

Attention Business/Financial Editors:  
Calvalley Petroleum Inc. Drilling Update Malik-1 Exploration Well

CALGARY, Oct. 4 /CNW Telbec/ - Calvalley Petroleum Inc., (TSX: CVI.A) - Calvalley Petroleum Inc. (the "Company" or "Calvalley"), is pleased to announce progress report of drilling Malik 1 exploration well on Block 9 in the Republic of Yemen.

Malik-1 is located in the southern part of the Wadi Hadramut, in the central region of Block 9, and was drilled to evaluate a large east - west trending structural closure that encompasses a thick stratigraphic succession having numerous reservoir-seal combinations. The well was spud on July 27, 2007 and the Qishin Clastics sandstone, a world class reservoir, was intersected at a depth of 1233 metres. The reservoir zone displayed light brown oil staining and fair to good oil shows over 14 m section, with light yellow direct fluorescence. Sporadic oil shows continued to 1280 meters. The well site description of fluorescence suggest the presence of a medium to light oil within the primary Qishin reservoir.

The drilling continued to assess deeper horizons, and at a depth of 1466 meters, the upper Saar Limestone was encountered and oil staining was observed in the cuttings.

Log analysis by an independent third party indicates the presence of four meters of net potential oil pay in the upper Qishin Clastics, and two meters of oil pay in the Upper Saar Limestone. These zones will be confirmed with testing after completion of the drilling operation.

After setting 9 5/8" casing from surface to a depth of 1632 metres, drilling continued to a final depth of 3307 metres, two hundred and fifty meters into the basement. Two very strong gas shows and poor oil shows were encountered in the basement between 3120 metres and 3160 meters. The basement lithology is a granite. Image logs run over this upper basement section confirm the presence of open, natural fractures and therefore the possibility of having intersected a fractured basement play. Such fractured basement production is an important component of the Yemeni basin development. Several other basement discoveries have been made in other blocks within Masila basin. There is a strong indication that fractures within granite basement extend diagonally and may be parallel to each other.

Accordingly, the drilling program has been modified. The vertical portion of the well in the basement will be cemented and re-drilled horizontally to attempt to encounter this multiple fracture system. The drilling is expected to be completed within the next two weeks.

The Malik-1 exploration well has provided the Company with the first indication of oil migration and potential entrapment of medium gravity crude oil within the Qishin Clastics, Saar Naifa and possibility of hydrocarbon within the granite basement in the central part of Block 9.

The Company anticipates testing the fractured basement potential in Malik-1 as well as the oil shows in the Qishin and Saar formations. This testing program will commence upon drilling completion. Positive results may lead to additional appraisal drilling at the Malik structure.

The Malik structure is 10 kilometres long and one to two kilometres wide. Malik-1 was drilled on the extreme eastern end of the structure at the edge of the apparent Qishin level closure. Three potential up dip locations have been identified on the existing seismic grid. In addition, the seismic crew currently active in Block 9 has been redirected to acquire another seven lines (84 kms) of 2D seismic data, in order to firm up additional locations to the west of the Malik-1 well.

Calvalley Petroleum Inc. an international oil and gas exploration and production company based in Calgary, Alberta. Calvalley is listed on the Toronto Stock Exchange, trading under the symbol "CVI.A".

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