

FOR IMMEDIATE RELEASE – November 10, 2005

GALLEON REPORTS RECORD THIRD QUARTER 2005 RESULTS AND INTERIM RESERVES UPDATE

CALGARY, ALBERTA – Galleon Energy Inc. (“Galleon”) is pleased to announce operating and financial results for the third quarter ended September 30, 2005.

Record operating and financial results in the third quarter of 2005

- Increased average production to 8,064 barrels of boe/d – a 43% increase over the second quarter 2005 production and a 30% increase on a per share basis. Year over year quarterly daily production per share has increased by 182%.
- Increased funds from operations to \$27.3 million – a 98% increase over the second quarter 2005 and a 79% increase on a per share basis. Year over year cash flow per share has increased by 473%.
- Earnings of \$9.1 million were recorded in third quarter 2005 and \$10.3 million to date in 2005.
- Drilled 15 wells in the third quarter 2005 with 9 (8.2 net) cased for natural gas production and 6 (4.8 net) cased for light oil production.
- On September 6, 2005 Galleon commenced trading on the Toronto Stock Exchange.
- Subsequent to third quarter 2005, bank credit facilities were increased to \$100 million Cdn from \$80 million Cdn.
- Current production is approximately 9,000 boe/d with 600 boe/d of production capacity awaiting tie-in based on the current well capability production tests.

Q4 2005 drilling program and operations update

- ✓ Drilled 15 wells and cased 14 (12.7 net) for a 93% success rate; 7 (6.7 net) for oil production and 7 (6.0 net) for natural gas production.
- ✓ **High impact project update:**
 - Two new significant deep natural gas discoveries in the Calais area; one (70% WI) tested approximately 1.3 mmscf/d (217 boe/d) and another (100% WI) tested 2 mmscf/d (333 boe/d) on initial test.
 - One (60% WI) new deep oil discovery at Calais which flowed 220 boe/d on initial test.
 - These new discoveries are currently testing or awaiting tie-in and are expected to be placed on production in first quarter 2006.
- ✓ **Resource play project update:**
 - Four development wells have been cased in the Girouxville area; two (100% WI) wells have tested at over 700 mscf/d (117 boe/d).
 - A gas plant expansion will be completed in March 2006 in the Dawson area. The plant capacity will be increased to 15 mmscf/d (2,500 boe/d) from 5 mmscf/d (833 boe/d).
- ✓ To date, completion and testing operations have been carried out on seven of fourteen wells cased in the fourth quarter.
- ✓ Currently, Galleon has 3 drilling rigs working. Eleven to sixteen wells are scheduled to be drilled prior to year end 2005.

Financial Highlights	Three months ended			Nine months ended		
	September 30, 2005	September 30, 2004	% change	September 30, 2005	September 30, 2004	% change
Petroleum and natural gas sales (net of transportation)	\$43,291,467	\$5,929,950	630	\$80,665,311	\$13,267,156	508
Net earnings	\$9,112,456	\$307,115	2867	\$10,296,416	\$890,042	1057
Per share basic	\$0.29	\$0.02	1350	\$0.36	\$0.05	620
Funds from operations	\$27,324,500	\$3,000,328	811	\$48,417,784	\$6,339,497	664
Per share basic	\$0.86	\$0.15	473	\$1.70	\$0.37	359
Capital expenditures						
E&D	\$27,486,906	\$12,872,910	114	\$61,734,895	\$33,783,628	83
Acquisitions	\$318,183	\$16,069,151	(98)	\$98,828,144	\$18,438,075	436
Bank debt and working capital deficiency				\$73,086,034	\$9,214,645	693
Weighted average shares outstanding						
Basic	31,760,413	19,733,778	61	28,397,719	17,099,855	66
Diluted	33,512,560	20,788,121	61	29,915,249	17,980,861	66
Average sales price						
Oil (\$/bbl)	62.54	\$35.87	74	58.66	\$30.62	92
Natural gas (\$/mcf)	9.13	\$5.83	57	7.79	\$6.11	27
NGL (\$/bbl)	56.64	\$47.92	18	52.76	\$46.75	13
Total (\$/boe)	58.35	\$35.27	65	51.37	\$35.09	46
Average daily production						
Oil – bbl	3,418	389	779	2,103	356	491
Natural gas – mcf	27,452	8,272	232	21,636	5,823	272
NGL – bbl	71	13	446	43	5	760
Total – boe	8,064	1,781	353	5,752	1,332	332
Daily boe of production per million Class A shares	254	90	182	203	78	160
Production expenses \$/boe	\$6.98	\$5.77	21	\$6.05	\$5.91	2
Operating netback \$/boe	\$39.68	\$21.71	83	\$34.14	\$21.53	59

