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6 OCTOBER 2006

**CASPIAN ENERGY INC.
("Caspian" or the "Company")**

Logging Results for East Zhagabulak #303

**TSX: CEK
AIM: CEK**

Caspian Energy Inc ("Company"), an oil and gas exploration company operating in Kazakhstan, today announces that Aral Petroleum Capital LLP ("Aral"), in which the Company holds a 50% indirect interest, has completed an intermediate logging run over its primary targets, the KT 1 and KT 2, in its third exploration well. Aral is currently preparing to deepen the well to a Devonian target, by approximately an additional 700 meters (2300 feet). The Zhagabulak Area is located in the southeast corner of the North Block.

East Zhagabulak #303 has reached an intermediate depth of 4909 meters (16,105 feet) and was logged prior to drilling the Devonian section. According to the preliminary log results, the well has encountered about 80 meters (262 feet) of net pay in the Middle Carboniferous. The Company plans to set production casing over the Carboniferous after drilling and evaluating the Devonian target. If the Devonian is prospective, then the production casing will be run to total depth. The well will be tested in the fourth quarter following acid stimulation.

After further evaluation of the logs and stimulation report on East Zhagabulak #302, the KT 2 will be re-acidized and tested in the fourth quarter.

Aral has completed upgrades to its production plant to improve the plant's throughput capacity, efficiency, and safety.

"This well adds to the success of our first exploration well, EZ #301, and confirms our exploration strategy of pursuing the southwest trend. EZ #303 is 10 km southwest of our first producing well, EZ #213," said Charles Summers, Caspian Energy Inc. Chief Operations Officer. "Our fourth exploration location, EZ #304, approximately 7.3 km. northwest of 303, has been staked and will be spudded after the drilling rig is released from well 303, approximately the end of November."

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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. 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.