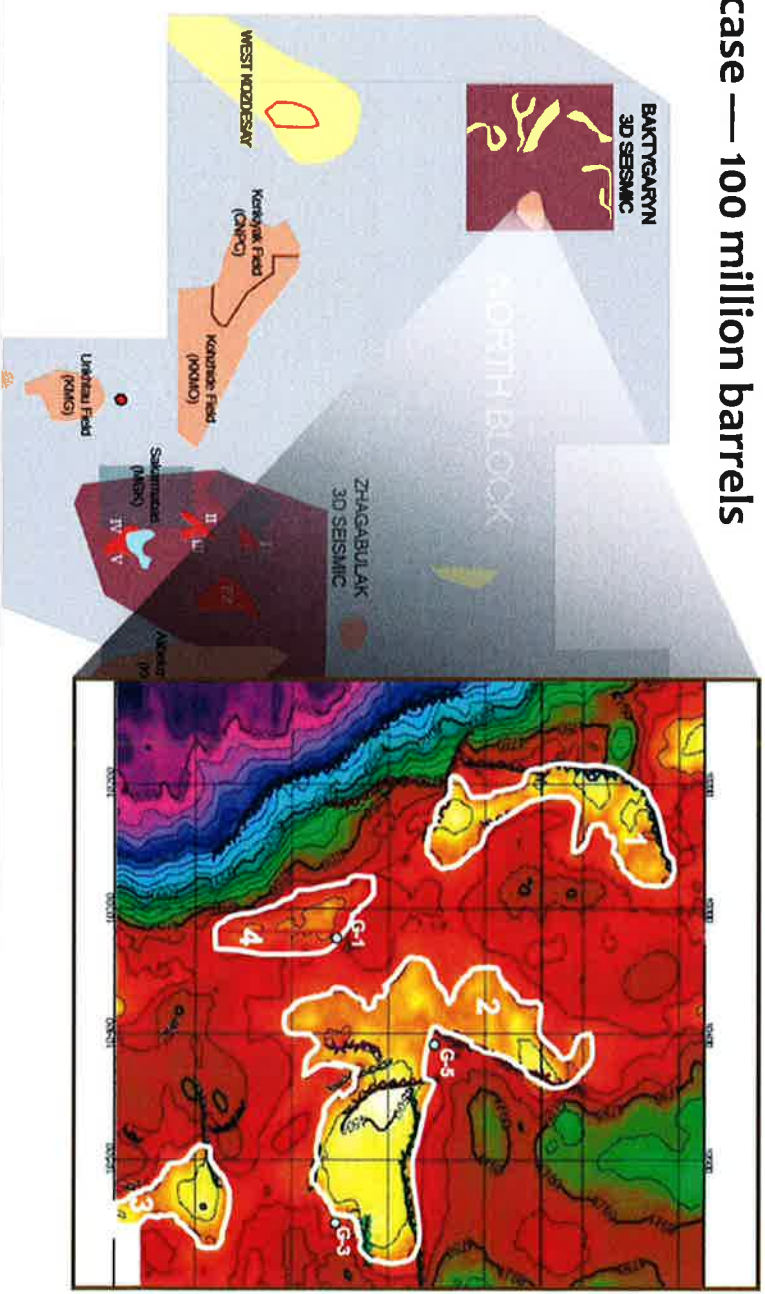
West Kozdesay

- P10 rating gives it up to 84 million barrels of oil
- Adjacent neighbours producing 9,100 bopd from same zone



