

FOR IMMEDIATE RELEASE – July 15, 2004

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GALLEON ANNOUNCES 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., and including Sprott Securities Inc., Dundee Securities Corporation, FirstEnergy Capital Corp. and First Associates Investments Inc. to issue 2,000,000 Class A shares at \$8.00 each. The financing will be completed on a private placement basis resulting in gross proceeds to Galleon of \$16,000,000.

The underwriters also have an option exercisable prior to closing to increase the financing by up to 1,000,000 Class A shares at \$8.00 each for additional gross proceeds of \$8,000,000.

The issue is subject to normal regulatory approvals and closing is expected on or about August 4, 2004. Proceeds from the issuance will be used to fund increased capital expenditures.

Galleon trades on the TSX Venture Exchange under the symbols “GO.A” and “GO.B”.

Galleon is a junior 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.