

FOR IMMEDIATE RELEASE – January 24, 2005

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

### **GALLEON INCREASES FINANCING TO \$35 MILLION**

**CALGARY, ALBERTA** – Galleon Energy Inc. (“Galleon”) is pleased to announce that it has agreed with the underwriters to increase the size of its previously announced private placement financing to \$35,000,000. The company will issue approximately 3,286,385 Class A shares at \$10.65 each.

In addition, the option exercisable prior to closing to further increase the size of the financing has been increased to up to an additional 938,970 Class A shares issued at \$10.65 each for additional gross proceeds of up to \$10,000,000.

GMP Securities Ltd. is leading the underwriting syndicate which includes Sprott Securities Inc., CIBC World Markets Inc. and FirstEnergy Capital Corp. The issue is subject to normal regulatory approvals and closing is expected on or about February 10, 2005.

Proceeds from the issuance will be used to fund a portion of the 2005 capital program. Galleon has increased estimated first quarter 2005 expenditures to between \$17 and \$19 million. The company expects to drill 18 to 20 wells and expand the 2D and 3D seismic programs for exploration projects in Calais and Dawson, Alberta. The financing will strengthen Galleon’s balance sheet and position the company for potential acquisition opportunities.

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:  
Glenn R. Carley, Chairman and Chief Executive Officer, (403) 261-9277, [glennr@galleonenergy.com](mailto:glennr@galleonenergy.com) or  
Steve Sugianto, President and Chief Operating Officer, (403) 261-9287, [steves@galleonenergy.com](mailto:steves@galleonenergy.com) or  
Shivon Crabtree, VP Finance and Chief Financial Officer, (403) 261-9276

*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.*