NEWS RELEASE December 17, 2003

GALLEON ANNOUNCES PRIVATE COMPANY PURCHASE, ADDITIONAL FARM-INS AND CURRENT DRILLING

CALGARY, ALBERTA – Galleon Energy Inc. ("Galleon") announces that the company has agreed to purchase, subject to regulatory approval, all of the shares of Venture Energy Inc. ("Venture"), a private company, effective December 1, 2003. The purchase price is $17.75 million comprised of the issuance of 5,981,481 Class A common shares of Galleon priced at $2.70 per share and the assumption of $1.6 million of net debt. No finder fee is payable. The number of shares will be adjusted upward or downward based on final adjustments. Venture currently owns 500,000 Galleon Class A common shares which shall be cancelled subsequent to the acquisition. Post transaction, Galleon will have 13,781,482 Class A and 922,500 Class B common shares outstanding. Closing is expected to occur by January 15, 2004.

Venture is currently managed on a day to day basis by the Galleon staff pursuant to a management agreement. Venture is approximately 90% owned by GrowthWorks WV Canadian Fund Inc., ("GrowthWorks"), a labor sponsored venture capital fund. GrowthWorks intends to hold the Galleon shares it acquires (approximately 40% of the total Galleon shares outstanding) as an investment and will nominate one director to be appointed to Galleon's Board of Directors. Galleon officers own the minority interest in Venture and, additionally, Glenn Carley, Chairman and Chief Executive Officer of Galleon is a director and officer of Venture. Steve Sugianto, President and Chief Operating Officer of Galleon holds the same position with Venture. Ms. Shivon Crabtree, Vice President of Finance and CFO of Galleon holds the same position with Venture. The acquisition was approved by an independent committee of the Galleon Board of Directors. The acquisition value was based on an independent engineering report prepared by Outtrim Szabo Associates Ltd. ("Outtrim Szabo") under the NI 51-101 New Reserves Guideline.

Galleon has entered into three farm-in agreements which further enhance the company's access to undeveloped lands in its focus areas. The agreements grant Galleon the right to explore 21 sections (13,440 gross acres, 12,800 net acres) of land. This increases Galleon's access to undeveloped land to greater than 262,500 gross acres. The farm-in agreements are located in the following areas: Bindloss in southern Alberta, John Lake in east central Alberta and Dawson in northwest Alberta. The initial commitments under the farm-in agreements include the drilling of four wells by February 2004.

In the fourth quarter of 2003, Galleon has drilled nine exploration wells including three wells at Dawson, three wells at Calais and three wells in other areas. Six wells have been cased resulting in six new natural gas pool discoveries. In addition, Galleon is currently drilling two exploration wells. An additional three exploration wells are expected to be drilled prior to December 31, 2003. Results of the fourth quarter drilling program will be announced in January 2004.

Venture owns three properties; one at Wymark, Saskatchewan and two in Alberta; Princess and Bindloss. The acquisition parameters, based on the net acquisition cost of $16.4 million for reserves value, net of the cancelled Galleon shares, are as follows:

a) Reserves
   - Proven natural gas reserves of 10.6 billion cubic feet (1.8 million barrels of oil equivalent ("boe") at 6:1) based on an independent report of Outtrim Szabo

- $9.11 per proven boe
- Reserve life index greater than 12 years based on proven reserves

b) Production
- Current production 1.9 million cubic feet per day (“mmcf/d”) or 320 boe/day
- An additional 540 thousand cubic feet or 90 boe/day of production is expected to be tied in January

c) Current Net Operating Income Multiple
- 3.1 times (at $6.69/mcf AECO pricing)

d) Other Attributes
- Wymark shallow gas property 100% owned and operated
- A gas plant with 4 mmcf/d processing capacity
- Eight low risk development drilling locations with 1.2 mmcf/d or 200 boe/day of production in inventory
- High netback (greater than $20/boe) and low operating costs (less than $4.50/boe)

After completion of the fourth quarter drilling program and the Venture acquisition, Galleon has a current drilling inventory of 35 to 40 locations. Excluding fourth quarter drilling, Galleon’s production post closing the Venture acquisition is expected to be 790 boe/day (57% natural gas), with proven reserves of 2.5 million boe and net debt of approximately $2.5 million.

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.

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

FOR FURTHER INFORMATION SEE www.galleonenergy.com OR CONTACT:

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