GALLEON ENERGY INC.**Balance Sheets**

(unaudited)

	September 30 2005 \$	December 31 2004 \$
ASSETS		
CURRENT		
Accounts receivable	20,123,958	8,633,197
Deposits and prepaid expenses	1,873,928	401,938
Inventory	913,956	835,581
	<u>22,911,842</u>	<u>9,870,716</u>
Goodwill	10,138,976	10,138,976
Property and equipment	279,472,528	140,882,566
	<u>312,523,346</u>	<u>160,892,258</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	24,752,812	19,284,009
Bank loan	71,245,064	48,406,688
	<u>95,997,876</u>	<u>67,690,697</u>
Asset retirement obligation	9,837,100	3,998,345
Future tax liability	20,463,792	6,660,997
	<u>126,298,768</u>	<u>78,350,039</u>
SHAREHOLDERS' EQUITY		
Share capital	173,715,525	83,192,544
Contributed surplus	3,992,006	1,129,044
Retained earnings (deficit)	8,517,047	(1,779,369)
	<u>186,224,578</u>	<u>82,542,219</u>
	<u>312,523,346</u>	<u>160,892,258</u>

GALLEON ENERGY INC
Statements of Operations and Retained Earnings (Deficit)
(unaudited)

	Three months ended September 30		Nine months ended September 30	
	2005 \$	2004 \$	2005 \$	2004 \$
REVENUE				
Petroleum and natural gas	44,505,716	6,189,598	83,060,609	13,751,093
Transportation	(1,214,249)	(259,648)	(2,395,298)	(483,937)
Crude oil hedge cost	-	(151,868)	-	(462,202)
Royalties, net of ARTC and GCA	(8,672,657)	(1,275,588)	(17,551,009)	(2,792,976)
Other income	2,926	4,708	25,298	18,787
	<u>34,621,736</u>	<u>4,507,202</u>	<u>63,139,600</u>	<u>10,030,765</u>
EXPENSES				
Operating	5,178,675	945,635	9,493,789	2,156,875
General and administration	1,170,638	484,804	2,949,485	1,341,567
Stock-based compensation	998,964	187,289	3,013,562	397,247
Interest	668,167	30,245	1,646,496	71,525
Accretion	92,916	27,146	230,090	70,028
Depletion and depreciation	12,141,268	2,249,341	27,581,741	4,305,622
	<u>20,250,628</u>	<u>3,924,460</u>	<u>44,915,163</u>	<u>8,342,864</u>
Earnings before taxes	14,371,108	582,742	18,224,437	1,687,901
Current taxes	279,756	46,190	632,046	121,301
Future income taxes	4,978,896	229,437	7,295,975	676,558
	<u>5,258,652</u>	<u>275,627</u>	<u>7,928,021</u>	<u>797,859</u>
NET EARNINGS	9,112,456	307,115	10,296,416	890,042
DEFICIT, BEGINNING OF PERIOD	(595,409)	(1,028,559)	(1,779,369)	(236,486)
Repurchase of class A shares	-	-	-	(1,375,000)
RETAINED EARNINGS (DEFICIT), END OF PERIOD	<u>8,517,047</u>	<u>(721,444)</u>	<u>8,517,047</u>	<u>(721,444)</u>
NET EARNINGS PER SHARE				
Basic	\$0.29	\$0.02	\$0.36	\$0.05
Diluted	\$0.27	\$0.01	\$0.34	\$0.05
Weighted average shares – basic	31,760,413	19,733,778	28,397,719	17,099,855
– diluted	<u>33,512,560</u>	<u>20,788,121</u>	<u>29,915,249</u>	<u>17,980,861</u>

