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GALLEON CLOSES \$24 MILLION FINANCING

CALGARY, ALBERTA – Galleon Energy Inc. (“Galleon”) announces that it has closed the previously announced private placement. The underwriters fully exercised their option to increase the size of the offering and an aggregate of 3,000,000 Class A shares at \$8.00 each were issued for gross proceeds of \$24 million. The shares issued are subject to a hold period under applicable securities laws expiring December 5, 2004.

The underwriting syndicate was led by GMP Securities Ltd. and included Sprott Securities Inc., Dundee Securities Corporation, FirstEnergy Capital Corp. and First Associates Investments Inc.

Proceeds from the share issuance have been applied to bank debt. Current net debt is approximately \$2 million with available credit facilities of \$25 million. Galleon is financially positioned to fund an expanded capital program which includes the drilling of 20-25 wells before the end of 2004 mainly in the core areas of Dawson, Calais and Two Rivers located in the Peace River area of Alberta and British Columbia.

After giving effect to the offering, Galleon has 21,337,438 Class A shares and 922,500 Class B shares issued and outstanding which trade on the TSXV 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 Class A Shares 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.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.