



26 September 2008

CASPIAN HOLDINGS PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2008

Caspian Holdings (the "Company"), the oil and gas development company with assets in the USA and Kazakhstan, announces its interim results for the 6 months to 30 June 2008.

Highlights

- Acquisition of Pine Meadows Lease
- Mixed Progress on the restart of production on Zhengeldy oil field
- Operating loss reduced by 55% to £299,449 (2007 loss £663,268)

Events since the balance sheet date

- Acquisition of 50% interest in Black Gold of Kentucky and following expansion of Black Gold Lease Holdings in Irvine Field
- Geological Study on Pine Meadows Lease completed

In first half of 2008 Caspian Holdings decision to significantly diversify its asset base towards the United States is proving to be a successful and timely decision.

Full Version of Accounts and Chairman Section are below

Enquiries:

Caspian Holdings Plc	Grant Thornton UK LLP	Hoodless Brennan
Michael Masterman	Fiona Owen	Luke Cairns
T: +44 (0) 7791 288381	T: +44 (0) 20 7383 5100	T: +44 (0) 20 7538 1166
www.caspianoil.co.uk		

CASPIAN HOLDINGS Plc
CHAIRMAN'S STATEMENT TO THE INTERIM RESULTS
FOR THE SIX MONTHS TO 30TH JUNE 2008

Over the last 6 months Caspian Holdings Plc has expanded the number of oil development fields in portfolio and diversified its business with acquisition of the Pine Meadows lease in California, USA and, post the review period, through its acquisition of a 50% interest in Black Gold of Kentucky, owners of 2 oil production leases in the Irvine field, Kentucky, USA.

During the six month period Zhengeldy oil production was limited as the field was shut down at the beginning of the year pending resolution of regulatory issues with respect to exports and 2008 work program approval. Following a change of local management, the Company made solid progress in achieving a series of approvals necessary to restart production and exports. In particular ZapKazNedra (The Ministry of Energy and Mineral Resources Regional Competent Authority) signed off the work program and restart of production subject to Committee of Geology approval. The Committee of Geology approved restart of production subject to Central Commission approval. Subsequent to the end of the half year, the Secretary of the Ministry issued a letter purporting to cancel the Zhengeldy Subsoil Contract. The Company has taken legal advice and expects to be able to overturn the Ministry letter and reinstate full Zhengeldy licence conditions. Until this is achieved the Company has deemed it prudent to carry a general provision of £1m against the Zhengeldy assets.

The Company expects a significantly more positive second half of 2008 with production expected from our leases in the Irvine field in Kentucky and good progress in Pine Meadows. There also remains the prospect, subject to regulatory outcomes of a return to production and exports from the Zhengeldy field.

The interim financial results reflect a period of very limited production and no exports from the Zhengeldy field in Kazakhstan. Costs have been reduced in line with activity. For the six months to 30th June 2008 the Operating Loss before taxation, foreign exchange gains and adjustments/provisions was £376,432 (2007 Loss £662,268). The Loss after taxation (including the provision of £1m) was £1,176,224 (2007 loss £433,145).

Michael Masterman
Chairman

25 September 2008

CASPIAN HOLDINGS Plc
GROUP INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30TH JUNE 2008

	<u>Notes</u>	<u>Unaudited</u> <u>Six Months</u> <u>to 30th June</u> <u>2008</u>	<u>Unaudited</u> <u>Six Months</u> <u>to 30th June</u> <u>2007</u>	<u>Year to 31st</u> <u>December</u> <u>2007</u>
REVENUE		48,870	601,524	820,798
Cost of sales		<u>(110,093)</u>	<u>(653,576)</u>	<u>(1,000,222)</u>
GROSS LOSS		(61,223)	(52,052)	(179,424)
Administrative expenses		<u>(238,226)</u>	<u>(611,216)</u>	<u>(1,708,922)</u>
OPERATING LOSS		(299,449)	(663,268)	(1,888,346)
Exchange gains in period		143,838	249,446	354,858
Adjustment in fair values of fixed assets		(1,000,000)	-	-
Provisions created in period		(15,120)	(5,282)	5,104
Deferrals created in the period		11,128	-	-
Finance income		1,148	11,476	16,689
Finance costs		<u>(17,769)</u>	<u>(25,517)</u>	<u>(58,900)</u>
PROFIT/(LOSS) BEFORE TAXATION		(1,176,224)	(433,145)	(1,570,595)
Taxation		-	-	-
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL PERIOD	5	<u>(£1,176,224)</u>	<u>£(433,145)</u>	<u>£(1,570,595)</u>
Basic and diluted profit/(loss) per share	4	(1.15)p	(0.43)p	(1.60p)

