

GALLEON ANNOUNCES SIGNIFICANT DISCOVERIES

CALGARY, ALBERTA – In the fourth quarter of 2003, Galleon Energy Inc. (“Galleon”) drilled or participated in 11 gross (7 net) exploration wells including three wells at Calais, five wells at Dawson and three wells in other areas. A total of eight gross (4.6 net) wells have been cased for natural gas. Galleon spent approximately \$5 million on land acquisitions, seismic, drilling and completion activities in the fourth quarter 2003 and expects to add 350 to 450 barrels of oil equivalent per day (6:1) (“boepd”) of new production. As a result of the successful drilling program, Galleon plans to drill 12 to 14 wells in the first quarter of 2004 and expects to be producing in excess of 1,100 boepd (70% natural gas) by April 1, 2004.

Details of the drilling results and the first quarter 2004 drilling plans are as follows:

Calais, North West Alberta.

- Drilled three natural gas wells with an average 63% before payout working interest
- Production tested one well capable of producing over 5 million cubic feet per day (“mmcf”) (833 boepd) plus condensate. The well had an Absolute Open Flow test of over 12 mmcf (2,000 boepd). Galleon owns 60% of this well. Galleon plans to manage the production of this well during the early stage of the project to maximize the development strategy and, therefore, the well will be initially produced at 2.4 mmcf (400 boepd). The other two wells are in various stages of completion testing.
- Initiated new seismic acquisitions and expanded exploration programs to explore the significant remaining undeveloped land ~ 110,080 gross acres (96,728 net acres)
- Three to five exploration wells are planned in first quarter 2004

Dawson, North West Alberta

- Drilled five wells resulting in four natural gas wells with an average 42% before payout working interest
- Production tested one well capable of producing over 6 mmcf (1,000 boepd). The well had an Absolute Open Flow test of over 15 mmcf (2,500 boepd). Galleon owns 82.5% of this well. Galleon plans to manage the production of this well during the early stage of the project to maximize the development strategy and, therefore, the well will be initially produced at 1.8 mmcf (300 boepd). This well is expected to be placed on production in second quarter 2004.
- Two wells have been tested and flowed, respectively, at 1.2 mmcf (200 boepd - 32.5% interest); at 0.25 mmcf (42 boepd - 22% interest). The fourth well will be completed shortly.
- Initiated new seismic acquisitions and expanded exploration programs to explore the significant remaining undeveloped land ~ 101,440 gross acres (49,519 net acres)
- Two to three exploration wells are planned in first quarter 2004

John Lake, North West Saskatchewan

- Drilled three wells resulting in one natural gas well (100% working interest)

Wymark, South West Saskatchewan

- Four development wells are planned in first quarter 2004

Other areas

- Three exploration wells are planned in first quarter 2004

Expansion of Galleon's Technical Team

To support the rapid growth of Galleon's production, Galleon has expanded its technical team to seven professionals consisting of one geophysicist, two geologists, two exploitation engineers, one production engineer and one landman. Five of the seven technical team members have worked together previously and have a proven track record of building a successful junior oil and gas company.

Excluding the fourth quarter 2003 drilling program results, Galleon's production, post closing the recently announced acquisition of Venture Energy Inc. (scheduled to close on January 15, 2004), is estimated to be 790 boepd (60% natural gas) with proven reserves of 2.5 million boe and net debt of approximately \$2.5 million.

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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