

FOR IMMEDIATE RELEASE – OCTOBER 1, 2004

GALLEON ANNOUNCES SIGNIFICANT DISCOVERIES AND PRODUCTION GUIDANCE

CALGARY, ALBERTA – Galleon Energy Inc. (“Galleon”) is pleased to announce significant discoveries from the third quarter 2004 drilling program.

Calais, North West Alberta.

- Drilled seven wells resulting in four natural gas wells with an average 60% earned interest.
- The drilling program had two new gas pool discoveries in deep targets and two new gas pool discoveries in medium targets. These wells are currently in various stages of completion and production testing and are expected to be placed on production in fourth quarter 2004/first quarter 2005. One of the wells is expected to be produced at a minimum of 1.5 mmcf (250 boepd).
- Eight to ten exploration wells are planned in fourth quarter 2004. Five to six wells will be drilled for the deep targets.

Dawson, North West Alberta

- Drilled four wells resulting in two natural gas wells with an average 62.5% earned interest.
- One well was production tested and is capable of producing over 6 mmcf (1,000 boepd). The well had an Absolute Open Flow test of over 15 mmcf (2,500 boepd). Galleon owns 65% of this well. Galleon plans to manage the production of this well during the early stage of the project to maximize the development strategy and, therefore, the well will be initially produced at 2 mmcf (333 boepd). This well is expected to be placed on production in fourth quarter 2004/first quarter 2005.
- The second well is currently being tested and is expected to be on production in fourth quarter 2004/first quarter 2005.
- Eleven exploration wells are planned in fourth quarter 2004.

Two Rivers, North East British Columbia

- Two exploration wells are planned in fourth quarter 2004.

Guidance

Galleon reconfirms its previous guidance for fourth quarter 2004 average production of 2,500 boepd and an exit rate of 3,000 boepd (85% natural gas).

Due to weather conditions, Galleon has over 1,000 boepd behind casing awaiting tie in. Average production in 2004 is projected to be 1,640 boepd. Production for first quarter 2005 is projected to average between 3,000 and 3,200 boepd. Second quarter 2005 production is projected to average between 3,300 and 3,700 boepd.

Drilling update

Currently, Galleon has five drilling rigs working; two rigs at Calais and three rigs at Dawson. The Company plans to drill 21 to 23 wells in the next three months and has a number of higher impact exploration tests in this drilling program.

Galleon has over 80 locations in its drilling inventory and has access to over 400,000 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 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 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.