

FOR IMMEDIATE RELEASE – June 17, 2004

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR  
FOR DISSEMINATION IN THE UNITED STATES

**GALLEON ANNOUNCES A SIGNIFICANT EXPANSION OF EXPLORATORY  
LAND POSITION AND CLOSSES \$10 MILLION FINANCING**

**CALGARY, ALBERTA** – Galleon Energy Inc. (“Galleon”) is pleased to announce it has closed the previously announced private placement financings for gross proceeds of \$10.0 million. In total, 1,000,000 Class A shares were issued on a “flow through” basis at \$10.00 each. The underwriting syndicate was led by GMP Securities Ltd. and included Spratt Securities Inc., Dundee Securities Corporation and Maison Placements Canada Inc. The shares issued are subject to a hold period under applicable securities laws expiring October 18, 2004.

Land Access

Since January 1, 2004, Galleon has entered into 16 farm-in agreements and has completed 2 acquisitions which further enhance the company’s access to undeveloped lands primarily in its focus areas of Calais and Dawson located in the Peace River arch area of Alberta.

The new farm-in agreements grant Galleon the right to explore on an aggregate 122 gross sections (78,080 gross acres) of land. Access to 79 gross sections (50,560 gross acres) has been added in Calais and access to 41 gross sections (26,240 gross acres) has been added in Dawson. Access to two gross sections (1,280 gross acres) has been added in other areas. The initial commitments under these new farm-in agreements include the acquisition of three-dimensional seismic data and the drilling of twelve wells by March 2005.

Galleon has increased its land access from January 1, 2004 in the Calais area by 46% from the initial 173 gross sections (110,720 gross acres) and in the Dawson area by 26% from the initial 157 gross sections (100,480 gross acres). Currently, the company has access to 521 gross sections (333,440 gross acres) in total.

Drilling update

Galleon has expanded its Q2/Q3 drilling program to between 16 and 19 wells. Currently, three rigs are drilling with two rigs at Calais and one rig at Dawson. In the next three months, the drilling program will include six to eight high impact exploration locations at Calais, eight medium to high impact locations at Dawson and two to three exploration wells in central and southern Alberta.

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](http://www.galleonenergy.com) OR CONTACT:

Glenn R. Carley, Chairman and Chief Executive Officer, (403) 261-9277, [glennr@galleonenergy.com](mailto:glennr@galleonenergy.com) or

Steve Sugianto, President and Chief Operating Officer, (403) 261-9287, [steves@galleonenergy.com](mailto:steves@galleonenergy.com) or

Shivon Crabtree, VP Finance and Chief Financial Officer, (403) 261-9276.

*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.*