

FOR IMMEDIATE RELEASE – June 29, 2006

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GALLEON ANNOUNCES INCREASE IN PREVIOUSLY ANNOUNCED FINANCING

CALGARY, ALBERTA – Galleon Energy Inc. (“Galleon”) announces that it has agreed to increase the size of its previously announced financing and it will now issue pursuant to the financing, on a "bought deal basis", 2,985,000 Class A shares ("Class A Shares") at \$20.15 each and 780,000 Class A Shares on a "flow-through" basis (the "Flow-Through Shares") at \$25.70 each for aggregate gross proceeds of \$80,193,750.

As previously announced, the offering is being made through an underwriting syndicate led by GMP Securities L.P., and including Sprott Securities Inc., FirstEnergy Capital Corp., Scotia Capital Inc. and TD Securities Inc. pursuant to a short form prospectus to be filed in certain provinces of Canada.

The issues are subject to normal regulatory approvals including approval of the Toronto Stock Exchange and closing is expected on or about July 25, 2006.

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, as amended, 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: This press release contains forward-looking statements. More particularly, this press release contains statements concerning the anticipated closing date of the offering and the anticipated use of the net proceeds of the offering. Although Galleon believes that the expectations reflected in these forward-looking statements are reasonable, undue reliance should not be placed on them because Galleon can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties.

The closing of the offering could be delayed if Galleon is not able to obtain the necessary regulatory and stock exchange approvals on the timelines it has planned. The offering will not be completed at all if these approvals are not obtained or some other condition to the closing is not satisfied. Accordingly, there is a risk that the offering will not be completed within the anticipated time or at all.

The forward-looking statements contained in this press release are made as of the date hereof and Galleon undertakes no obligations to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.