GALLEON ENERGY INC.
Statements of Cash Flow
(unaudited)

	Three months ended September 30		Nine months ended September 30	
	2005 \$	2004 \$	2005 \$	2004 \$
Cash provided by (used in):				
OPERATING ACTIVITIES				
Net earnings	9,112,456	307,115	10,296,416	890,042
Add items not requiring cash:				
Depletion and depreciation	12,141,268	2,249,341	27,581,741	4,305,622
Accretion	92,916	27,146	230,090	70,028
Future income taxes	4,978,896	229,437	7,295,975	676,558
Stock-based compensation	998,964	187,289	3,013,562	397,247
FUNDS FROM OPERATIONS	27,324,500	3,000,328	48,417,784	6,339,497
Change in non-cash working capital relating to operating activities	(4,749,998)	(55,392)	(3,314,106)	215,880
	22,574,502	2,944,936	45,103,678	6,555,377
FINANCING ACTIVITIES				
Issue of common shares	148,263	24,115,679	103,301,195	46,170,579
Share issue costs	(12,909)	(1,557,146)	(6,421,994)	(3,088,046)
Bank loan	2,909,517	4,560,586	22,838,376	4,560,586
Repayment of bank debt assumed in Venture and Inisfail acquisitions	-	(3,967,733)	-	(5,864,427)
	3,044,871	23,151,386	119,717,577	41,778,692
INVESTING ACTIVITIES				
Additions to oil and gas properties	(27,486,906)	(12,872,910)	(61,734,895)	(33,783,628)
Acquisition of oil and gas properties	(318,183)	(5,324)	(98,828,144)	(2,374,248)
Acquisition of Inisfail Energy Ltd.	-	(16,063,827)	-	(16,063,827)
Change in non-cash working capital	2,185,716	(1,151,292)	(4,258,216)	682,971
	(25,619,373)	(30,093,353)	(164,821,255)	(51,538,732)
DECREASE IN CASH	-	(3,997,031)	-	(3,204,663)
CASH, BEGINNING OF PERIOD	-	3,997,031	-	3,204,663
CASH, END OF PERIOD	-	-	-	-
SUPPLEMENTARY INFORMATION				
Cash interest paid	668,167	30,245	1,646,496	71,525
Cash taxes paid	279,756	46,190	632,046	121,301

Corporate reserve update

The reserves of the Corporation were evaluated by DeGolyer and MacNaughton Canada Limited ("DeGolyer") as at September 30, 2005. The interim reserve evaluation has been prepared due to the significant increase in reserves since year end 2004 and has been approved by the Board of Directors of Galleon.

Gross reserves are the total of the Corporation's working interest share before deduction of royalties payable to others and without including any royalty interests of the Corporation. Net reserves are the total of the Corporation's working interest and/or royalty interest share after deducting amounts attributable to royalties paid to others.

Highlights:

- Proven plus probable reserves tripled to 27.8 million boe from 9.1 million boe at December 31, 2004.
- Total proved reserves increased to 17.9 million boe from 6.6 million boe at December 31, 2004.
- Proven plus probable reserves per share increased by 206% from year end 2004.
- Reserves Life Index (RLI) is 9.5 years based on proven plus probable reserves and 6.1 years based on the total proved reserves (using third quarter 2005 average production-8,064 boe/day).
- The reserve additions replaced production by 1,393% based on proven plus probable.
- The net present value of Galleon's estimated future revenue, discounted at 10%, increased by 2.5 times or \$322 million from December 31, 2004.

