

7 May 2010

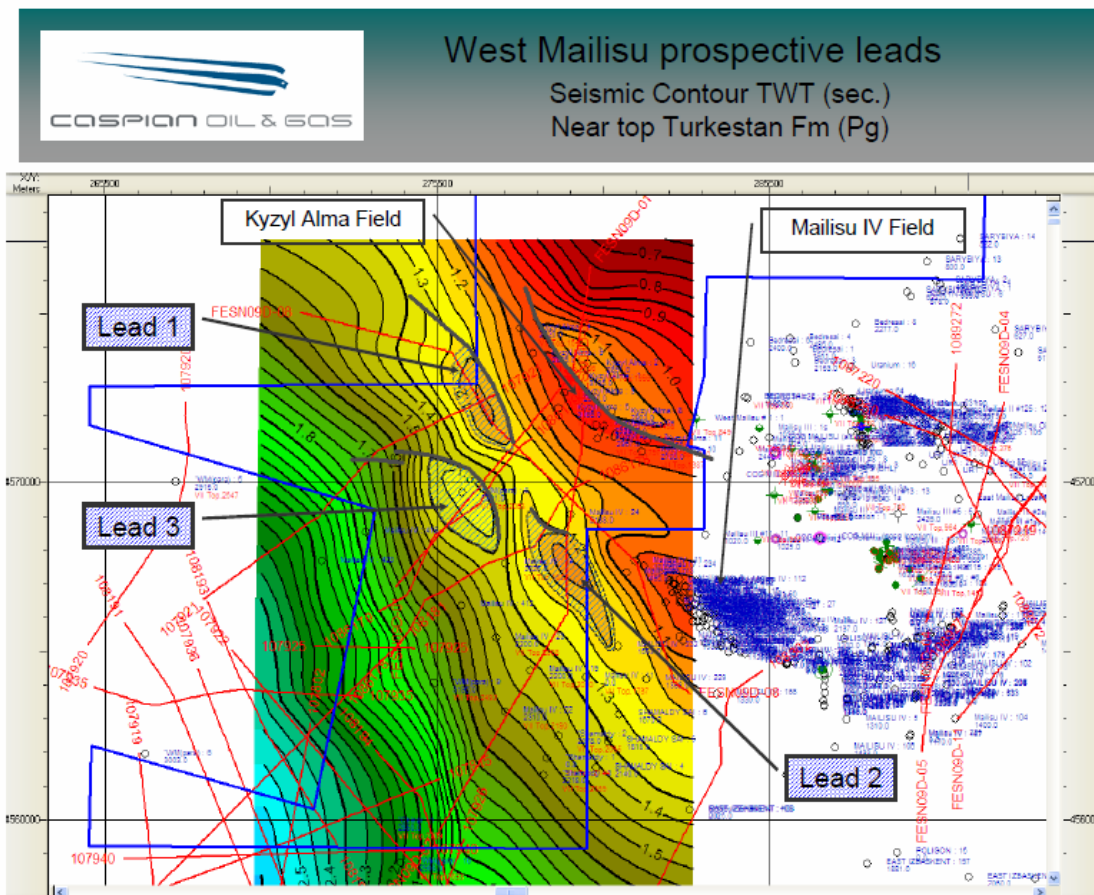
The Manager
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 SYDNEY, NSW 2000

Delineation seismic commences over West Mailisu prospect in Kryrgyz Republic

Perth, Western Australia (ASX: CIG): Caspian Oil & Gas Limited has commenced seismic acquisition over several prospective leads on its 100% owned West Mailisu licence in the Kryrgyz Republic.

Caspian plans to record a total of 25km seismic to confirm the structural presence of up to three opportunities in the block. The leads are located close to the Kyzyl Alma Gas Field and are on trend with the 40mmbl Mailisu IV oil well approximately 5km to the south east.

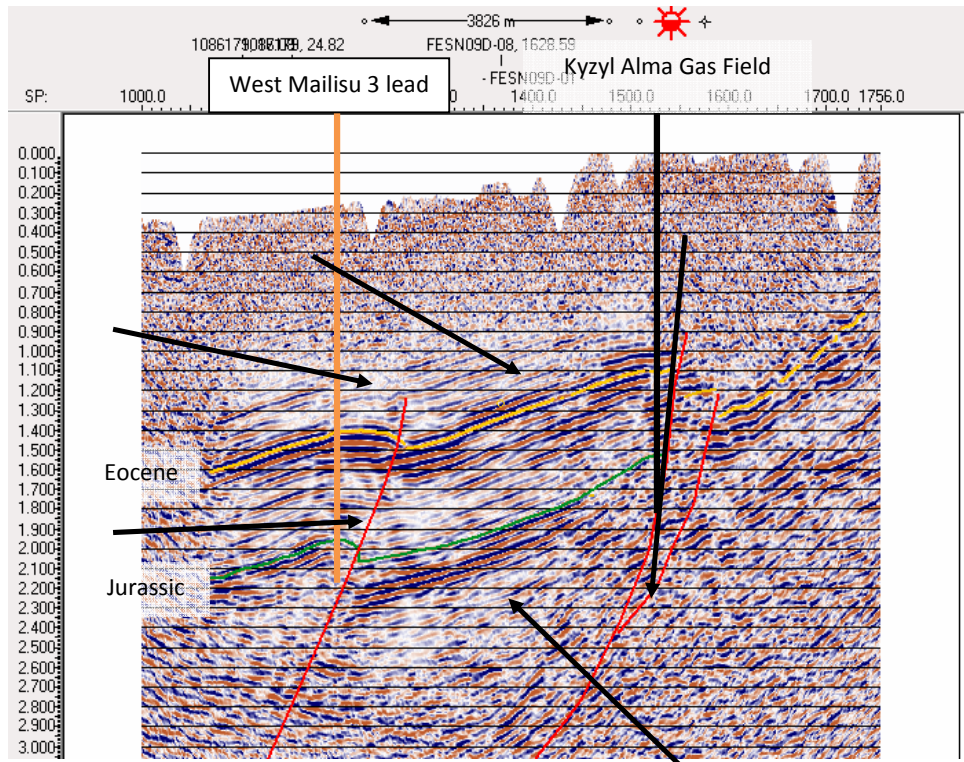
Caspian CEO, Graeme Parsons said the leads had the potential for discoveries in both the Jurassic sands and Eocene carbonates with reserves between 10-25bcf and 5-10mmbls each. “Lead 3 is considered the best opportunity and was only revealed by the 2009 seismic programme - it looks very similar to Kyzyl Alma” Mr Parsons said (see figure below).



