

**INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2010**

**FOR**

**CASPIAN HOLDINGS Plc**

**CASPIAN HOLDINGS Plc**  
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**FOR THE SIX MONTHS TO 30TH JUNE 2010**

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**CASPIAN HOLDINGS Plc**  
**CHAIRMAN'S STATEMENT TO THE INTERIM RESULTS**  
**FOR THE SIX MONTHS TO 30TH JUNE 2010**

The first six months of the current year were productive for Caspian Holdings Plc (the "Company"). The Company made a capital placement of £200,000. The net proceeds from the placing were used to finance the current working capital requirements of the Company and its USA oil operations. The Group has identified and continues actively to pursue lease expansion opportunities through its USA Asset. The new initiatives were undertaken and during the last AGM the Company decided the expansion of Company's strategy to basic materials (including mining). The Board of Directors has significant experience in these areas and the Directors intend to use this experience to exploit new opportunities to grow the Company.

Oil production continues at the Barnett Lease in Southern Kentucky, USA (owned through Caspian's 50 per cent. share of Black Gold of Kentucky Inc.). Heavy snow and subsequent heavy rain limited initial production during the first half of 2010. The directors anticipate that production in the initial 5 wells will operate at approximately 100-200 barrels per month, in total, for the balance of the year. The directors are continuing to identify and evaluate additional opportunities to expand production.

Caspian continues to seek routes to reinstate investors' value from Taraz LLP, the Company's subsidiary, rights to the Kazakhstan asset. The assets were completely written off in the Company's balance sheet in previously released accounts so any future remedy should be positive for investors. However, it is impossible to say what level, if any, remedy can be achieved.

The interim financial results reflect a period of the cost effective activity of the Company. Costs have been reduced in line with activity. For the six months to 30 June 2010 the financial results show a loss after taxation of £35,667 compared to £74,539 in the previous year.

Michael Masterman  
Chairman

Date: Approved by the Board on 28 September 2010

**CASPIAN HOLDINGS Plc**  
**GROUP INCOME STATEMENT**  
**FOR THE SIX MONTHS ENDED 30TH JUNE 2010**

|   | <u>Notes</u> | <u>Unaudited</u><br><u>Six Months</u><br><u>to 30<sup>th</sup> June</u><br><u>2010</u> | <u>Unaudited</u><br><u>Six Months</u><br><u>to 30<sup>th</sup> June</u><br><u>2009</u> | <u>Year to 31st</u><br><u>December</u><br><u>2009</u> |
|---|--------------|--|--|---|
| <b>TURNOVER</b>                               | 2            | -  | -  | -   |
| Cost of sales                                 |              | -  | -  | -   |
| <b>GROSS LOSS</b>                             |              | -  | -  | -   |
| Administrative expenses                       |              | (53,693)   | (21,871)   | 7,065   |
| <b>OPERATING LOSS</b>                         |              | (53,693)   | (21,871)   | 7,065   |
| Exchange gains/losses in period               |              | 18,620   | (38,163)   | (66,041)  |
| Adjustment in fair values of fixed assets     |              | -  | -  | -   |
| Provisions created in period                  |              | -  | -  | -   |
| Deferrals created in the period               |              | -  | -  | -   |
| Finance income                                |              | -  | 4  | -   |
| Finance costs                                 |              | (594)  | (14,509)   | (15,178)  |
| <b>LOSS BEFORE TAXATION</b>                   |              | (35,667)   | (74,539)   | (74,154)  |
| Taxation                                      | 3            | -  | -  | -   |
| <b>RETAINED LOSS FOR THE FINANCIAL PERIOD</b> | 5            | <u>£(35,667)</u>   | <u>£(74,539)</u>   | <u>£(74,154)</u>                                      |
| Basic and diluted profit/(loss) per share     | 4            | (0.01)p  | (0.05)p  | (0.03)p   |

