

Attention Business/Financial Editors:  
Calvalley Petroleum - 2008 Second Quarter Results

Calvalley Petroleum Inc., (TSX: CVI.A)

CALGARY, Aug. 6 /CNW/ - Calvalley Petroleum Inc. (the "Company" or "Calvalley"), an international junior oil and gas company based in Calgary, Alberta, is pleased to announce its financial and operating results for the second quarter ended June 30, 2008.

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HIGHLIGHTS

Financial

(in thousands of dollars)	Three months ended June 30		Six months ended June 30	
	2008	2007	2008	2007
Revenue from crude oil sales	16,018	1,034	28,664	11,916
Volume of crude oil sales (mbbls)	130	14	254	194
EBITDA	11,587	(312)	20,942	6,557
Operating income	8,810	(499)	15,388	3,901
Net income (loss)	4,432	889	10,031	5,071
Capital expenditures	9,493	9,037	16,852	15,498
Funds flow from operations	10,266	2,474	18,667	9,338
Funds flow from operating activities	34,061	8,231	34,370	4,032

- Calvalley's revenue from crude oil sales was \$16.0 million for the second quarter ended June 30, 2008 (2007 - \$1.0 million). The large increase was due to the timing of crude oil sales in 2007. Revenue for the six month period was \$28.7 million versus \$11.9 million in 2007.
- Net income was \$4.4 million for the three months June 30, 2008, as compared to \$0.9 million for the same period of 2007. The increase to the crude oil sales revenue during the first quarter reflected the strong average price of US\$123.60 per barrel as compared to \$71.21 per barrel for the second quarters of 2008 and 2007 respectively.
- Funds flow from operations was \$10.3 million for the three months ended June 30, 2008, as compared to \$9.3 million for the same period of 2007. Funds flow from operations for the six month period was \$18.7 million versus \$9.3 million for 2007.
- Calvalley continues to be well financed and capitalized with no outstanding debt and working capital of \$75.2 million.

Operating

(barrels of oil per day)	Three months ended	
	June 30, 2008	June 30, 2007

Total Block 9 production	4,759	5,135
Calvalley working interest (50.0%)	2,380	2,568
Calvalley net entitlement (31.3%)	1,489	1,607
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- Average daily production from the Block 9 for the three months ended June 30, 2008 was 4,759 gross barrels per day (Calvalley working interest 2,380 bopd), up from the previous quarter's average of 4,602 bopd (2,301 bopd working interest share) and down from 5,135 bopd (2,568 bopd working interest share) for the second quarter of 2007. The increase from the first quarter was due to the completion of pressure testing and maintenance activities but was lower than the same period in 2007 due to a temporary shortage of pumps for wells requiring pump replacements, and limited crude processing capacity. Production continues to be constrained due to solution gas handling capacity at the temporary production facility.
- Construction of the Central Processing Facility ("CPF") is nearing completion. Final commissioning of the CPF is expected in October following the completion of the Fire Fighting Unit at the facility and a full test of the facility's operations.
- Production testing of the Malik-2 and Qarn Qaymah-2 wells continued through the quarter. We expect to have full test results by the end of the third quarter.
- Calvalley has commenced preparatory work for a 3D seismic data acquisition covering 126 km(2) over the Qarn Qaymah Structure.
- Technical work associated with two deep wells (Rashedah and South Qarn Qaymah) targeting multiple horizons including the fractured basement have been completed. Both wells are expected to be drilled in the second half of 2008. Calvalley has commenced construction of a heavy crude blending facility, which will enable the Company to produce from the currently shut-in Al Roidhat field. Design work and equipment specification and tendering have begun for water-injection and gas re-injection facilities at the Hiswah Field for pressure maintenance and gas conservation.
- Engineering and preparation work associated with the construction of the main pipeline is progressing as planned. The Company expects to commence construction by year end.

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#### Filing of Reports on SEDAR

Calvalley's Management's Discussion and Analysis and Unaudited Financial Statements for the quarter ended June 30, 2008 can be found for viewing by electronic means on The System for Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com).

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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