

FOR IMMEDIATE RELEASE – January 30, 2006

GALLEON EXPANDS 2006 DRILLING AND CAPITAL EXPENDITURES AND PROVIDES PROJECT UPDATE

CALGARY, ALBERTA – Galleon Energy Inc. (“Galleon”) announces an increase in 2006 capital expenditures to \$150 million from \$120 million which was previously announced. The 2006 drilling program has been expanded to between 120 and 130 locations, up from 105 to 115 locations. Galleon has increased the drilling inventory to 195 locations with access to land exceeding 760,000 gross acres.

Tight gas project - medium reserves potential with long reserve life

- ✓ Galleon has drilled and cased 9 (8.3 net) natural gas wells with total productive capacity exceeding 900 boepd of which 150 boepd is on production and 750 boepd is planned to be tied-in during Q2 2006.
- ✓ 11 wells are planned in Q1 2006 with a total of 36 wells planned in 2006, an increase of 80% from that previously announced.
- ✓ Galleon has identified 60 locations in total.
- ✓ A 15 mmscfd gas plant is under construction, capable of expansion, and is expected to be completed in March 2006.
- ✓ Galleon has access to 181,000 gross acres or 283 sections of land in the tight gas project area. The average working interest is approximately 85%.

High impact project - large reserves potential with long reserve life

- ✓ Galleon plans to drill 4 wells in Q1 2006 with a total of 15 wells planned in 2006, an increase of 50% from that previously announced.
- ✓ Galleon has identified 30 locations in total.

High impact projects

1. Eaglesham area

- One deep Mississippian discovery well flow tested at 3.0 mmscfd of sweet natural gas or 500 boepd from the primary zone with secondary zones not yet completed. The primary zone has a high reservoir pressure of 19,100 kpa or 2,768 psi. The tie-in of this well is planned in July 2006. Galleon’s working interest is 60% in this well.
- Galleon has identified 10 locations and plans to drill a minimum of 5 wells in 2006.

- The construction of a 10 mmscfd (1,666 boepd) natural gas plant, capable of expansion, is planned with operations scheduled to commence by July 2006.
- Galleon has access to 35,840 gross acres or 56 sections of land in the Eaglesham area with working interests between 60% and 70%.

2. Puskwa area

- One deep Devonian discovery well flow tested at 2.7 mmscfd of sweet natural gas and 75 boepd of natural gas liquids or 525 boepd from the primary zone with secondary zones within the Devonian not yet completed. The primary zone has a high reservoir pressure of 32,500 kpa or 4,710 psi. This well is planned to be tied-in during June 2006. Galleon's interest is 100% in this well.
- A 3D seismic program has been acquired and interpreted over the discovery well and over newly acquired and existing lands. A minimum of 12 locations have been identified with at least 6 wells planned in 2006.
- The construction of a 10 to 20 mmscfd (1,666 to 3,333 boepd) natural gas plant is planned with operations scheduled to commence in June 2006.
- Galleon has access to 19,840 net acres or 31 sections of land in the Puskwa area with a 100% interest.

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.

Currently, Galleon has 31,915,210 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".

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ADVISORY: Certain information regarding Galleon Energy Inc. in this new release including management's assessment of future plans and operations, reserve and production estimates, 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.

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.