**CASPIAN HOLDINGS Plc**  
**GROUP BALANCE SHEET**  
**30TH JUNE 2010**

|   | <u>Notes</u> | <u>Unaudited</u><br><u>30<sup>th</sup> June</u><br><u>2010</u> | <u>Unaudited</u><br><u>30<sup>th</sup> June</u><br><u>2009</u> | <u>31<sup>st</sup></u><br><u>December</u><br><u>2009</u> |
|---|--------------|--|--|--|
| <b>ASSETS</b>                           |              |  |  |  |
| <b>NON-CURRENT ASSETS</b>               |              |  |  |  |
| Investments                             |              | <u>273,224</u>   | <u>242,895</u>   | <u>247,709</u>   |
| <b>CURRENT ASSETS</b>                   |              |  |  |  |
| Trade and other receivables             |              | 9,233  | 8,533  | 13,954   |
| Cash and cash equivalents               |              | <u>133,034</u>   | <u>1,324</u>   | <u>1,116</u>   |
|   |              | <u>142,267</u>   | <u>9,857</u>   | <u>15,070</u>  |
| <b>LIABILITIES</b>                      |              |  |  |  |
| <b>CURRENT LIABILITIES</b>              |              |  |  |  |
| Bank Overdraft                          |              | 6  | 2,955  | -  |
| Trade and other payables                |              | 90,161   | 471,340  | 101,788  |
| Financial liabilities – borrowings      |              | -  | <u>799,969</u>   | -  |
| Interest bearing loans and borrowings   |              | <u>90,167</u>  | <u>1,274,264</u>   | <u>101,788</u>   |
| <b>NET CURRENT ASSETS/(LIABILITIES)</b> |              | <u>52,100</u>  | <u>(1,264,407)</u>   | <u>(86,718)</u>  |
| <b>NET ASSETS/(LIABILITIES)</b>         |              | <u>£325,324</u>  | <u>£(1,021,512)</u>  | <u>£160,991</u>  |
| <b>SHAREHOLDERS EQUITY</b>              |              |  |  |  |
| Called up share capital                 | 5            | 446,066  | 132,818  | 366,066  |
| Share premium account                   | 5            | 11,091,595   | 10,022,725   | 10,971,595   |
| Revaluation reserve                     | 5            | -  | -  | -  |
| Translation reserve                     | 5            | -  | -  | -  |
| Profit and loss account                 | 5            | <u>(11,212,337)</u>  | <u>(11,177,056)</u>  | <u>(11,176,669)</u>                                      |
| <b>TOTAL SHAREHOLDERS EQUITY</b>        |              | <u>£325,324</u>  | <u>£(1,021,512)</u>  | <u>£160,991</u>  |

**CASPIAN HOLDINGS Plc**  
**GROUP CASH FLOW STATEMENT**  
**FOR THE SIX MONTHS ENDED 30TH JUNE 2010**

|   | Notes | <u>Unaudited</u><br><u>Six Months</u><br><u>to 30<sup>th</sup> June</u><br><u>2010</u> | <u>Unaudited</u><br><u>Six Months</u><br><u>to 30<sup>th</sup> June</u><br><u>2009</u> | <u>Year to 31st</u><br><u>December</u><br><u>2009</u> |
|---|-------|--|--|---|
| <b>Cash flows from operating activities</b>             |       |  |  |   |
| Cash generated from operations                          | 1     | (41,979)   | (71,044)   | (490,297)   |
| Finance cost  |       | <u>(594)</u>   | <u>(14,509)</u>  | <u>(15,178)</u>                                       |
| Net cash from operating activities                      |       | <u>(42,573)</u>  | <u>(85,553)</u>  | <u>(505,475)</u>                                      |
| <b>Cash flows from investing activities</b>             |       |  |  |   |
| Proceeds from disposal of fixed assets                  |       | -  | -  | -   |
| Purchase of intangible fixed assets                     |       | -  | -  | -   |
| Purchase of tangible fixed assets                       |       | -  | -  | -   |
| Revaluation/Impairment of associates and subsidiary     |       | (25,515)   | -  | 30,533  |
| Finance income  |       | <u>-</u>   | <u>4</u>   | <u>-</u>  |
| Net cash from investing activities                      |       | <u>( 25,515)</u>   | <u>4</u>   | <u>30,533</u>   |
| <b>Cash flows from financing activities</b>             |       |  |  |   |
| Share issue   |       | 80,000   | 8,170  | 241,418   |
| Share Premium   |       | 120,000  | 38,830   | 987,700   |
| Receipt of loan   |       | -  | -  | 9,991   |
| Repayment of financial liabilities – borrowings         |       | <u>-</u>   | <u>-</u>   | <u>(799,969)</u>                                      |
| Interest bearing loans and borrowings                   |       | <u>-</u>   | <u>-</u>   | <u>(799,969)</u>                                      |
| Net cash from financing activities                      |       | <u>200,000</u>   | <u>47,000</u>  | <u>439,140</u>  |
| <b>Cash flow from Acquisitions and Disposals</b>        |       |  |  |   |
| Acquisition of Subsidiary                               |       | -  | -  | -   |
| New asset acquired with Subsidiary                      |       | <u>-</u>   | <u>-</u>   | <u>-</u>  |
|   |       | <u>-</u>   | <u>-</u>   | <u>-</u>  |
| <b>(Decrease)/Increase in cash and cash equivalents</b> |       | (131,912)  | (38,549)   | (35,802)  |
| <b>Cash and cash equivalents at beginning of year</b>   | 2     | <u>1,116</u>   | <u>36,918</u>  | <u>36,918</u>   |
| <b>Cash and cash equivalents at end of year</b>         | 2     | <u>£133,028</u>  | <u>£(1,631)</u>  | <u>£1,116</u>   |

