

GALLEON ANNOUNCES VENTURE CLOSING AND GAS PROPERTY PURCHASE

CALGARY, ALBERTA – Galleon Energy Inc. (“Galleon”) announces the closing of the previously announced acquisition of Venture Energy Inc. (“Venture”). The purchase price was \$17.75 million comprised of the issuance of 5,923,437 Class A common shares of Galleon priced at \$2.70 per share and the assumption of \$1.76 million of net debt. After giving effect to the acquisition, Galleon has 14,223,438 Class A and 922,500 Class B common shares outstanding. Venture owns 500,000 of the Class A common shares which will be cancelled. Brad Munro, Vice President, Investments of GrowthWorks WV Canadian Fund Inc. has been appointed to the Galleon Board of Directors.

In the Calais area of Alberta, Galleon has agreed to purchase from a senior oil and gas producer, subject to certain conditions including Galleon Board of Directors approval and completion of due diligence, a 43% working interest in a gas property and a 43% interest and operatorship in a 10 mmcf/d gas plant and gathering system. As part of the transaction, Galleon will acquire an interest in 12,800 gross acres (4,992 net acres) of land in the Calais area. This acquisition is a key component in Galleon’s strategic plan to develop the Calais gas project and gain control of gas processing infrastructure in the area. The total purchase price is \$2.4 million and is expected to close in January 2004.

The acquisition parameters, based on the net acquisition cost of \$1.0 million for reserves value, net of the interests in the gas plant and undeveloped land, are as follows:

Reserves

- Proven natural gas of 0.6 billion cubic feet (0.1 million barrels of oil equivalent) (“boe”) based on an internal engineering evaluation
- \$10.00 per proven boe
- Reserves life index of 4.7 years based on proven reserves

Current production

- 0.35 mmcf/d (58 boepd)

Other attributes

- A 43% interest and operatorship of a 10 mmcf/d gas plant and gathering system
- A 43% interest in 10,880 gross acres undeveloped land
- Two exploratory drilling locations

Excluding the fourth quarter 2003 drilling program results, Galleon’s production, post closing the new gas property purchase and the acquisition of Venture is estimated to be 850 boepd (60% natural gas) with proven reserves of 2.6 million boe and net debt of approximately \$5.1 million.

The Audit and Reserves Committee of the Board of Directors has appointed Sproule Associates Limited as Galleon’s reserve evaluators.

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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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 sources. 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.