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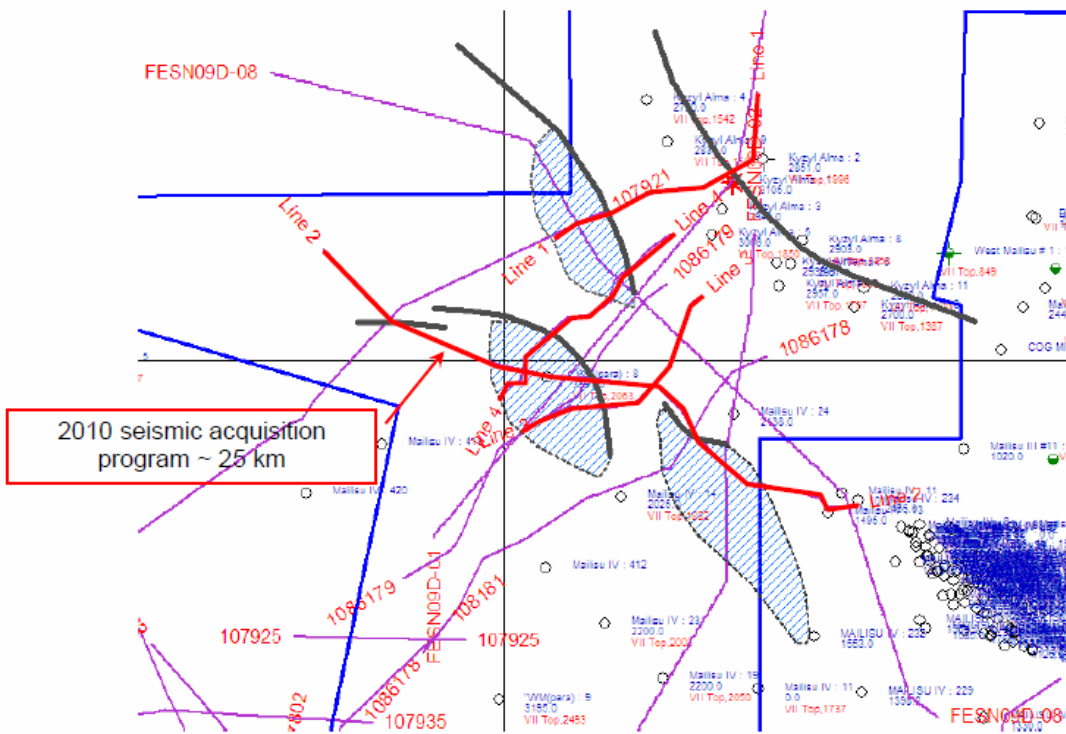
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Seismic Line through the West Mailisu 3 lead



W. Mailisu Seismic Program 2010



Mr Parsons added that Caspian's rig was likely to be able to drill the lead to a depth of 3,000m. "If the lead matures to a firm prospect, drilling could commence in the 4th quarter of this year," he said.

Whilst Caspian holds 100% of the West Mailisu licence, it is seeking farminees to share the drill expenditure at the prospect.

Yours faithfully



GRAEME PARSONS
Chief Executive Officer

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Background

Caspian, through its subsidiaries JSC Textonic (Caspian equity 100%) and South Derrick LLC (70% equity), holds eight licences in the Fergana Basin, giving it a significant exploration position within the Kyrgyz Republic (Fig 1).

Santos had the right to earn up to an 80% interest in Textonic, but following its withdrawal Textonic remains a wholly owned subsidiary of Caspian.

Caspian operates its own 650hp drilling rig in its Kyrgyz operations.



Caspian Licences in the Kyrgyz Republic

More information is available on the Company's website www.caspianogl.com

The information in this report that relates to oil and gas exploration results and hydrocarbon reserves is based on information compiled by Mr Graeme Parsons, who is a petroleum geoscientist. Mr Parsons is a Director and full-time employee of the Company. Mr Parsons has more than thirty years experience in this discipline and he consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.