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6<sup>th</sup> June 2005

**CASPIAN ENERGY INC.**

**Corporate Update**

Caspian Energy Inc. (TSX/AIM: CEK) announces that it has completed preparations to drill its first exploration well in the North Block of Kazakhstan. The well, which will be East Zhagabulak #301, is located in the northeast corner of the Zhagabulak Area and is in the same trend as the Company's producing well EZ #213. The Zhagabulak Area is located adjacent to Alibekmola, South Alibek, and Zhanazhol, which are all producing fields.

The drilling location has been constructed and the drilling rig is being mobilized to the site. All of the material, equipment and personnel for the drilling program are in Kazakhstan. The Company anticipates that drilling will start at the end of June, depending on the completion of all preparatory activity.

Interpretation of the priority cube of 140 sq. km. out of a 400 sq. km. 3-D seismic survey in the Zhagabulak Area indicates a significant structure and several drilling locations. The full extent of the structure will be determined after the complete data set is interpreted in August, 2005.

Caspian Energy Inc. is an oil exploration and development company operating in the Republic of Kazakhstan.

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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. 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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