

FOR IMMEDIATE RELEASE – July 6, 2005

## **GALLEON REPORTS SECOND QUARTER 2005 DRILLING RESULTS AND INCREASES PRODUCTION GUIDANCE**

**CALGARY, ALBERTA** – Galleon Energy Inc. (“Galleon”) is pleased to announce an increase in production guidance for 2005 due to the successful results of the Q2 2005 drilling program.

### 2005 production guidance

Estimated average daily production (boepd)	Old guidance		New guidance	
	Low	High	Low	High
Q3 2005	6,800	7,200	7,300	7,700
Q4 2005	7,200	7,600	7,700	8,100
2005 exit production	7,600	8,000	8,100	8,500

Current production is over 7,500 boepd with an additional 700 boepd behind pipe awaiting tie-in. Based on field production estimates, second quarter 2005 daily production averaged 5,450 boe.

### Highlights of Q2 2005 drilling program

- Drilled 13 wells; cased three (3.0 net) for light sweet oil and seven (4.9 net) for natural gas production. About 70% of these locations were exploratory.
- Significant discoveries
  - Two light sweet oil wells have been drilled, as previously announced, and are on production. The first well (100% working interest) is currently producing approximately 510 boepd and the second well (100% working interest) is currently producing 520 boepd. A third well (100% working interest) has been cased awaiting completion, and subject to production testing, is expected to be tied-in within 4 weeks.
  - One of the natural gas wells has been production tested at 2 mmcfd (333 boepd) with an Absolute Open Flow test of over 10 mmcfd (1,667 boepd). The well will be placed on production at approximately 2.0 mmcfd (333 boepd). This well (100% before payout/50% after payout) is expected to be tied-in within 4 weeks.
- Currently, Galleon has three drilling rigs working and has increased the Q3 2005 drilling plan to 15 to 18 locations (6 deep light sweet oil, 3 to 5 deep gas and 6 to 7 multi-zone gas).

Galleon has a drilling inventory of 110 locations and land access to 636,000 gross acres of undeveloped land for future growth.

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.

Galleon has 31,755,793 Class A shares and 922,500 Class B shares issued and outstanding which trade on the TSXV under the symbols "GO.A" and "GO.B".

FOR FURTHER INFORMATION SEE [www.galleonenergy.com](http://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.*