

FOR IMMEDIATE RELEASE

Calvalley Petroleum – Operational Update

Calgary, Alberta, February 12, 2010 – *Calvalley Petroleum Inc. (TSX: CVI.A)*

Calvalley Petroleum Inc. (the “Company” or “Calvalley”), an international oil and gas exploration and production company based in Calgary, Alberta, is pleased to provide this operational update on recent exploration activities and developments in its continued efforts to finalize agreements for the transportation of blended crude oil from Block 9.

Crude Oil Transportation Agreements

Calvalley has agreed on all key terms and conditions with the Ministry of Oil and Minerals (“MOM”) and the Third Party Operator (“Third Party”) to transport blended crude from Block 9 through Block 51 to the Masila System (Block 14) for export. MOM, Calvalley and Third Party are expected to sign all agreements at a signing ceremony in February, 2010. The agreements will enable Calvalley to sell blended crude of 26 API or higher from Block 9 through the Masila System. In the near-term, Calvalley will truck the blended crude to Block 51, from which the oil will be transferred into the Masila System at Block 14 via an existing pipeline. The Company expects to commence trucking crude oil in the third quarter of 2010 to a Truck Offloading Facility at Block 51. The engineering work for the offloading facility has commenced. Calvalley will immediately commence the engineering for the pipeline construction upon final execution of the agreements. Once the pipeline is commissioned, the trucking of oil will cease.

Exploration Activities

Qarn Qaymah-2 (“QQ-2”): Calvalley has completed the initial testing of QQ-2 which included separate testing of the Fractured Granitic Basement (“FGB”) and the Kohlan sands. QQ-2 is currently shut-in for pressure build up to further assess the extension of the Kohlan sands and potential areas of improved recovery.

The initial test of the FGB confirmed that the Qarn Qaymah structure lies within a high quality oil system. The seismically defined structure covers an area exceeding 37 square kilometres. The estimated hydrocarbon column at QQ-2 exceeds 380 meters. Smaller diameter tubing (2 7/8 inch) utilized during the testing enabled the well to flow naturally. Production tests produced 43+ API sweet crude, 55+ API condensate and associated solution gas continuously over an extended period of time at fluctuating rates reaching a maximum of 2,350 bbls/d of liquids (oil and condensate) with no formation water. However, a sustainable production rate could not be achieved due to excessive hydrostatic overhead (> 3,500 meters). Management believes a sustainable production rate can be accomplished by installing an Electric Submersible Pump (“ESP”). ESP’s are currently used by most of the FGB producers in Yemen. We are currently in the process of designing a complete downhole assembly and artificial lift system including a slim hole ESP to run into the well bore to conduct an additional flow test.

The second stage of QQ-2 completion and testing involved the isolation of the FGB and testing the Kohlan Sands. The Kohlan sands were perforated twice over an interval of 13 meters. After the first set of perforations were shot the well flowed condensate-rich natural gas at an initial rate of up to 3.8 million cubic feet per day ("mmcf/d"). After several days, the rate dropped and stabilized at approximately 350 mcf/d as the well bore started loading up with condensate. The result of the first flow test indicated ineffective initial perforations and potential formation damage. As a result, Calvalley re-perforated the Kohlan with mild acidization. This additional work improved the well productivity significantly. The well continued to flow liquid-rich gas over an extended period with rates ranging from 2.0 to 3.5 mmcf/d with a condensate yield of approximately 70 bbl per mmcf of gas. Management believes further acidization is warranted to further improve Kohlan productivity.

Kohlan sands in the Qarn Qaymah fairway display regional blanket sand characteristics with the fairway extending over 34 square km of Block 9. In addition, recent drilling success by other operators in the area has a positive implication for both Kohlan and FGB potentiality.

Based on the encouraging results of QQ-2 and despite the technical challenges of this initial well in the FGB of the Qarn Qaymah Area, Calvalley plans to drill four (4) additional deep wells on the same fairway during 2010. Our negotiations for a deep rig continue and we expect to finalize the contract in the first quarter. The deep drilling program will commence once the contract is finalized and the equipment can be mobilized.

Ras Nowmah-1: Calvalley completed the drilling of the Ras Nowmah-1 exploration well on November 3, 2009. The well encountered a total of 45 meters of gross oil pay in high quality reservoir rock including 35 meters in the Qishn and 10 meters in the Saar formation. As outlined in Calvalley's third quarter report, the wellbore was side-tracked with a 30 degree deviation due to technical difficulties encountered while drilling.

On January 2, 2010, a service rig was mobilized to Ras Nowmah-1 to set 4.5 inch production casing to test the pay zones. The production casing was successfully set but despite several attempts, the downhole completion assembly could not be released from the wellbore. As a result, the completion and testing was suspended until specialized fishing tools could be mobilized to recover the stuck downhole equipment. An international service company has been contracted to attempt the recovery of the downhole equipment. Upon successful completion of the fishing job, Calvalley will continue the completion program to perforate and test both the Qishn and Saar reservoirs. We expect the service rig to be back on location for the completion and testing in March, 2010. In addition, Calvalley has proposed two additional locations on the same structure to its partners. Drilling of the first well is planned to commence during the first quarter of 2010.

Salmin-1: On December 25, 2009, Calvalley commenced drilling of the Salmin-1 exploration well with a primary target of a seismically identified carbonate build up prospect in the Madbi Formation and secondary targets of Kohlan sand and Fractured Basement. The well encountered moderate hydrocarbon shows in a thin (10 feet) Kohlan sand. However, the Madbi Formation contained non-reservoir quality rock. Accordingly, Calvalley will abandon the wellbore.

Calvalley Petroleum Inc.

Calvalley Petroleum is an international oil and gas company based in Calgary, Alberta. The Company operates its 50% working interest in Block 9 in the Masila Basin of the Republic of Yemen and 100% working interest in the Gimbi and Metema Blocks in Ethiopia.

Forward-Looking Statements

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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