

FOR IMMEDIATE RELEASE – January 24, 2006

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GALLEON ANNOUNCES FINANCING

CALGARY, ALBERTA – Galleon Energy Inc. (“Galleon”) announces that it has entered into a financing agreement with an underwriting syndicate led by GMP Securities LP., and including Sprott Securities Inc., FirstEnergy Capital Corp., CIBC World Markets Inc., Scotia Capital Inc. and MGI Securities Inc. to issue on a “bought deal basis” 1.65 million Class A Shares of Galleon at \$24.25 each. The financing will be completed on a private placement basis resulting in gross proceeds of \$40,012,500.

The underwriters also have an option exercisable prior to closing to increase the financing by up to 620,000 Class A Shares at \$24.25 each for additional gross proceeds of \$15,035,000.

The issue is subject to normal regulatory approvals and closing is expected on or about February 14, 2006. Proceeds from the issuance will be used to fund a portion of the 2006 capital expenditure program.

First quarter 2006 exploration and development capital expenditures are estimated between \$50 and \$55 million. Galleon currently expects to drill 30 to 35 wells in the first quarter 2006 with a focus on tight natural gas wells, multi-zone natural gas drilling, light sweet oil development and exposure to high impact deep natural gas projects.

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 31,831,876 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:

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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. in this new release including management's assessment of future plans and operations, completion of the financing, drilling inventory and wells to be drilled, timing of drilling and tie-in of wells, productive capacity of new wells, capital expenditures and the timing thereof, may constitute forward-looking statements under applicable securities laws and necessarily involve risks including, without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, delays resulting from or inability to obtain required regulatory approvals 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. Readers are cautioned that the foregoing list of factors is not exhausted. Additional information on these and other factors that could effect Galleon's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com), at Galleon's website (www.galleonenergy.com). Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and Galleon does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.