

FOR IMMEDIATE RELEASE – July 28, 2004

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GALLEON CLOSES PRIVATE COMPANY PURCHASE

CALGARY, ALBERTA – Galleon Energy Inc. (“Galleon”) announces that it has completed the previously announced acquisition of a private oil and gas company for total consideration of \$20.1 million. The acquisition has been initially funded through an expanded credit facility with the company’s Canadian bank. The revolving credit facility has increased to \$25 million due to the acquisition and the recent success of Galleon’s drilling.

Galleon’s previously announced equity issue of up to \$24 million is scheduled to close on August 4, 2004.

With the acquisition, Galleon’s production exceeds 2,100 boepd (75% natural gas). 2004 exit production is expected to exceed 3,000 boepd (85% natural gas).

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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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. Disclosure provided herein in respect of boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf:1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.