**CASPIAN HOLDINGS Plc**  
**NOTES TO THE GROUP CASH FLOW STATEMENT**  
**FOR THE SIX MONTHS ENDED 30TH JUNE 2010**

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

|  | <u>Unaudited</u><br><u>Six Months</u><br><u>to 30<sup>th</sup> June</u><br><u>2010</u> | <u>Unaudited</u><br><u>Six Months</u><br><u>to 30<sup>th</sup> June</u><br><u>2009</u> | <u>Year to 31st</u><br><u>December</u><br><u>2009</u> |
|--|--|--|---|
| Operating loss   | (53,693)   | (21,871)   | 7,065   |
| Exchange gains/(losses) in period                                    | 18,620   | (38,163)   | (66,041)  |
| Provisions in year   | -  | -  | -   |
| Translation adjustments  | -  | -  | -   |
| Translation adjustments relating to fixed assets                     | -  | -  | -   |
| Movement on Reserves and minority interest                           | -  | -  | -   |
| Depreciation charges   | -  | -  | -   |
| Amounts written off intangible assets                                | -  | 35,347   | -   |
| Impairment losses  | -  | -  | -   |
| (Increase)/decrease in inventories                                   | -  | -  | -   |
| (Increase)/decrease in trade and other receivables                   | 4,721  | 15,065   | 9,644   |
| Increase/(decrease) in trade and other payables                      | (11,627)   | (61,422)   | (440,965)   |
| Increase/(decrease) in other provisions                              | -  | -  | -   |
| <b>Net cash (outflow)/inflow</b><br><b>from operating activities</b> | <u>£(41,979)</u>   | <u>£(71,044)</u>   | <u>£(490,297)</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 2010**

|                           | <u>30.06.10</u> | <u>30.06.09</u> | <u>31.12.09</u> |
|---------------------------|-----------------|-----------------|-----------------|
| Cash and cash equivalents | <u>£133,028</u> | <u>£(1,631)</u> | <u>£1,116</u>   |

**Year ended 31st December 2009**

|                           | <u>31.12.09</u> | <u>31.12.08</u> | <u>31.12.08</u> |
|---------------------------|-----------------|-----------------|-----------------|
| Cash and cash equivalents | <u>£1,116</u>   | <u>£36,918</u>  | <u>£36,918</u>  |

The notes form part of these financial statements

**CASPIAN HOLDINGS Plc**  
**NOTES TO THE INTERIM RESULTS**  
**FOR THE SIX MONTHS ENDED 30TH JUNE 2010**

**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 2006 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 Part 15 of the Companies Act 2006.

**2. TURNOVER**

There was no turnover during the period.

**3. TAXATION**

There is no taxation arising on the loss on ordinary activities for the six months ended 30th June 2010.

**4. LOSS PER ORDINARY SHARE**

The calculation of the loss per ordinary share is based on a Group loss of £35,667 for the 6 months ending 30<sup>th</sup> June 2010 (£74,154 loss for the year ended 31<sup>st</sup> December 2009), and the weighted average ordinary shares outstanding of 369,141,920 (247,721,530 for the year ended 31<sup>st</sup> December 2009).

On the basis of the above calculations, the loss per ordinary share for the 6 months to 30<sup>th</sup> June 2010 is loss 0.01p (31<sup>st</sup> December 2009 loss 0.03p).

**5. RESERVES AND RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS FOR THE PERIOD 1ST JANUARY 2010 TO 30TH JUNE 2010.**

| <b>Group</b>                                | <b>Share Capital</b> | <b>Revaluation Reserve</b> | <b>Translation Reserve</b> | <b>Share Premium</b> | <b>Profit and Loss Account</b> | <b>Total Shareholders Fund</b> |
|---|----------------------|----------------------------|----------------------------|----------------------|--------------------------------|--------------------------------|
| Loss for the financial year                 |                      |                            |                            |                      | (35,667)                       | (35,667)                       |
| Shares issued                               | 80,000               | -                          | -                          | 120,000              | -                              | 200,000                        |
| <b>Net additions to shareholders' funds</b> | 80,000               | -                          | -                          | 120,000              | (35,667)                       | 164,333                        |
| Opening shareholders' funds                 | 366,066              | -                          | -                          | 10,971,595           | (11,176,669)                   | 160,991                        |
| Closing shareholders' funds                 | 446,066              | -                          | -                          | 11,091,595           | (11,212,337)                   | 325,324                        |

**CASPIAN HOLDINGS Plc**  
**INDEPENDENT REVIEW REPORT**  
**FOR THE SIX MONTHS TO 30TH JUNE 2010**

*Introduction*

We have been engaged by the company to review the condensed set of financial statements in the interim financial report for the six months ended 30th June 2010 which comprises the Group Profit and Loss account, Group Balance Sheet, Group Cash Flow Statement and Notes to the above.

We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

*Director's Responsibilities*

The interim report is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the company are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this interim financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

*Our responsibility*

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim financial report based on our review.

*Scope of review*

We conducted our review in accordance with International Standard on Reporting Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an opinion.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim financial report for the six months ended 30<sup>th</sup> June 2010 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

**COOK AND PARTNERS LIMITED**

*Chartered Accountants*

*Manufactory House*

*Bell Lane*

*Hertford*

*Herts*

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*28th September 2010*