

FOR IMMEDIATE RELEASE

Calvalley Petroleum – 2009 Second Quarter Results

Calgary, Alberta, August 14, 2009 – Calvalley Petroleum Inc., (TSX: CVI.A)

Calvalley Petroleum Inc. (the “Company” or “Calvalley”), an international junior oil and gas company based in Calgary, Alberta, announces its financial and operating results for the second quarter ended June 30, 2009.

HIGHLIGHTS

Financial

These key financial indicators are discussed in more detail in the Company’s Management’s Discussion and Analysis which is filed on SEDAR.

(in thousands of US dollars)	Three months ended June 30		Six months ended June 30	
	2009	2008	2009	2008
Revenue (Gross)	17,252	25,434	24,112	45,544
Revenue from crude oil sales (net of royalties)	10,686	15,791	14,846	28,247
EBITDA ⁽¹⁾	5,548	11,504	5,504	80,813
Operating income ⁽¹⁾	1,904	8,727	110	15,259
Net income (loss)	765	4,432	(1,280)	10,031
Capital expenditures	2,812	9,493	5,211	16,852
Funds flow from operations ⁽¹⁾	4,644	10,266	4,495	18,667
Cash flow from operating activities	3,325	34,061	2,363	34,370

⁽¹⁾ See “Non-GAAP Measures”

- Calvalley’s revenue from crude oil sales was \$17.2 million (gross) and \$10.7 million (net of royalties) for the quarter ended June 30, 2009 (2008 - \$25.4 million (gross) and \$15.8 million (net of royalties)). The sales decline was due to soft commodity prices partially offset by the timing of lifts.
- Net income was \$0.8 million for the three months ended June 30, 2009, as compared to \$4.4 million for the same period of 2008. The decrease in net income was largely attributable to the factors noted above which reduced revenue.
- Funds flow from operations was \$4.6 million (\$0.05/share) for the three months ended June 30, 2009, as compared to \$10.3 million (\$0.10/share) for the same period of 2008.
- Operating costs during the second quarter of 2009 were \$3.7 million (\$11.12/bbl) as compared to \$2.8 million (\$13.81/bbl) for the three months ended June 30, 2008.
- Calvalley continues to be well financed and capitalized with no outstanding debt and working capital of \$72.1 million

- Significant progress was made in negotiations relating to marketing all of Block 9 crude oil during the quarter. Successful conclusion of these negotiations is expected to allow Calvalley to commence production from the Al Roidhat field in the fourth quarter of 2009 or first quarter of 2010.
- Necessary materials were mobilized to the Qarn Qaymah 2 location to commence testing. A rig is currently being mobilized to the location for the commencement of testing of the fractured basement followed by completion and testing of the Kohlan sand.
- The 2009 drilling program begins in the third quarter with the drilling of two exploration wells and up to six development wells during the balance of 2009. The two exploration wells will be drilled into Ras Nowman and Salmin prospects with an estimated combined mean oil-in-place of approximately 200 million barrels.

Operating

(barrels of oil per day)	Three months ended June 30		Six months ended June 30,	
	2009	2008	2009	2008
Total Block 9 production	4,164	4,759	4,347	4,681
Calvalley working interest (50.0%)	2,082	2,380	2,174	2,341

- Average daily production from the Block 9 for the three months ended June 30, 2009 was 4,164 gross barrels per day (Calvalley working interest 2,082 bopd), a decrease from the previous quarter's average of 4,532 bopd (2,266 bopd working interest share) and also a decrease from 2008 second quarter average production of 4,759 bopd (2,380 bopd working interest share).
- Construction of water and gas injection facilities at Hiswah continues with completion targeted for late-2009.
- Calvalley is constructing a heavy crude blending facility at the CPF, which will enable the Company to produce from the currently shut-in Al Roidhat field. Wells at Al Roidhat are being worked over to prepare them for production.

OPERATIONS REPORT

Production Overview

During the second quarter of 2009, daily production from Block 9 averaged 4,164 barrels of oil per day ("bopd") (2008 - 4,759 bopd), with the Company's working interest share being 2,082 bopd (2008 - 2,380 bopd). All of our production came from the partially developed Hiswah oil field, which produces high-quality, lighter sweet crude oil that is sold at a price comparable to Dated Brent Crude.

