

FOR IMMEDIATE RELEASE

Calvalley Petroleum Inc. Releases Third Quarter Results

Calgary, Alberta, November 12, 2007 – Calvalley Petroleum Inc., (TSX: CVI.A)

Calvalley Petroleum Inc. (the “Company” or “Calvalley”), an international oil and gas exploration and production company based in Calgary, Alberta, is pleased to announce the release of its operating results and interim consolidated financial statements for the third quarter of 2007. All financial information is stated in United States dollars.

The Company has filed its quarterly report, including the interim consolidated financial statements and management’s discussion and analysis, on SEDAR (www.sedar.com). This quarterly report can also be found on Calvalley’s website at www.calvalleypetroleum.com.

Financial Highlights

(in thousands of dollars)	Three months ended September 30		Nine months ended September 30	
	2007	2006	2007	2006
Revenue from crude oil sales	13,276	20,834	25,192	20,876
Volume of crude oil sales (bbls)	180,658	255,000	375,180	255,000
Operating income ⁽¹⁾	5,038	14,796	10,619	13,833
Net income (loss)	7,971	14,366	16,455	14,291
Capital expenditures	7,476	5,388	24,369	18,960
Cash flow from operations ⁽¹⁾	11,058	18,972	23,579	17,636
Cash flow from operating activities	28,844	18,982	27,183	17,443

⁽¹⁾ See “Non-GAAP Measures”

- ❖ Calvalley’s revenue from crude oil sales was \$13.2 million and \$26.2 million for the third quarter and the nine months ended September 30, 2007 from the sale of 180,658 and 375,180 barrels of Marib light crude oil, respectively.
- ❖ Net income was \$7.9 million and \$16.5 million for the three months and nine months ended September 30, 2007, as compared to \$14.4 million and \$14.3 million for the same periods of 2006. The reduction to the crude oil sales revenue and the net income for the third quarter of 2007 as compared to 2006 does not indicate a reduction in production or sales activity or overall profitability. Rather, the joint venture sold all of its production from the nine months of production in 2006 in a single lift of 485,000 barrels during August 2006. By comparison, the joint venture has lifted and sold 761,000 barrels for export sales during the nine months of 2007 but reported the sales over the three quarters of the year.
- ❖ Cash flow from operations was \$11.1 million and \$23.6 million for the three months and nine months ended September 30, 2007, as compared to \$19.0 million and \$17.6 million for the same periods of 2006. Again the comparative decrease was due to a relatively large sale in August, 2006.

- ❖ Calvalley continues to be well financed and capitalized with no outstanding debt and working capital of \$76.9 million, including \$66.9 million of cash on hand.

Operating Highlights

(barrels of oil per day)	Nine months ended	
	September 30, 2007	December 31, 2006
Total Block 9 production	5,298	4,234
Calvalley working interest (50.0%)	2,649	2,117
Calvalley net entitlement (31.3%)	1,658	1,327

- ❖ Average daily production from the Block 9 for the three months ended September 30, 2007 was 5,355 barrels per day, up from the second quarter average of 5,135 barrels per day reflecting the continued impact of a large scale well testing program.
- ❖ Four of the eight wells in the Al Roidhat field are ready for production pending transportation and blending approvals.
- ❖ A 769 kilometer 2D seismic acquisition program was completed in September, 2007 and a Canadian company has been awarded the processing contract for this data. In addition, a program to reprocess 1,124 kilometers of seismic data was completed. It is anticipated that these programs and other initiatives by Calvalley's exploration team will identify new leads and prospects and add to the prospect inventory for drilling in 2008 and 2009.
- ❖ In August, 2007, Calvalley and the Ministry of Oil and Minerals of the Republic of Yemen (the "MOM") agreed to divide responsibility for the construction of a pipeline from Block 9 to Block 18 between Calvalley and another operator along the route, reducing Calvalley's portion from 250 kilometers to 145 kilometers and thereby significantly reducing Calvalley's capital cost commitment. Calvalley, together with the MOM, has pre-qualified three engineering companies to submit a bid for engineering, procurement and construction management ("EPCM") work associated with the pipeline. The bid closing has been scheduled for November 15, 2007 and the finalization of the contract is expected to be completed shortly thereafter.

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

THE TORONTO STOCK EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

This press release may contain forward-looking statements including, without limitation, financial and business prospects and financial outlooks, and such statements may be forward-looking statements which reflect management's expectations regarding future plans and intentions, growth, results of operations, performance and business prospects and opportunities. Words such as "may", "will", "should", "could", "anticipate", "believe", "expect", "intend", "plan", "potential", "continue", and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve significant risk and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, changes in general economic and market conditions and other risk factors. Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, management cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof.

Forward-looking statements and other information contained herein concerning the oil and gas industry and Calvalley's general expectations concerning this industry are based on estimates prepared by management using data from publicly available industry sources as well as from reserve reports, market research and industry analysis and on assumptions based on data and knowledge of this industry which Calvalley believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While Calvalley is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.

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