

PRESS RELEASE

Calvalley Petroleum Inc.
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Canada

For immediate release:

TSX Venture Exchange
Symbol (shares): CVI.A
Shares Outstanding: 73,835,952
Symbol (warrants): CVI.WT
Warrants Outstanding: 6,723,710

Calvalley Petroleum Announces Increase in Size of Bought Deal Common Share Financing

Calgary, Alberta, March 3, 2005 – Calvalley Petroleum Inc. (TSX-V: CVI.A)

Calvalley Petroleum Inc. (the “Company”) is pleased to announce that it has increased the size of its previously announced \$20 million bought deal financing, led by Canaccord Capital Corporation and including Jennings Capital Inc., Octagon Capital Canada Inc. and Desjardins Securities Inc. The financing has been increased by 1,000,000 Class A common shares, for additional aggregate gross proceeds of \$3.5 million. The total size of the offering, including the underwriters' over-allotment option is now \$28.5 million.

The private placement is scheduled to close on or about March 22, 2005 and is subject to regulatory approval and completion of definitive documentation. The Company will apply the proceeds of this issue towards its exploration and development program of Block 9 in the Republic of Yemen.

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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