

June 17th, 2008

Calvalley Petroleum Inc. - Pipeline construction to commence prior to year end 2008

CALGARY, June 17 /CNW/ - Calvalley Petroleum Inc. (TSX: CVI.A)

Calvalley Petroleum Inc. ("Calvalley") is pleased to announce that it has successfully finalized an agreement with the Ministry of Oil and Mineral Resources of the Republic of Yemen and the third party operator of Block 18 and the export facilities. The agreement will allow Calvalley to produce all oil from Block 9 and transport a blended crude having a specification equal to or better than 26 degree API. This agreement will enable Calvalley to commence production from the Roidhat field, which will be blended with the lighter oil produced from other fields in the Block. The Roidhat field, with estimated production capability of 10,000 bbls/d once fully developed, was shut in pending the conclusion of this agreement.

As previously announced, Calvalley solicited tenders from qualified Engineering firms to carry out the Engineering, Procurement and Construction Management of the pipeline project from Block 9 to connect to a third party pipeline system for the export of crude oil production. Calvalley is pleased to announce that the tender has been awarded to Veco Engineering from UAE to work together with Calvalley's technical team to expedite the process of design, procurement and construction.

Calvalley expects to commence the construction of a 16 inch pipeline, having a capacity of approximately 87,000 barrels per day, prior to the year end 2008. Commissioning of the pipeline is expected by mid-2009.

Calvalley Petroleum Inc. is an international junior oil and gas company based in Calgary, Alberta. The company has an operated 50% working interest in Block 9, located in the Masila Basin of the Republic of Yemen.

Calvalley is listed on the Toronto Stock Exchange, trading under the symbol "CVI.A".

THE TORONTO STOCK EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

This press release may contain forward-looking statements including, without limitation, financial and business prospects and financial outlooks, and such statements may be forward-looking statements which reflect management's expectations regarding future plans and intentions, growth, results of operations, performance and business prospects and opportunities. Words such as "may", "will", "should", "could", "anticipate", "believe", "expect", "intend", "plan", "potential", "continue", and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve significant risk and uncertainties. A number of factors could cause actual results to differ materially from

the results discussed in the forward-looking statements including, but not limited to, changes in general economic and market conditions and other risk factors. Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, management cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof.

Forward-looking statements and other information contained herein concerning the oil and gas industry and Calvalley's general expectations concerning this industry are based on estimates prepared by management using data from publicly available industry sources as well as from reserve reports, market research and industry analysis and on assumptions based on data and knowledge of this industry which Calvalley believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While Calvalley is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.

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For further information: investorrelations@calvalleypetroleum.com, Edmund Shimon, CEO, Memet Kont, COO, (403) 297-0490/