

FOR IMMEDIATE RELEASE – June 1, 2004

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GALLEON ANNOUNCES BOUGHT DEAL AND AGENCY FINANCING

CALGARY, ALBERTA – Galleon Energy Inc. (“Galleon”) announces that today it has entered into a bought deal financing agreement with an underwriting syndicate led by GMP Securities Ltd. (“GMP”), and including Sprott Securities Inc., Dundee Securities Corporation and Maison Placements Canada Inc. to issue 700,000 Class A shares on a “flow-through” basis at \$10.00 each. The financing will be completed on a private placement basis resulting in gross proceeds to Galleon of \$7,000,000.

GMP is also acting as sole agent on a “best efforts” private placement offering of up to an additional 300,000 Class A shares on a “flow-through” basis at \$10.00 each for additional gross proceeds of up to \$3,000,000. This offering is targeted to retail buyers.

The issues are subject to normal regulatory approvals and closing is expected on or about June 17, 2004.

Proceeds from the issuances will be used to assist in funding an expanded seismic program and an aggressive drilling program which includes the drilling of 25-30 wells prior to the end of 2004.

Galleon has increased its drilling inventory to 60 locations. Galleon expects to have three rigs drilling at Calais and Dawson, located in the Peace River area of Alberta, within one week.

Galleon trades on the TSX Venture Exchange 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.

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

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The Class A Shares issued 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.

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.