



Calvalley Petroleum – Yemen Operations Update

Calgary, Alberta, January 5, 2006 – Calvalley Petroleum Inc., (TSX: CVL.A) - Calvalley Petroleum, an international, junior oil and gas company based in Calgary, Alberta, is pleased to provide the following update on its operations on Block 9 in the Republic of Yemen.

The drilling rig was released on January 3, 2006 from the seventh horizontal Hiswah well, which was spudded on December 22, 2005. The well was drilled horizontally into the oil-bearing Saar-Naifa formation and is located approximately 275 metres west of the Hiswah-6. The well penetrated oil-saturated, porous, carbonate grainstones over much of its horizontal length.

Drilling rig is currently being moved to the next Hiswah horizontal well site and is expected to spud the well within few days.

The level of oil receipt at Block 18 operated by Safer Exploration and Production at the year end was 3200 bbls per day from Block 9 and gradually increased to 5000 bbls on January 3, 2005. Good progress is being made on the expansion of the unloading facility on Block 18. Upon de-bottlenecking, oil receipt is expected to average 10,000 bbls per day (5,000 bbls per day net to Calvalley)

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