

NEWS RELEASE

February 10, 2004

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GALLEON CLOSES \$12 MILLION FINANCING

CALGARY, Feb. 10 /CNW/ – Galleon Energy Inc. ("Galleon") is pleased to announce it has closed the previously announced special warrant ("Special Warrant") financing. The underwriters fully exercised their option to increase the size of the offering and an aggregate of 3,000,000 Special Warrants at \$4.00 each were issued for gross proceeds of \$12 million. Each Special Warrant will entitle the holder to receive one Class A Share without payment of any additional consideration, subject to adjustment in certain events. The underwriting syndicate was led by GMP Securities Ltd. and included Canaccord Capital Corporation and Sprott Securities Inc.

The resale of the Special Warrants and the Class A Shares issuable on exercise thereof will be subject to a hold period expiring February 11, 2005 unless and until proposed amendments to applicable securities legislation come into force (which are scheduled to become effective March 30, 2004), in which case the hold period will expire June 11, 2004.

Proceeds from the issuance of the Special Warrants will be used to assist in funding an expanded capital program which includes the drilling of fourteen wells in the first quarter, mainly in the core areas of Dawson and Calais located in the Peace River area of Alberta. In addition, based on the successful results of the fourth quarter 2003 drilling program, Galleon plans to invest at least \$1 million in seismic in the Dawson and Calais areas.

Upon exercise of the Special Warrants, Galleon will have 17,223,438 Class A shares outstanding. Galleon trades on the TSX-VEN under the symbols "GO.A" and "GO.B".

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.

The Special Warrants and the Class A Shares issuable on exercise of the Special Warrants have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States, or to a U.S. person, absent registration, or an applicable exemption therefrom.

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

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

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