CASPIAN HOLDINGS Plc
GROUP BALANCE SHEET
30TH JUNE 2008

	<u>Notes</u>	<u>Unaudited</u> <u>30th June</u> <u>2008</u>	<u>Unaudited</u> <u>30th June</u> <u>2007</u>	<u>31st</u> <u>December</u> <u>2007</u>
ASSETS				
NON-CURRENT ASSETS				
Goodwill		-	326,998	-
Intangible assets		145,354	352,333	195,138
Property, plant and equipment		<u>2,144,132</u>	<u>3,268,433</u>	<u>3,209,092</u>
		<u>2,289,486</u>	<u>3,947,764</u>	<u>3,404,230</u>
CURRENT ASSETS				
Inventories		211,477	148,772	197,021
Trade and other receivables		767,174	762,052	560,265
Cash and cash equivalents		<u>246,412</u>	<u>596,114</u>	<u>83,254</u>
		<u>1,225,063</u>	<u>1,506,938</u>	<u>840,540</u>
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables		535,782	537,660	441,594
Financial liabilities – borrowings				
Interest bearing loans and borrowings		-	-	76,983
Provisions		<u>50,297</u>	<u>77,769</u>	<u>61,439</u>
		<u>586,079</u>	<u>615,429</u>	<u>580,016</u>
NET CURRENT ASSETS		<u>638,984</u>	<u>891,509</u>	<u>260,524</u>
NON CURRENT LIABILITIES				
Trade and other payables		91,468	95,848	93,913
Financial liabilities - borrowings			<u>700,000</u>	
Interest bearing loans and borrowings		<u>799,969</u>	<u>795,848</u>	<u>699,976</u>
		<u>891,437</u>	<u>795,848</u>	<u>793,889</u>
NET ASSETS		<u>£2,037,033</u>	<u>£4,043,425</u>	<u>£2,870,865</u>
SHAREHOLDERS EQUITY				
Called up share capital	5	118,399	98,699	98,699
Share premium account	5	9,940,145	9,474,645	9,474,645
Revaluation reserve	5	26,272	24,945	26,334
Translation reserve	5	(117,846)	71,399	29,700
Profit and loss account	5	(7,929,937)	(5,626,263)	(6,758,513)
TOTAL SHAREHOLDERS EQUITY		<u>£2,037,033</u>	<u>£4,043,425</u>	<u>£2,870,865</u>

CASPIAN HOLDINGS Plc
GROUP CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30TH JUNE 2008

	Notes	<u>Unaudited</u> <u>Six Months</u> <u>to 30th June</u> <u>2008</u>	<u>Unaudited</u> <u>Six Months</u> <u>to 30th June</u> <u>2007</u>	<u>Year to 31st</u> <u>December</u> <u>2007</u>
Cash flows from operating activities				
Cash generated from operations	1	(324,502)	134,305	(393,769)
Finance cost		<u>(17,769)</u>	<u>(10,835)</u>	<u>(58,900)</u>
Net cash from operating activities		<u>(342,271)</u>	<u>123,470</u>	<u>(452,669)</u>
Cash flows from investing activities				
Proceeds from disposal of fixed assets		-	-	-
Purchase of intangible fixed assets		(76,883)	(257,434)	(241,451)
Purchase of tangible fixed assets		(4,029)	(180,297)	(220,373)
Finance income		<u>1,148</u>	<u>11,476</u>	<u>16,689</u>
Net cash from investing activities		<u>(79,764)</u>	<u>(426,255)</u>	<u>(445,135)</u>
Cash flows from financing activities				
Share issue		485,200	-	-
Receipt of loan		99,993	700,000	776,959
Repayment of financial liabilities – borrowings		-	(1,753)	(1,753)
Interest bearing loans and borrowings		<u>-</u>	<u>(1,753)</u>	<u>(1,753)</u>
Net cash from financing activities		<u>585,193</u>	<u>698,247</u>	<u>775,206</u>
Cash flow from Acquisitions and Disposals				
Acquisition of Subsidiary		-	-	(4,800)
New asset acquired with Subsidiary		<u>-</u>	<u>-</u>	<u>10,000</u>
		<u>-</u>	<u>-</u>	<u>5,200</u>
(Decrease)/Increase in cash and cash equivalents		163,158	395,462	(117,398)
Cash and cash equivalents at beginning of year	2	<u>83,254</u>	<u>200,652</u>	<u>200,652</u>
Cash and cash equivalents at end of year	2	<u>£246,412</u>	<u>£596,114</u>	<u>£83,254</u>

