

FOR IMMEDIATE RELEASE – APRIL 4, 2005

### **GALLEON AGREES TO ACQUIRE PROPERTIES IN DAWSON – PEACE RIVER ARCH**

**CALGARY, ALBERTA** – Galleon Energy Inc. (“Galleon”) announces that it has signed an agreement to purchase oil and gas properties from an arms length party for cash of approximately \$90.5 million including closing adjustments. The properties are located in the center of Galleon’s core areas of Dawson and Calais in the Peace River Arch area of Alberta. Closing is expected before the end of May 2005.

The purchase includes daily production of a minimum of 2,100 boe (60% light sweet oil, 40% natural gas); the remaining working interest in the existing Galleon operated gas plants and gathering systems in the Dawson area; 100% working interest in three additional gas plants; 85% working interest in and operatorship of a large oil battery; significant upside for low risk development drilling and recompletions; and approximately 147,000 net acres of undeveloped land.

This acquisition increases Galleon’s exposure to premium light sweet oil development projects, improves exploration efficiency and is accretive on cash flow and production per share. It is a key part of Galleon’s strategic plan to expand the exploration drilling program in the Peace River Arch area and to gain control of infrastructure in the area. Production from this area is characterized by high quality, multi-zone oil and gas reserves.

The acquisition parameters, based on \$66.5 million which is net of interests in undeveloped land, facilities and gathering systems (attributed value of \$24 million), are as follows:

#### Reserves, production and net operating income

- Total proven plus probable reserves of 3.9 million boe based on an independent engineering evaluation
- Reserve cost of \$17.05/boe
- Production cost of \$31,667 per boe/d
- 2.7 times 2005 net operating income based on \$7.00/mcf AECO pricing and \$42/bbl US WTI
- Reserve life index of 5.1 years.

#### Key attributes

- Immediately accretive on cash flow and production per share
- Improved exploration efficiency in drilling locations – increases after earned working interest from 80% to 100%
- Exploration drilling upside of 26 locations
- 12 low risk drilling locations and numerous recompletion projects
- Opportunity for premium light sweet oil production optimization
- Owned undeveloped land of 147,000 net acres
- Consolidation of oil and gas production facilities and gathering systems

The acquisition will be initially financed through a combination of cash on hand, increased availability of bank credit facilities and potentially a bridge financing.

Post closing this transaction, Galleon estimates that daily production by the end of June will be in excess of 7,000 boe (64% natural gas). The acquisition increases Galleon's owned undeveloped land to over 327,000 net acres. In total, Galleon has access through ownership and farm-in to over 636,000 gross acres of land in the Peace River Arch area.

#### Drilling Update – Q1 2005

Galleon announces the best drilling results in the history of the Company. Galleon has drilled 16 wells and cased 14 natural gas wells (88% success).

Dawson:	Drilled 9 wells and cased 7 natural gas wells
Calais:	Drilled 4 wells and cased 4 natural gas wells
Two Rivers:	Drilled 2 wells and cased 2 natural gas wells
Other:	Drilled 1 well and cased 1 natural gas well

A presentation with additional information is available on the Galleon website. Galleon trades on the TSX Venture Exchange under the symbols "GO.A" and "GO.B."

Galleon is a technically oriented high growth junior oil and gas company with focused operations in the Peace River area of Alberta. Galleon commenced operations in October 2003 and has had significant success in acquiring undeveloped acreage, drilling and purchasing production.

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.*