Baktygaryn

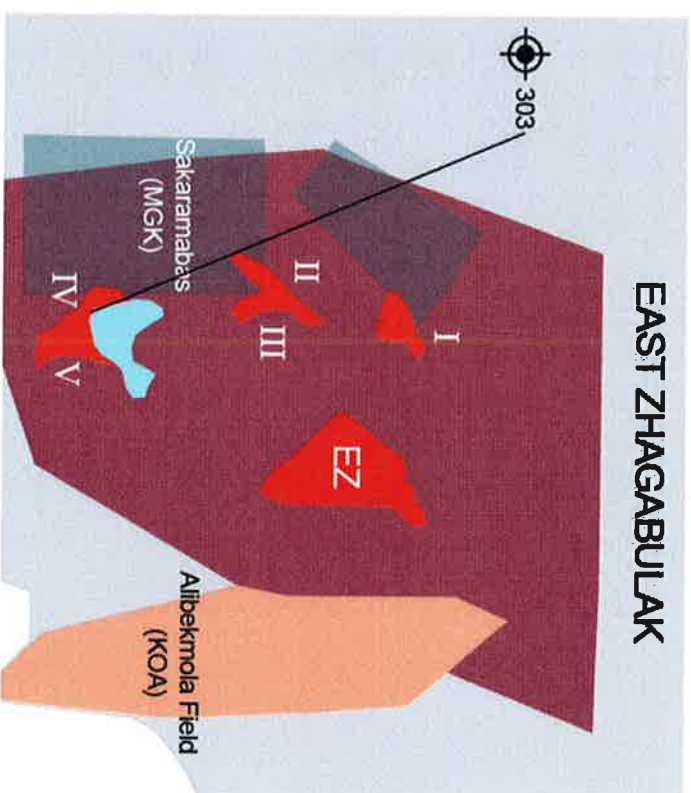
- Extensive channel sands
- Several bright spots on 3-D seismic
- Triassic P50 case — 44 million barrels
- Triassic P10 case — 129 million barrels
- Carboniferous P50 case — 30 million barrels
- Carboniferous P10 case — 100 million barrels





