

FOR IMMEDIATE RELEASE

Calvalley Petroleum – Finalization of Crude Oil Transportation Agreements

Calgary, Alberta, February 22, 2010 – *Calvalley Petroleum Inc. (TSX: CVI.A)*

Calvalley Petroleum Inc. (the “Company” or “Calvalley”) is pleased to announce that it has finalized all agreements 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 (the “Agreements”).

The Agreements will enable Calvalley to transport blended crude of 26 degree API or better to market through the Masila facility. Calvalley will blend heavier crude oil from the currently shut-in Al Roidhat field with lighter oil produced from other fields within Block 9 to achieve the 26 degree API blend for shipment to Masila.

The Masila Blend consists of different quality crude produced by various Third Party Users (“TPU”) with an average gravity of 32 API. All TPU’s who ship crude oil through the Masila facility receive the Masila Blend price for their crude. Consequently, Calvalley will receive the Masila Blend price for its crude oil shipped through the facility. The Official Selling Price for Masila crude oil is based on Dated Brent and is currently set at a premium of 97 cents per barrel to Dated Brent for March supply.

The key aspect of the Agreement is that Malik Block 9 Blend will be treated in the same manner as all other Third Party Users of the Masila System from a crude price and Facility Usage Fee point of view.

Calvalley will initially truck crude oil to Block 51. The oil will then be transferred into the Masila System at Block 14 via an existing pipeline. To facilitate crude transportation, Calvalley is required to construct a Truck Offloading Facility (“TOF”) at Block 51. The Company expects to complete the construction of the new TOF and commence trucking crude oil in the third quarter of 2010. The engineering work for the TOF has commenced. In the long-term, a pipeline will be used for crude oil transportation. Calvalley will initiate the engineering work for the pipeline construction shortly. Once the pipeline is commissioned, the trucking of oil will cease.

The Agreements are expected to enable Calvalley to add significant new production including the Al Roidhat field which is currently shut-in. Eight wells have been drilled and completed at Al Roidhat, five of which are fully equipped to commence production. The Company plans to drill eight additional Al Roidhat and six Hiswah development wells in the next 12 months.

In light of the finalization of the Agreements, Calvalley has initiated discussions with its joint venture partners to revise the 2010 capital budget to expand the capital program for development and exploration drilling activities. The exploration and appraisal program will focus on the Qarn Qaymah Fractured Basement and Kohlan Sands and the Ras Nowmah structure. Development will occur in both Al Roidhat and Hiswah.

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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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