CASPIAN HOLDINGS Plc
NOTES TO THE GROUP CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30TH JUNE 2008

1. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	<u>Unaudited</u> <u>Six Months</u> <u>to 30th June</u> <u>2008</u>	<u>Unaudited</u> <u>Six Months</u> <u>to 30th June</u> <u>2007</u>	<u>Year to 31st</u> <u>December</u> <u>2007</u>
Operating loss	(299,449)	(677,950)	(1,888,346)
Exchange gains/(losses) in period	143,838	249,446	354,858
Provisions in year	(3,992)	-	5,104
Translation adjustments	(142,807)	(111,971)	(152,281)
Translation adjustments relating to fixed assets	8,050	(142,280)	(207,370)
Loss on disposal of tangible assets	-	-	-
Depreciation charges	187,606	645,593	990,161
Amounts written off intangible assets	-	-	-
Impairment losses	-	38,849	326,998
(Increase)/decrease in inventories	(14,456)	147,496	99,247
(Increase)/decrease in trade and other receivables	(206,910)	5,838	207,625
Increase/(decrease) in trade and other payables	14,760	14,983	(83,018)
Increase/(decrease) in other provisions	(11,142)	(35,699)	(46,747)
Net cash (outflow)/inflow from operating activities	<u>£(324,502)</u>	<u>£134,305</u>	<u>£(393,769)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the cash flow in respect of cash and cash equivalents are in respect of these balance sheet amounts.

Six months ended 30th June 2008

	<u>30.06.08</u>	<u>30.06.07</u>	<u>30.06.06</u>
Cash and cash equivalents	<u>£246,412</u>	<u>£596,114</u>	<u>£1,723,819</u>

Year ended 31st December 2007

	<u>31.12.07</u>	<u>31.12.06</u>	<u>01.01.06</u>
Cash and cash equivalents	<u>£83,254</u>	<u>£200,652</u>	<u>£477,747</u>

CASPIAN HOLDINGS Plc
NOTES TO THE INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30TH JUNE 2008

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The interim results are unaudited but have been reviewed by the auditors. The financial statements herein do not amount to full statutory accounts within the meaning of Section 240 of the Companies Act 1985 (as amended).

2. TURNOVER

Turnover represents sale of oil.

3. TAXATION

There is no taxation arising on the loss on ordinary activities for the six months ended 30th June 2008.

4. LOSS PER ORDINARY SHARE

The calculation of the loss per ordinary share is based on a Group loss of £1,171,424 for the 6 months ending 30th June 2008 (£1,570,595 loss for the year ended 31st December 2007), and the weighted average ordinary shares outstanding of 101,981,685 (98,698,685 for the year ended 31st December 2007).

On the basis of the above calculations, the loss per ordinary share for the 6 months to 30th June 2008 is loss 1.15p (31st December 2007 loss 1.60p).

5. RESERVES AND RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS FOR THE PERIOD 1ST JANUARY 2008 TO 30TH JUNE 2008

Group	<u>Share Capital</u>	<u>Revaluation Reserve</u>	<u>Translation Reserve</u>	<u>Share Premium</u>	<u>Profit and Loss Account</u>	<u>Total Shareholders Fund</u>
Loss for the financial year	-	-	-	-	(1,155,536)	(1,155,536)
Write off of investment	-	-	-	-	4,800	4,800
Adjustment in fair values	-	-	-	-	-	-
Translation Adjustment	-	(62)	(147,546)	-	-	(147,608)
Shares issued	19,700	-	-	465,500	-	485,200
Minority Interest	-	-	-	-	(20,688)	(20,688)
Net additions to shareholders' funds	19,700	(62)	(147,546)	465,500	(1,171,424)	(833,832)
Opening shareholders' funds	<u>98,699</u>	<u>26,334</u>	<u>29,700</u>	<u>9,474,645</u>	<u>(6,758,513)</u>	<u>2,870,865</u>
Closing shareholders' funds	<u>£118,399</u>	<u>£26,272</u>	<u>£(117,846)</u>	<u>£9,940,145</u>	<u>£(7,929,937)</u>	<u>£2,037,033</u>

CASPIAN HOLDINGS Plc
INDEPENDENT REVIEW REPORT
FOR THE SIX MONTHS TO 30TH JUNE 2008

Introduction

We have been instructed by the company to review the financial information for the six months ended 30th June 2008. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Director's Responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom by auditors of fully listed companies. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review Conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30th June 2008.

COOK AND PARTNERS
Chartered Accountants

22 September 2008