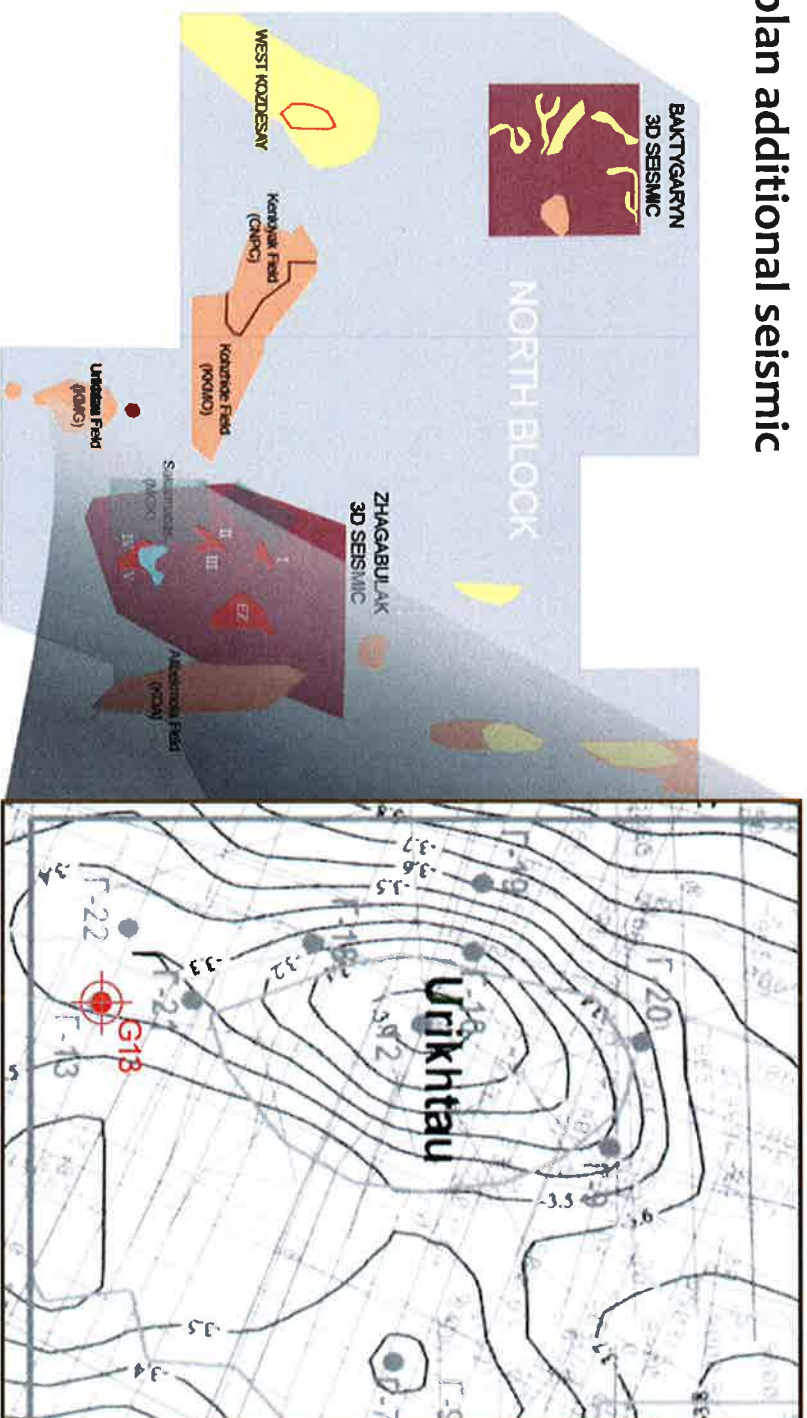
Greater Zhagabulak IV and V

- Company estimates a P50 Case of 11 million barrels
- P10 case of 32 million barrels
- Aral has well in place at #303
- Well showed oil but produced too much water
- Now have funding to return and rework well



