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**22 FEBRUARY 2007**

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

**Operations Progress Report**

**TSX: CEK  
AIM: CEK**

Caspian Energy Inc, 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 finished acidizing about one-half of the perforated intervals at East Zhagabulak #213. This well has been returned to production and the production rate has stabilized at 429 barrels of oil per day and 87 barrels of water per day with a flowing tubing pressure of 635 psi on an 8.7 mm choke.

Zhagabulak #303, the third exploration well, has been perforated and is being prepared for acid stimulation. For a more effective stimulation the rig will remain on location to isolate the individual zones and then be moved prior to testing. We anticipate flow test results by the end of the first quarter.

East Zhagabulak #301 is shut in during operations to retrieve wire line and logging tools lost in the well due to the parting of the wire line during production testing operations. Significant progress has been made in the recovery operations but it is not possible to forecast exactly when this process will be completed.

Charles Summers, Chief Operations Officer, Caspian Energy, Inc. commented:

"We will release the Nabors drilling rig at the conclusion of their work on Zhagabulak #303. The forthcoming work in Baktygaryn and Itisay-Kosdesay will be carried out with the use of a rig more suitable to the shallower depths required for these projects. We expect this work to start in June or July and to be completed the end of the Q1 2008. Drilling will be focused on the Triassic and Upper Permian strata. In addition to these targets, the company is considering developing the field in East Zhagabulak. All the drilling work currently planned for 2007 by the Company, is budgeted within the Company's reserves and cash flow."

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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.

The information in this release has been reviewed by Edgar Folmar, SPE, who is a qualified person for the purposes of the AIM Guidance Note for Mining, Oil and Gas Companies. Mr. Folmar, Director of Operations for Aral and a consultant for Caspian Energy Inc., is a qualified petroleum engineer and has over 20 years experience in oil and gas exploration and production.