

PRESS RELEASE

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For immediate release:

TSX Venture Exchange
Symbol (shares): CVI.A
Shares Outstanding: 73,785,952
Symbol (warrants): CVI.WT
Warrants Outstanding: 6,723,710

Calvalley Petroleum Yemen Drilling Update - Government approves Second Exploration Period

Calgary, Alberta, October 27, 2004 – Calvalley Petroleum Inc. Operator of Block 9, Republic of Yemen, announces that the Ras Noor-1 exploration well has been suspended as an oil discovery. The well reached a total depth of 1677m and encountered 3 meters of oil pay in good quality sands of the Harshiyat Formation at 815m. There are no plans to test the well at this time until the Company's technical team has assessed the oil discovered in the Harshiyat Formation sand to evaluate its extent and the prospectivity of the surrounding area.

Calvalley's near term focus will now switch to the appraisal and early development of the Hiswah oil pool, which independent engineering evaluation indicates contains approximately 235 million barrels of oil in place. After some modification work, the current drilling rig will move to the Hiswah field to drill three appraisal wells. These will each be comprised of a vertical well to gather reservoir data and oil samples and a horizontal well bore to test the productive capability of the fractured limestone reservoir. It is anticipated that the first well will spud mid-late November 2004, with each well taking approximately one month to drill and test.

Calvalley has also received approval from the government of Yemen effective October 4, 2004 to enter the Second Exploration Period, under the Production Sharing Agreement, which will run to March 4, 2008. As part of the process of moving from the First to the Second Exploration Period the Company must relinquish 25% of the surface area of the Block. The area chosen for relinquishment is in the northern portion of the Block and is considered to be the least prospective area of Block 9. This is an important milestone as it allows Calvalley to explore the remaining 75% of the Block, an area equivalent to approximately 1,400 sections of land in Canada, for the next three and one half years.

With more than 20 prospects and leads so far identified in Block 9, the Company's exploration drilling program during the Second Exploration Period will run concurrently with appraisal and development work on Hiswah, Al Roidhat and the other Block 9 discoveries. Discussions are continuing with the government of Yemen on the Declaration of Commerciality, with the goal of achieving this milestone before the end of 2004.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this news release.

This Press Release contains certain information that may constitute forward-looking statements under applicable securities laws. These statements are subject to unknown risks and uncertainties that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements.

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