

FOR IMMEDIATE RELEASE – September 28, 2005

GALLEON REPORTS THIRD 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 third quarter 2005 drilling program. Current production exceeds 8,600 boepd with an additional 600 boepd behind pipe awaiting tie-in.

2005 production guidance

Estimated average daily production (boepd)	Old guidance		New guidance	
	Low	High	Low	High
Q3 2005	7,300	7,700	7,500	7,900
Q4 2005	7,700	8,100	8,400	8,800
2005 exit production	8,100	8,500	8,800	9,200

Highlights of Q3 2005 drilling program

- Drilled 15 wells (100% success); cased six (4.8 net) for light sweet oil and nine (8.2 net) for natural gas production. 70% of these locations were exploratory.
- Significant discoveries:
 - One deep oil well has been tested and flowed approximately 250 boepd. This well is expected to be on production by November 1, 2005. Galleon has a 60 % working interest.
 - One deep natural gas well has been tested at 2 mmcf (333 boepd) with an Absolute Open Flow test of over 13 mmcf (2,167 boepd). This well (100% before payout/50% after payout) will be placed on production at approximately 2 mmcf (333 boepd) within 4 weeks.
 - Three medium depth/resource play gas wells. These wells have high quality and long life reserves. The first and second wells (100% working interest) are currently each producing about 1.5 mmcf (250 boepd). The third well (100% working interest) has tested 1.5 mmcf (250 boepd) and is expected to be placed on production within 4 weeks. There are several new locations planned for Q4/05 and Q1/06 to delineate these discovery wells.
- Currently, Galleon has three drilling rigs working and has increased the Q4/05 drilling program to 26 to 31 locations (3 deep light sweet oil, 6 to 8 deep gas, 3 to 5 resource play and 14 to 15 multi-zone gas).

The 2005 exploration and development capital program has been expanded to between \$85 and \$90 million. The benefits of this expanded program will be realized in 2006.

Galleon has a current drilling inventory of 150 locations. Access to undeveloped land exceeds 828,000 gross acres.

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 31,772,043 Class A shares and 922,500 Class B shares issued and outstanding which trade on the TSX under the symbols "GO.A" and "GO.B".

FOR FURTHER INFORMATION SEE www.galleonenergy.com OR CONTACT:
Steve Sugianto, President and Chief Executive Officer, (403) 261-9287,
steves@galleonenergy.com;
Glenn R. Carley, Executive Chairman, (403) 261-9277,
glennr@galleonenergy.com;
Shivon Crabtree, Vice President and Chief Financial Officer, (403) 261-9276

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 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.