

GALLEON ENERGY INC. ANNOUNCES STRATEGIC FARM IN AND PRODUCING PROPERTY PURCHASE

CALGARY, ALBERTA - Galleon Energy Inc. ("Galleon") announces that the company has signed a strategic farm in agreement with a senior oil and gas company. The agreement includes Galleon's right to explore 173 sections (110,720 gross acres, 97,900 net acres) of land in the Calais area of northwest Alberta.

The Calais area is characterized by large, high quality, multi-zone, long life natural gas reserves in the Peace River Arch. The initial commitment pursuant to the farm in agreement includes two well recompletions and the drilling of eight wells. The farm in agreement requires this drilling to be completed by September 30, 2004.

Galleon has also agreed to purchase, subject to regulatory approval, two Saskatchewan oil properties from Venture Energy Inc. ("Venture"), a private company. The two properties are Delta in southwest Saskatchewan and Hoosier in west central Saskatchewan. Venture is managed on a day to day basis by Galleon staff pursuant to a management agreement. Venture is majority owned by Working Ventures Canadian Fund Inc., a labour sponsored venture capital fund. Galleon officers own a minority interest in Venture and, additionally, Glenn Carley, Chairman and CEO of Galleon, is a director and officer of Venture. The acquisition was approved by an independent committee of the Galleon Board of Directors based on an independent engineering report.

The two properties are being purchased effective October 1, 2003 for \$3.55 million in cash. The acquisition parameters are as follows:

a) Reserves

- 597,000 barrels of oil (established) based on an independent report
- \$5.95 per established boe
- reserve life index greater than 9 years established

b) Production

- 180 barrels per day (\$19,750 per producing barrel)

c) Net Operating Income Multiple

- 4.4 times (at \$25.00 WTI US pricing)

d) Other Attributes

- 100% operated and owned
- waterflood optimization
- two drilling locations

As the transaction was privately completed, there were no finder fees payable.

With the addition of the properties related to the Calais farm in and the property purchase, Galleon has a current drilling inventory of 15 to 20 locations.

Galleon is an emerging oil and gas company focused on the acquisition, exploration, exploitation and development of oil and natural gas in western Canada. Galleon's business plan is to grow reserves and production to increase shareholder value through a focused exploration program, strategic acquisitions and controlled exploitation. Three areas of focus are northwest Alberta, east central Alberta and northwest Saskatchewan, and southern Alberta and Saskatchewan.

Galleon trades on the TSX Venture Exchange under the symbols "GO.A" and "GO.B".

FOR FURTHER INFORMATION PLEASE CONTACT:

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ADVISORY: Certain information regarding Galleon Energy Inc. including management's assessment of future plans and operations, may constitute forward-looking statements under applicable securities laws and necessarily involve risks associated with oil and gas exploration, production, marketing and transportation such as loss of market, volatility of prices, currency fluctuations, imprecision of reserve estimates, environment risks, competition from other producers and ability to access sufficient capital from internal and external source. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.