Company share – forecast price case

Reserve category	Light Oil (Mbbl)		Heavy Oil (Mbbl)		Natural Gas (MMcf)		Natural Gas Liquids (Mbbbl)		Total (Mboe)	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Proved Developed Producing	1806	1322	1463	1225	28411	21370	57	39	8061	6148
Proved Developed Non-Producing	153	118	1128	921	11863	8983	-	-	3258	2536
Proved Undeveloped	101	66	5584	4557	5015	3923	11	7	6532	5284
Total Proved	2060	1506	8175	6703	45289	34276	68	46	17851	13968
Probable	889	666	5687	4530	20184	15714	24	16	9964	7831
Total proved plus probable	2949	2172	13862	11233	65473	49990	92	63	27815	21799

Forecast prices	Net Present Value Before Income Taxes (\$MM) (1)		
Reserves category	Discounted (per year) at:		
	Undisc	5%	10%
Total Proved	419	360	319
Probable	201	161	133
Total proved plus probable	620	521	452

Summary of current production	Boe/day	%
Natural gas	5,568	62
Light oil	2,200	24
Heavy oil	1,232	14
Total	9,000	100

1. It should not be assumed that the estimates of future net revenue represent the fair market value of the reserves.

Approximately 40% of the production growth in third quarter 2005 over second quarter 2005 was from natural gas production. Natural gas will continue to be the main target in future growth.

Summary of proven plus probable reserves	PV @ 10% \$MM	%	Thousand boe	%
Natural gas	247	55	10,912	39
Light oil	83	18	3,041	11
Heavy oil	122	27	13,862	50
Total	452	100	27,815	100

DeGolyer used the following price assumptions in the forecast reserves pricing and costs case as released by DeGolyer effective September 30, 2005.

Pricing assumptions	WTI Cushing Oklahoma (\$U.S./Bbl)	Edmonton Par Price 40 ° API (\$Cdn./Bbl)	Alberta AECO-C Spot (\$Cdn./Mcf)
2006	61.50	69.50	10.91
2007	57.78	65.06	9.25
2008	53.84	60.35	8.23
2009	52.72	58.98	7.63

DeGolyer also prepared a reserve evaluation as at September 30, 2005 using constant prices as follows: Light Oil - \$77.49/bbl Cdn; Heavy Oil - \$35.64/bbl Cdn; AECO spot gas \$11.06/GJ; and NGL - \$67.14/Bbl.

Company share – constant price case

Reserve category	Light Oil (Mbbl)		Heavy Oil (Mbbl)		Natural Gas (MMcf)		Natural Gas Liquids (Mbbbl)		Total Mboe	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Proved Developed Producing	1814	1330	1473	1233	28653	21091	58	40	8120	6118
Proved Developed Non-Producing	155	119	1135	924	11918	8823	-	-	3277	2514
Proved Undeveloped	101	66	5583	4541	5015	3826	11	7	6530	5252
Total Proved	2070	1515	8191	6698	45586	33740	69	47	17927	13883
Probable	904	680	5687	4515	20996	16247	25	17	10115	7920
Total proved plus probable	2974	2195	13878	11213	66582	49987	93	64	28042	21803

Constant Price Reserves category	Net Present Value Before Income Taxes (\$MM) (2)		
	Discounted (per year) at:		
	Undisc	5%	10%
Total Proved	528	443	385
Probable	271	209	168
Total proved plus probable	799	651	553

2. It should not be assumed that the estimates of future net revenue represent the fair market value of the reserves.

2006 Budget

The Board of Directors has approved the Corporate 2006 budget. Highlights include: \$120 million capital expenditure program including the drilling of between 105 and 115 wells. Production guidance is estimated for first quarter 2006 at between 9,200 and 9,600 boe/day and for second quarter 2006 at between 10,000 and 10,400 boe/day.

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 31,790,876 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. There is no assurance that the forecast or constant

prices and cost assumptions utilized in the evaluations by DeGolyer will be attained and the variances may be material. The recovery and reserve estimates of Galleon's reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered.

Disclosure provided herein in respect of barrels of oil equivalent (boe) 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.