

FOR IMMEDIATE RELEASE – February 9, 2005

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## **GALLEON ANNOUNCES DISCOVERIES AND UPDATES FINANCING**

**CALGARY, ALBERTA** – Galleon Energy Inc. (“Galleon”) is pleased to announce that the underwriters have exercised their option to increase the size of the previously announced private placement. Galleon will now issue 4,225,355 Class A shares at \$10.65 each for gross proceeds of \$45,000,030.75. Post closing, Galleon will have 26,271,126 Class A shares and 922,500 Class B shares issued and outstanding.

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

### Operations

Since January 1, 2005, Galleon has drilled and cased seven natural gas wells (100% success). As a result of the recent drilling success, Galleon has built a significant behind pipe production capacity of approximately 1,300 boepd. The tie-in projects are currently underway.

The recent drilling success includes two large discoveries at Dawson, Alberta.

- The first well is a shallow depth well. This well is capable of producing over 5 million cubic feet per day (“mmcf”) (833 boepd). The well had an Absolute Open Flow test of over 8 mmcf (1,333 boepd). Galleon owns 82.5% 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 gross (333 boepd).
- The second well is a medium depth well. This well is capable of producing over 5 mmcf (833 boepd). The well had an Absolute Open Flow test of over 9 mmcf (1,500 boepd). Galleon owns 100% 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 gross (333 boepd).

With the proceeds of the financing, Galleon has expanded the drilling program and plans to drill an additional 13 to 16 wells prior to the end of the first quarter 2005.

Galleon reconfirms production guidance for the first half of 2005 of between 4,250 and 4,550 boepd. January production was affected by extremely cold weather which impacted operations. Estimated average production in the month of January was 3,650 boepd based on field production reports. Current production based on field production reports is approximately 3,800 boepd.

#### Expansion of land access in Peace River Arch area

Galleon is building a dominant land position in the Peace River Arch area and has expanded its land access to 465,920 gross acres in the area.

The Company has entered into three new farm-in agreements which give access to an additional 48,000 gross acres (an increase of 32%) of undeveloped land in the Calais, Alberta area. Total land access has increased to 195,840 gross acres of undeveloped land in the Calais area.

As a result of this new farm in agreement, a new 3D seismic program has been initiated to expand the medium and deep depths exploration drilling programs.

The expanded seismic and drilling programs are part of the ongoing exploration program based on the success of the 2004 deep natural gas drilling results.

#### 2004 Financial Results

Galleon plans to announce the financial results for the year ended December 31, 2004 and January 1, 2005 corporate reserves on March 17, 2005. Galleon has engaged Degolyer and MacNaughton Canada Limited to evaluate the Corporation's reserves.

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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*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. 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.*