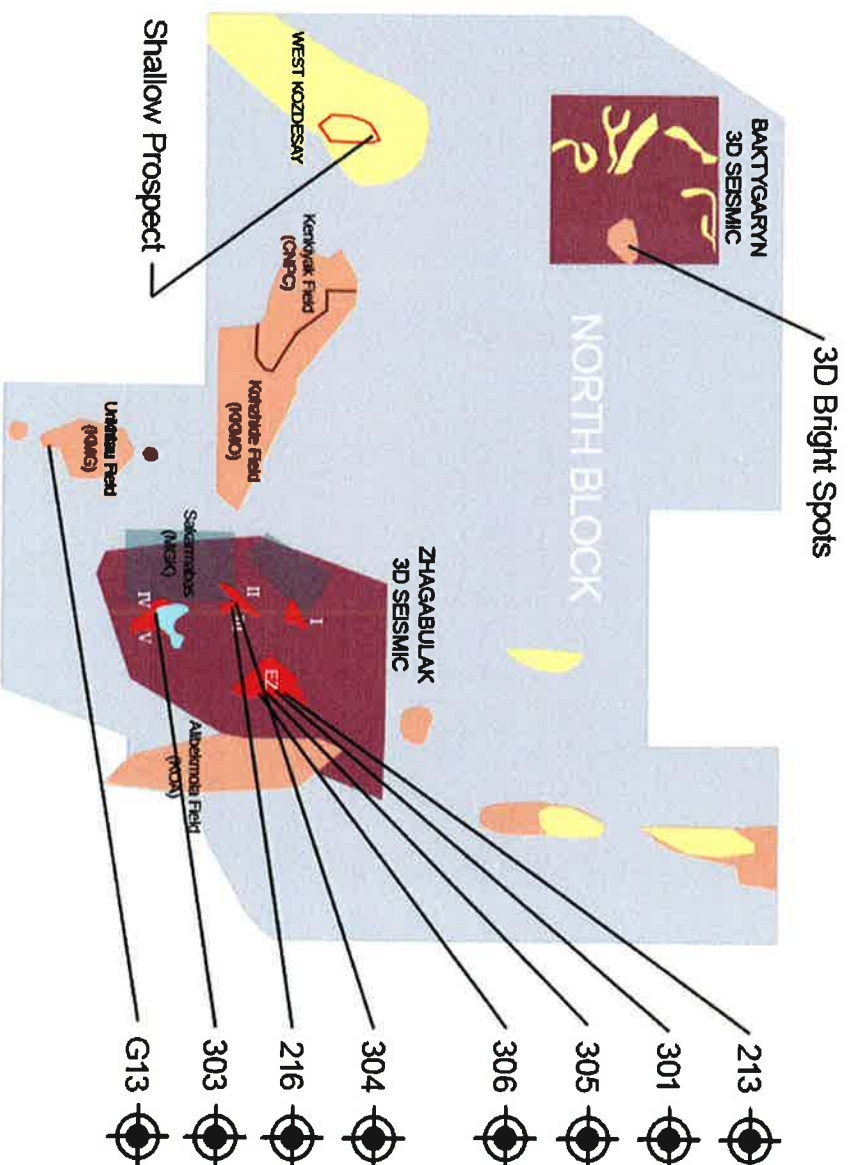
Urikhtau

- Proven Soviet well in place
- Flowed 650 boed of condensate
- Then no processing available
- Now plan additional seismic



Overview

- Caspian is long on opportunity
- Has been short on cash
- We now have partner with deep pockets
- Priorities logically arranged
 - Provide numerous impressive opportunities
 - 2011 and 2012 will transform Caspian

