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**FOR IMMEDIATE RELEASE
21 SEPTEMBER 2004**

**CASPIAN ENERGY INC.
(FORMERLY NORTHWAY EXPLORATIONS LIMITED)
ANNOUNCES COMPLETION OF MERGER AND C\$52 MILLION FINANCINGS**

**TSX: CEK
AIM: CEK**

**Completion of Merger
and
Admission to AIM**

Caspian Energy Inc (“**Caspian**” or the “**Company**”), an oil and gas exploration company operating in Kazakhstan, today announces that it has completed its merger with Caspian Energy Limited. In addition, with effect from 8.00am (London time) today, the Company has had its existing common shares, which include 7,142,000 common shares issued by Caspian Energy Limited in a financing completed prior to the merger (the “**Pre-Merger Funding**”), and 20,218,000 new common shares issued pursuant to a post-merger institutional placing (the “**Post-Merger Funding**”), admitted to AIM.

Highlights:

Placing Price	82p (C\$1.90)
Number of Post-Merger Funding placing shares	20,218,000
Number of Pre-Merger Funding placing shares	7,142,000
Number of common shares in issue upon Admission to AIM	82,053,850
Post-Merger and Pre-Merger Fundings as a percentage of the enlarged issued share capital	33.3%
Market capitalisation on Admission at Placing Price	Approx. £67.3m (C\$155.9m)
Total gross proceeds of the Post-Merger Funding and Pre-Merger Funding	Approx. £22.4 m (C\$52.0m)

Caspian will be focussed on oil and gas exploration in Kazakhstan where it has a number of targets in the highly prospective Aktobe Oblast of Western Kazakhstan. The Company indirectly holds a 50 per cent interest in Aral Petroleum Capital LLP (“**Aral**”), through which it will have the right to explore and develop certain oil and gas properties known as the North Block, a 2,348 sq km area, located in the vicinity of the Kazakh pre-Caspian basin. The North Block lies immediately adjacent to various producing fields, including the Alibekmola, south Alibek, Zhanazhol and Kenkiyak fields.

Aral has operated in Kazakhstan since December 2002 and has recently assembled a management team of both Kazakh and international executives who have extensive experience of the Kazakh operating and regulatory environment.

The Company intends to focus on the exploration and development of the North Block, with a view to proving up the maximum amount of reserves from the minimum number of wells. The Company

intends to crystallise shareholder value either through selected developments or through a targeted program of disposals at the appropriate stage of development of its assets in the North Block and may ultimately consider a potential disposal of all of its interests in the North Block.

The Company is already pursuing its strategy of utilising 3D seismic surveys to evaluate the potential of the North Block. The Zhagabulak area is being targeted for the first seismic shoot. While this is underway the Company will be acquiring existing 2D seismic surveys over the remainder of the block for re-processing and interpretation to develop a second prospect area. Four wells are planned to test the geological model after the 3D seismic survey has been interpreted. The Company expects that the first round of drilling will start during the first part of 2005, as will the second round of 3D seismic survey operations. The first well, subject to rig availability is expected to be finished during the second half of 2005.

Caspian Energy Inc. now has 82,053,830 issued and outstanding shares and an additional 9,897,894 common shares issuable upon the exercise of options and warrants.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction.

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