

FOR IMMEDIATE RELEASE

Calvalley Petroleum – 2010 First Quarter Results

Calgary, Alberta, May 14, 2010 – 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 first quarter ended March 31, 2010.

HIGHLIGHTS

Financial

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

(in thousands of US dollars except per share amounts)	Three months ended March 31	
	2010	2009
Revenue (Gross)	14,449	6,860
Revenue from crude oil sales (net of royalties)	8,921	4,160
EBITDA ⁽¹⁾	6,071	(44)
Operating income (loss) ⁽¹⁾	3,737	(1,764)
Net income (loss)	2,725	(2,045)
Per share	\$0.03	\$(0.02)
Capital expenditures	3,199	2,399
Funds flow from operations ⁽¹⁾	5,269	(149)
Per share	\$0.05	\$0.00
Cash flow (deficiency) from operating activities	5,122	(962)

⁽¹⁾ See “Non-GAAP Measures”

- Calvalley’s revenue from crude oil sales was \$14.4 million (gross) and \$8.9 million (net of royalties) for the quarter ended March 31, 2010 (2009 - \$6.9 million (gross) and \$4.2 million (net of royalties)). The sales increase was caused by stronger commodity prices, period over period.
- Net income was \$2.7 million (\$0.03 per share) for the three months ended March 31, 2010, as compared to a net loss of \$2.0 million (\$(0.02) per share) for the same period of 2009. The increase in net income was largely attributable to stronger commodity prices and the \$1.1 million expense for facilities usage which was billed retroactively in the first quarter of 2009 from the commencement of production at Block 9 by the Government of Yemen.
- Funds flow from operations was \$5.3 million (\$0.05/share) for the three months ended March 31, 2010, as compared to \$(149,000) (\$0.00/share) for the same period of 2009.
- Operating costs during the first quarter of 2010 were \$1.9 million (\$9.92/bbl) as compared to \$2.1 million (\$11.93/bbl) for the three months ended March 31, 2009.
- Calvalley continues to be well financed and capitalized with no outstanding debt and working capital of \$72.2 million.

Operating

Production (barrels of oil per day)	Three months ended March 31	
	2010	2009
Total Block 9 production	4,597	4,532
Calvalley working interest (50.0%)	2,299	2,266

- Average daily production from Block 9 for the three months ended March 31, 2010 was 4,597 gross barrels per day (Calvalley working interest 2,299 bopd), an increase from the previous quarter's average of 4,404 bopd (2,202 bopd working interest share) and an increase from 2009 first quarter average production of 4,532 bopd (2,266 bopd working interest share).
- The Company expects to re-inject all water produced in the Hiswah area into the main reservoir for pressure maintenance commencing in July 2010.
- Fabrication of the remaining equipment for gas injection has been completed in Dubai and the equipment is currently being transported to Yemen for installation and start-up.
- Calvalley has finalized and signed a one year contract to utilize a larger rig for drilling deep Qarn Qaymah wells. The rig is expected to arrive at Block 9 in June 2010.

Crude Oil Marketing

- Calvalley successfully finalized the crude oil transportation agreements which will enable the Company to transport blended crude of 26° 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° API blend for shipment to Masila. The Masila Blend consists of different quality crude oils 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 expects to 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 slight discount to Dated Brent for June supply. The key aspect of the agreement is that Malik Block 9 Blend will be treated in the same manner as all other TPU's of the Masila System with respect to crude price and Facility Usage Fees.

Ethiopia

- Surface geological work was conducted in the first quarter and was completed after quarter-end at the Metema and Gimbi blocks in Ethiopia.

OPERATIONS REPORT

Production Overview

Average daily production from Block 9 for the three months ended March 31, 2010 was 4,597 gross barrels per day (Calvalley working interest 2,299 bopd), an increase from the previous quarter's average of 4,404 bopd (2,202 bopd working interest share) and an increase from 2009 first quarter average production of 4,532 bopd (2,266 bopd working interest share). All 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.

Gross field production at Hiswah continues to fluctuate between 4,200 to 5,200 (2,100 to 2,600 net) bopd. While producing wells are performing as expected, production continues to be constrained due to the limitation of the volume that is accepted by the Safer Facilities at Block

18 ("Safer"). Production from the Hiswah field is restricted to an average of twenty horizontal wells due to this limitation. In addition, production at the Hiswah field is choked back to minimize solution gas flaring. Upon full implementation of the field pressure maintenance program through water and gas injection, we expect to see a meaningful increase in well productivity as indicated by the simulation study.

Calvalley has commenced construction of offloading facilities at Block 51 to leverage the transportation agreements for blended crude oil from all discoveries at Block 9. This will allow the Company to activate wells that are currently choked back or shut-in. Upon completion of this facility Calvalley expects to ramp up production to 10,000 bopd (5,000 bopd net) by the end of 2010.

Drilling, Completion, and Testing Development wells at Hiswah:

Calvalley successfully completed the drilling of the Hiswah 31 horizontal producer at Hiswah. The well was placed on production during the quarter at an initial flow rate of approximately 300 bopd with no water. The drilling of the Hiswah 32 producer commenced on March 28, 2010.

Qarn Qaymah-2 ("QQ-2"):

As previously announced, Calvalley 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 bopd 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). This zone is currently shut-in. Possible future plans include the isolation of the gas cap from the oil leg and installation of a slim hole Electric Submersible Pump ("ESP"). ESP's are currently used by most of the FGB producers in Yemen. Any future work on this well will only commence after the drilling of the QQ-3 appraisal well.

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. After the flow test, the Kohlan zone was shut-in for pressure build up. There were no signs of depletion confirming management's belief that the Kohlan has an extensive areal extension. However, the build up showed that the reservoir has low permeability and as a result, future wells will likely require acid fracing which is expected to enhance productivity of this high pressure zone significantly.

Kohlan sands in the Qarn Qaymah fairway represents a significant resource play and displays regional blanket sand characteristics with the fairway extending over 34 km² of Block 9.

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 initiate an appraisal drilling campaign of up to four (4) deep wells on the same fairway during 2010 extending into 2011. We have finalized a 12 month contract for a deeper rig which is expected to commence drilling the first appraisal well at Qarn Qaymah (QQ-3) in July.

Ras Nowmah-1:

Calvalley completed the drilling of the Ras Nowmah-1 exploration well in November 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. The technical work by a third party service company to fish the stuck tool from the wellbore has been completed. However, the fishing job of the stuck tools and the completion and testing of this well has been deferred until the next appraisal well (Ras Nowmah-2) has been drilled. This well will be approximately 350 meters from Ras Nowmah -1 and drilling is scheduled to commence in June 2010.

Salmin-1:

As previously announced, 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 abandoned the wellbore.

Ethiopia:

Surface geological work was conducted in the first quarter and completed after quarter-end at the Metema and Gimbi blocks in Ethiopia. The next phase will be an airborne gravity survey which is expected to take place during the second half of 2010.

Filing of Reports on SEDAR

Calvalley's Management's Discussion and Analysis and Unaudited Financial Statements for the quarter ended March 31, 2010 can be found for viewing by electronic means on The System for Electronic Document Analysis and Retrieval at www.sedar.com. They can also be found on the Company's website at www.calvalleypetroleum.com.

Calvalley is listed on the Toronto Stock Exchange, trading under the symbol "CVI.A".

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For additional information, please contact:
investorrelations@calvalleypetroleum.com

Edmund Shimoon, Chairman & CEO
Memet Kont, President & COO
Bill Cummins, CFO

(403) 297-0490