

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

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

CALGARY, Nov. 14 /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 third quarter ended September 30, 2008.

<<  
HIGHLIGHTS

Financial

These key financial indicators are discussed in more detail in the following sections.

	Three months ended		Nine months ended	
	September 30		September 30	
(in thousands of US dollars)	2008	2007	2008	2007
Revenue from crude oil sales	15,664	13,276	44,328	25,192
EBITDA(1)	13,127	10,601	34,069	17,158
Operating income(1)	10,021	7,822	25,409	11,723
Net income (loss)	9,105	7,907	19,136	12,978
Capital expenditures	5,965	8,573	22,817	24,071
Funds flow from operations(1)	12,050	10,645	30,717	19,983
Funds flow from operating activities	4,511	21,001	38,881	25,033

(1) See "Non-GAAP Measures"

- Calvalley's revenue from crude oil sales was \$15.6 million for the third quarter ended September 30, 2008 (2007 - \$13.3 million). Revenue for the nine month period was \$44.3 million versus \$25.2 million in 2007.
- Net income was \$9.1 million for the three months September 30, 2008, as compared to \$7.9 million for the same period of 2007. The increase to the crude oil sales revenue during the third quarter reflected the strong average price of US\$111.12 per barrel as compared to \$73.49 per barrel for the second quarters of 2008 and 2007 respectively.
- Funds flow from operations was \$12.1 million for the three months ended September 30, 2008, as compared to \$10.6 million for the same period of 2007. Funds flow from operations for the nine month period was \$30.7 million versus \$20.0 million for 2007.
- Calvalley continues to be well financed and capitalized with no outstanding debt and working capital of \$79.0 million.

Operating

-----  
Three months ended

(barrels of oil per day)	September 30, 2008	September 30, 2007
Total Block 9 production	4,743	5,355
Calvalley working interest (50.0%)	2,372	2,678

- Average daily production from the Block 9 for the three months ended September 30, 2008 was 4,743 gross barrels per day (Calvalley working interest 2,372 bopd), comparable to the previous quarter's average of 4,759 bopd (2,380 bopd working interest share) and down from 5,218 bopd (2,609 bopd working interest share) for the third quarter of 2007. Production 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 completed. The CPF is currently in the process of being certified by a third party engineering firm, upon which the plant will be fully commissioned.
- Construction of water and gas injection facilities at Hiswah are underway with completion targeted for mid-2009.
- Calvalley has commenced construction of a heavy crude blending facility at the CPF, which will enable the Company to produce from the currently shut-in Al Roidhat field.
- Production testing of Qarn Qaymah 2 well continued through the quarter. The test program encountered delays due to lack of specialized completion services in Yemen. A coiled tubing unit, which will be used to clean up the open hole section of the fractured basement, arrived early November. The clean up and flow test program is now underway.
- Technical work associated with six deep wells targeting multiple horizons including the fractured basement have been completed. The first of these wells is expected to be drilled before year-end.

>>

#### Filing of Reports on SEDAR

Calvalley's Management's Discussion and Analysis and Unaudited Financial Statements for the quarter ended September 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.

%SEDAR: 00001745E

/For further information: investorrelations(at)calvalleypetroleum.com,  
Edmund Shmoon, CEO, Memet Kont, COO, Bill Cummins, CFO, (403) 297-0490/  
(CVI.A.)

CO: Calvalley Petroleum Inc.

CNW 20:19e 14-NOV-08