

FOR IMMEDIATE RELEASE – December 2, 2004

## **GALLEON CLOSES ACQUISITION OF DAWSON PROPERTIES**

**CALGARY, ALBERTA** – Galleon Energy Inc. (“Galleon”) has closed the previously announced purchase of oil and gas properties from an arms length party for cash of \$47 million including closing adjustments. The properties are located in Dawson, Alberta which is one of Galleon’s three core areas located in the Peace River Arch region.

The purchase includes projected production of a minimum of 1,100 boe/d (50% natural gas), strategic infrastructure with eight gas plants (average interest of 56%) and 91 miles of gas gathering systems, approximately 98,000 net acres of undeveloped land and significant upside for low risk development drilling, recompletions, and gas plant optimization. Approximately 20% of the production is subject to rights of first refusal which, if exercised, would reduce the purchase price as well as the amount of production acquired. The rights of first refusal must be exercised on or before December 13, 2004.

Galleon is on track to exit 2004 with daily production of 4,100 boe (80% natural gas), assuming no exercise of the rights of first refusal.

The acquisition has been financed through a combination of cash on hand, increased availability of bank credit facilities and a bridge finance facility.

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](http://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.*