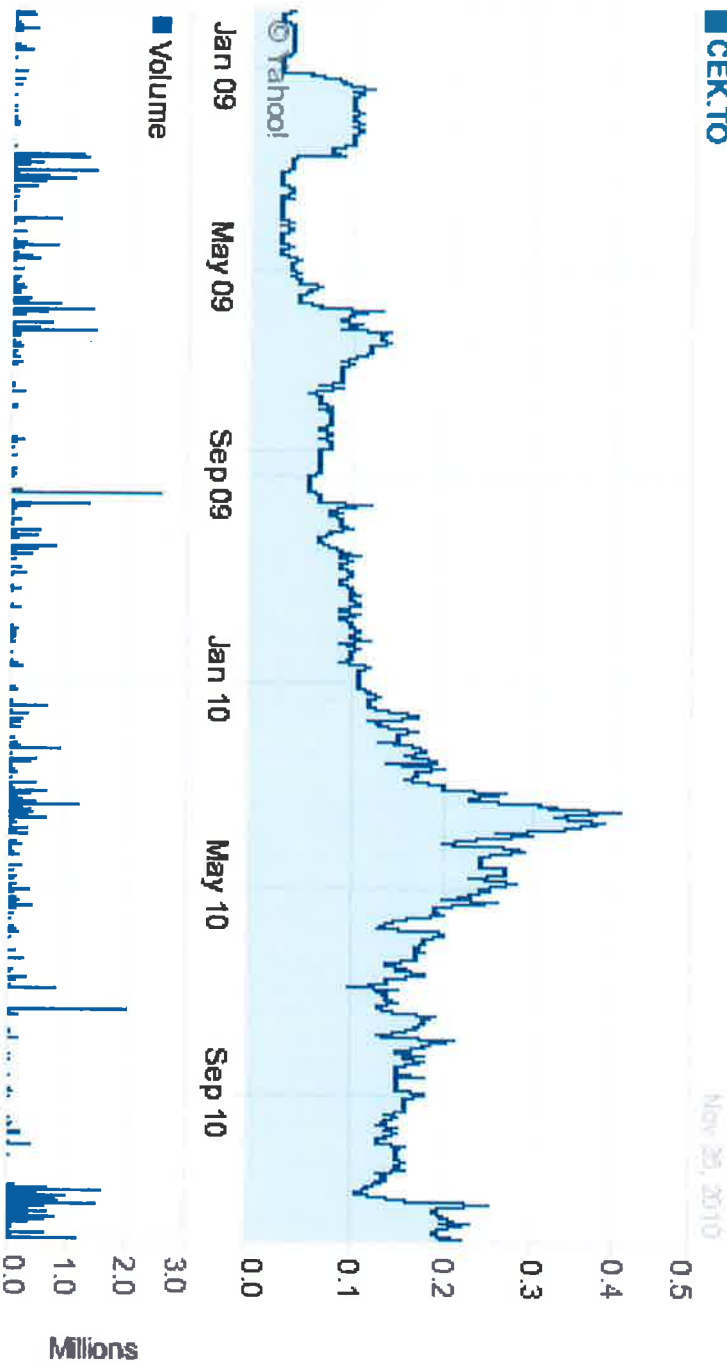




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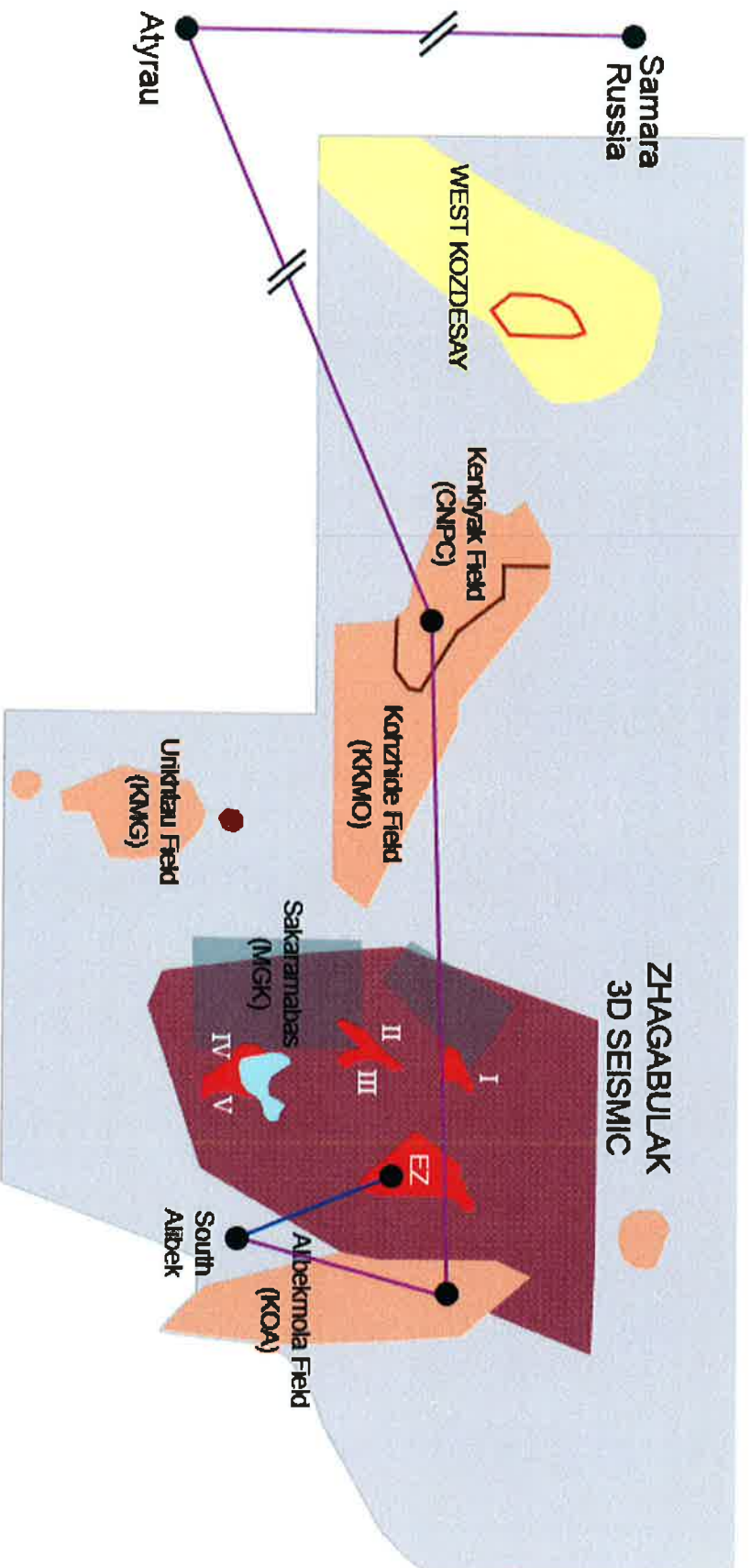