Despite expected performance from the existing producing wells at the Hiswah field, production has been constrained due to the limitation of sales volume that is accepted by the Safer Facilities at Block 18 ("Safer"). Production from the Hiswah field continues to be limited to an average of sixteen of twenty-three existing horizontal wells due to this limitation. The Facility Usage Agreement at Block 18 dictates that blended crude at the facility shall not exceed 0.12%

in sulfur content by weight. The sulfur content of Safer production is 0.09%. After blending Safer production with the production from Block 9, the sulfur content averages 0.12%. Increases or decreases in Safer's production impact the sales volume that can be accepted for blending from Block 9. Safer's production at Block 18 has been continuously declining and consequently, Block 9 has been forced to reduce its crude oil volume to keep overall sulfur content at Safer under 0.12%. Calvalley's crude is sweet and has an average of 0.43% sulfur which is comparable to 0.42% which is the standard for Dated Brent Crude.

Calvalley initiated a number of alternative solutions to sell blended crude oil from all discoveries at Block 9 including production from wells that are currently shut-in. Based on the evaluation of the various alternatives; Calvalley has narrowed the focus to deliver Block 9 crude to either Block 14 or Block 51. Negotiations with the operator of these blocks have advanced significantly and we are optimistic that delivery of the first oil to one of these blocks could commence by the end of 2009. The Government of Yemen has formed a "tie-committee" to oversee the progress of these negotiations. Once an agreement to evacuate all types of crude from Block 9 is finalized, Calvalley will commence the construction process of the main sales pipeline which has been approved by the government.

In anticipation of finalizing an alternative marketing solution for all kinds of crude discovered at Block 9, Calvalley has substantially completed a heavy crude blending facility at the CPF. The blending facility will enable the Company to process production from the currently shut-in Al Roidhat field. Three additional wells were equipped during the quarter at Al Roidhat, increasing to seven the number of wells which are fully equipped and ready to produce at Al Roidhat. An additional well is undergoing completion. Once fully developed, Al Roidhat is expected to reach peak production of 10,000 bopd based on the existing reserves. However, the Al Roidhat field will remain shut-in until a marketing solution is finalized. We expect to commence production from this field as early as the yearend.

Hiswah Field Development

During the second quarter, no development wells were drilled at the Hiswah field. However, a number of workover programs were carried out to enhance well performance. The 2009 budget includes the drilling of six horizontal development wells. Drilling is expected to commence by the end of August, 2009.

Facilities

The CPF, with a 60,000 barrel per day processing capability, is now fully functional. Construction of key components of water injection and gas re-injection facilities for the Hiswah field has advanced significantly. Water injection facilities have been constructed and delivered to Block 9. On-site construction is expected to be completed during the third quarter with the first water injection expected to commence late in the year. The gas injection facilities are currently being constructed in Dubai with expected completion in October. The Hiswah field currently produces approximately 5.5 mmcf/d of solution gas which is being flared and will be utilized for pressure maintenance once these facilities are completed.

Exploration Drilling Program

No exploration wells were drilled during the second quarter. Testing of the Qarn Qaymah 2 ("QQ-2") well was halted early in the year due to the lack of specialized downhole equipment including smaller diameter (2 7/8 inch) production tubing. All required equipment has now been received and Calvalley will re-test the fractured granitic basement at QQ-2 commencing in late August. Upon full evaluation of the fractured basement, we will move up-hole to perforate and test the Kohlan sand gas condensate discovery. Completion of QQ-2 will enable us to high-

grade and then proceed with drilling a number of attractive deep well targets in the greater Qarn Qaymah area.

Calvalley plans to drill two exploration wells at shallower depths (less than 1500 meters) during 2009. These wells are to be drilled in Ras Nowmah and Salmin prospects, both of which are on a proven oil fairway. Salmin is situated approximately five (5) kilometers northwest of the Auqban discovery targeting a light oil carbonate structure with an estimated mean oil-in-place volume of 45 million barrels. The Ras Nowmah structure is situated between Hiswah and Al Roidhat with a potential of 149 million barrel of mean oil-in-place. Site preparation for Ras Nowmah has commenced and we expect to start drilling this well in October followed by the Salmin prospect.

Filing of Reports on SEDAR

Calvalley's Management's Discussion and Analysis and Unaudited Financial Statements for the quarter ended June 30, 2009 can be found for viewing by electronic means on The System for Electronic Document Analysis and Retrieval at 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.

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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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