

PRESS RELEASE

Date: Friday 31 October 2008
Release: Immediately
Pages: 2

Source: Community Valley Bancorp
Location: Chico, California USA
Online: www.communityvalleybancorp.com

Contact: Phil Papeman
Phone: (530) 566-1059 x3347
Fax: (530) 899-4466
E-mail: ppapeman@buttecommunity.com

Butte Community Bank Ranked Among Top Business and Industry Lenders in the Nation

Chico, CA (10/31/08) – Butte Community Bank, a subsidiary of Community Valley Bancorp, announced today that it processed the second largest dollar amount of USDA Business and Industry (B&I) guaranteed loans in California and the second largest number of B&I guaranteed loans in California for the fiscal year ending September 30, 2008.

In the nation, Butte Community Bank had the fourth largest number of guaranteed loans and the fifth largest dollar amount. Administrative Vice President Glenn Rilinger and his staff at the government lending division of Butte Community Bank originated 19 loans totaling over \$38.1 million.

Butte Community Bank participated in the B&I Guaranteed Loan program through USDA Rural Development which guarantees up to 80% of the loan made by a commercial lender for qualified businesses in eligible rural areas. The primary purpose of the B&I program is to stimulate the local economy, create additional employment, attract additional commercial investment capital and support potential growth in tax revenue, which will improve the quality of life for rural residents.

The B&I program is a useful tool to Butte Community Bank because it expands their lending capabilities to include a wider range of rural business projects. Loan proceeds may be used for working capital, equipment, buildings, real estate and certain types of debt financing. All rural areas are eligible, excluding cities of more than 50,000 population and their adjacent urbanized areas.

In addition to being a top Business and Industry Lender, Butte Community Bank is also certified by the Small Business Administration as a Preferred Lender, which means they have the authority to underwrite and approve SBA loans locally.

About Community Valley Bancorp

Community Valley Bancorp (NASDAQ: CVLL) is the parent company of Butte Community Bank, a progressive Northern California bank that combines traditional deposit and lending services with innovative banking solutions, and Butte Community Insurance Agency, LLC, a full-service insurance agency offering all lines of coverage from auto and health to commercial and farm packages.

Founded in 1990, Butte Community Bank is California state-chartered with 15 branches in eleven cities including Anderson, Chico, Colusa, Corning, Magalia, Oroville, Paradise, Red Bluff, Redding, Yuba City and Marysville. It also operates loan production offices in Citrus Heights and Gridley. Community Valley Bancorp has headquarters in Chico, California.

For more information visit: www.communityvalleybancorp.com

Forward Looking Statement Disclosure

This news release contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act of 1934, as amended and Community Valley Bancorp intends for such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. These forward-looking statements describe the Company's expectations regarding future events and developments and are subject to risks and uncertainties and include information about possible or assumed future results of operations. Many possible events or factors could affect the Company's future financial results and performance. This could cause results of performance to differ materially from those expressed in the Company's forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions, which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in, or implied by, such forward-looking statements. All forward-looking statements are representative only on the date hereof.

###