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Pipeline to Market



Cash Flow Model — Caspian NPV

3P

Year	APC ATCF	Capital	ATCF + Capital	Interest Tax Rate		Dividend Tax Rate		Previous Loan Amount		Tax Deduction			
				10%	15%	5%	NPV	APC Cash Flow After Loan	CEL	CEL ATCF			
2011	(14,431)	14,187	(244)	-196	(14,382)	14,382	(196)	14,578	1,458	16,036	(244)	(98)	(98)
2012	(12,245)	40,917	28,672	22,937	(17,980)	56,953	22,937	34,016	3,402	37,417	5,734	2,294	2,294
2013	11,713	43,678	55,390	44,312	11,713	81,095	44,312	36,782	3,678	40,460	11,078	4,431	4,431
2014	59,640	13,676	73,316	58,653	59,640	54,136	58,653	0	0	0	73,316	29,326	29,326
2015	70,223	0	70,223	56,178	70,223	0	56,178	0	0	0	70,223	28,089	26,685
2016	65,296	0	65,296	52,237	65,296	0	52,237	0	0	0	65,296	26,118	24,812
2017	58,308	0	58,308	46,647	58,308	0	46,647	0	0	0	58,308	23,323	22,157
2018	51,504	0	51,504	41,203	51,504	0	41,203	0	0	0	51,504	20,602	19,572
2019	45,683	0	45,683	36,546	45,683	0	36,546	0	0	0	45,683	18,273	17,360
2020	40,633	0	40,633	32,506	40,633	0	32,506	0	0	0	40,633	16,253	15,441
2021	36,103	0	36,103	28,882	36,103	0	28,882	0	0	0	36,103	14,441	13,719
2022	31,987	0	31,987	25,589	31,987	0	25,589	0	0	0	31,987	12,795	12,155
2023	28,430	0	28,430	22,744	28,430	0	22,744	0	0	0	28,430	11,372	10,804
2024	25,281	0	25,281	20,225	25,281	0	20,225	0	0	0	25,281	10,112	9,607
2025	21,032	0	21,032	16,825	21,032	0	16,825	0	0	0	21,032	8,413	7,992
2026	18,550	0	18,550	14,840	18,550	0	14,840	0	0	0	18,550	7,420	7,049
2027	16,054	0	16,054	12,843	16,054	0	12,843	0	0	0	16,054	6,422	6,101
2028	13,969	0	13,969	11,175	13,969	0	11,175	0	0	0	13,969	5,587	5,308
2029	11,979	0	11,979	9,583	11,979	0	9,583	0	0	0	11,979	4,792	4,552
2030	10,179	0	10,179	8,143	10,179	0	8,143	0	0	0	10,179	4,072	3,868
2031	8,042	0	8,042	6,434	8,042	0	6,434	0	0	0	8,042	3,217	3,056
2032	7,036	0	7,036	5,629	7,036	0	5,629	0	0	0	7,036	2,814	2,674
2033	4,498	0	4,498	3,599	4,498	0	3,599	0	0	0	4,498	1,799	1,709
2034	1,493	0	1,493	1,195	1,493	0	1,195	0	0	0	1,493	597	567

Caspian Net Asset Value

(30 Sept./10)

	<u>Caspian (CAD)</u>
Cash	1,459,638
Accounts receivable	17,321
Prepays	
Domestic p & ng property	15,422
Inventory	
Sub-total	<u>1,492,381</u>
Current liabilities	(236,407)
Convertible debenture plus accrued interest	(22,353,705)
Total value excluding reserves	<u>(21,097,731)</u>
Common shares outstanding (basic)	166,136,518
<u>31-Dec-09</u>	
<u>Proven + Probable + Possible East Zhagabulak @ 10%</u>	115,054,191
Total value Caspian	<u>93,956,460</u>
Per share (basic)	<u>\$0.57</u>
Dilutive stock options/warrants	17,773,069
Proceeds	5,713,233
Total diluted value Caspian	<u>99,669,693</u>
Per share (diluted)	<u>\$0.54</u>

Note: All Values Before Income Taxes and assumes Convertible Debentures not exercised