

FOR IMMEDIATE RELEASE – June 29, 2004

GALLEON INCREASES 2004 GUIDANCE

CALGARY, ALBERTA – Galleon Energy Inc. (“Galleon”) announces an increase in the third quarter 2004 production guidance to 1,700 boepd from the previously announced 1,600 boepd. Galleon reaffirms its forecasted 2004 exit of 2,500 boepd (85% natural gas).

Galleon is currently producing over 1,700 boepd (75% natural gas). The higher production outlook is a result of better production performance from new natural gas discoveries in the Peace River Arch area of northwest Alberta (Calais and Dawson).

The Company has grown rapidly from 0 to 1,700 boepd in ten months. Production has increased by 1,380 boepd (431% production growth) since January 1, 2004 principally from exploration drilling.

Drilling update

Currently, Galleon has three drilling rigs working; two rigs at Calais and one rig at Dawson. The Company plans to drill 20 to 23 wells in next six months and has a number of higher impact exploration tests in this drilling program.

Galleon has over 60 locations in its drilling inventory and has access to 319,360 gross acres of undeveloped land with the vast majority located in Calais and Dawson.

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:

Glenn R. Carley, Chairman and Chief Executive Officer, (403) 261-9277,
glennc@galleonenergy.com or

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

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

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.