

FOR IMMEDIATE RELEASE

CALVALLEY PETROLEUM INC. CONTINUES RESERVE GROWTH MOMENTUM

Calgary, Alberta, March 10, 2010 – *Calvalley Petroleum Inc. (TSX: CVI.A)*

Calvalley Petroleum Inc. (“Calvalley” or the “Company”), is pleased to announce that its Board of Directors has accepted a reserves report (the “Report”) prepared by McDaniel and Associates (“McDaniel”), independent oil and natural gas reservoir engineers, that has evaluated all of Calvalley’s crude oil reserves. As at December 31, 2009, McDaniel estimates Calvalley’s gross working interest Proved plus Probable reserves to be 26.5 MMbbl, representing an increase of 8% (11% including produced reserves in 2009) over the quantities estimated by McDaniel at December 31, 2008, and a reserves replacement ratio of 343%. Calvalley’s capital efficiency for new reserves remains very attractive. Average Finding and Development (“F&D”) costs over the past three years was \$14.01 per barrel on a Proved basis and \$4.68 per barrel on a Proved plus Probable basis.

Management is pleased with the reserves additions considering only three wells were drilled during 2009 (one exploration well at Ras Nowmah and two development wells at the Hiswah field). Reserves additions were largely attributable to better than expected well performance from Hiswah producers and a new discovery at Ras Nowmah. The improved well performance at Hiswah during 2009 has significantly de-risked those reserves and has also increased the potential for further positive reserve revisions should the well performance continue.

More importantly, the confidence level in Calvalley’s reserves potential near the Qarn Qaymah-2 well has increased substantially. For the first time, reserves have been assigned to an oil leg in the Qarn Qaymah fractured basement discovery in Block 9. The Company expects that significant contingent resources will be converted to reserves once a full field development plan is implemented. Qarn Qaymah is Calvalley’s first oil discovery in the fractured basement in Yemen.

The Company’s working interest share of high case contingent recoverable liquid resources (oil and condensate) has increased from 3.3 MMbbls to 11.2 MMbbls at December 31, 2009. Similarly the Company’s working interest contingent recoverable natural gas resources has increased to 95 Bcf from 8.2 Bcf. These increases primarily result from the test results of the QQ-2 well and new mapping of the Qarn Qaymah structure. Calvalley’s 2010 drilling campaign is targeted to move some of the contingent oil resources into the reserves category.

RESERVES ADDITIONS

- **8% increase (11% increase including produced reserves in 2009) in Proved plus Probable oil reserves to 26.5 MMbbl**
- **11% increase (14% increase including produced reserves in 2009) in Proved plus Probable plus Possible oil reserves to 39.5 MMbbl**

CAPITAL EFFICIENCY

- **Three year average, F&D cost per barrel for was \$14.01 (1P), \$4.68(2P)**
- **343 % Reserve Replacement Ratio and 34 year reserve life Index (2P)**

A summary of the Reserves Report is provided in the table below. Details of the Reserves Report will be included in the Annual Information Form ("AIF") which will be available on the Company's website at www.calvalleypetroleum.com and through www.sedar.com before the end of March. Unless otherwise indicated, the reserves estimates in this release are based on "forecast prices and costs" and are gross working interest Proved plus Probable estimates. Except as otherwise indicated, references to "\$" and to "dollars" refer to the currency of the United States of America.

| Reserves and NPV | | | | |
|---|-----------------|---------------------------|--------------------------------|-------------------------------|
| | Reserves | | NPV (10% after tax) | NPV (8% after tax) |
| | Gross (WI) | Net (after Royalty & tax) | | |
| | (MMbbls) | (MMbbls) | (\$MM) | (\$MM) |
| Proved | | | | |
| Developed producing | 3.1 | 1.9 | 66.0 | 68.5 |
| Developed non-producing | 0.9 | 0.4 | 13.2 | 13.5 |
| Undeveloped | 7.9 | 3.7 | 86.4 | 93.3 |
| Total Proved | 11.9 | 6.0 | 165.6 | 175.3 |
| Probable | 14.6 | 6.3 | 144.7 | 163.4 |
| Total Proved + Probable | 26.5 | 12.3 | 310.3 | 338.7 |
| Possible | 12.9 | 4.9 | 118.8 | 139.3 |
| Total Proved + Probable + Possible | 39.4 | 17.2 | 429.1 | 478.0 |

* Based on McDaniel forecast prices (Jan 2010 Forecast)

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.

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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