

FOR IMMEDIATE RELEASE – October 11, 2006

**GALLEON ANNOUNCES SIGNIFICANT SUCCESSFUL HORIZONTAL WELL
AT PUSKWA**

CALGARY, ALBERTA – Galleon Energy Inc. (“Galleon”) announces completion of its first horizontal and fifth major well at Puskwa, Alberta. The well is located at 8-5-72-26W5M (50% interest) and was rig released on October 5, 2006. This well was a re-entry and was drilled to a total measured depth of 10,939 feet and encountered 525 feet of horizontal oil pay in the Beaverhill Lake formation. The well tested at restricted rates exceeding 5,000 boepd (2,500 boepd net) (85% oil and 15% gas) with no water. To manage reservoir drawdown and reduce gas flaring, the test is continuing at restricted rates of 3,150 boepd (1,575 boepd net). After an initial test period, the well will resume production at a restricted allowable rate yet to be determined. The quality of the light sweet oil is 38° API.

Tested capacity of the five major wells drilled to date exceeds 9,200 boepd net of light sweet oil. Four of the wells are currently under EUB imposed restricted production rates which will be removed once Good Production Practice (“GPP”) has been obtained. It is expected that production from the 8-5 well will also be initially restricted by the EUB pending GPP.

Galleon has implemented two drilling technologies: horizontal drilling and horizontal re-entry drilling. These horizontal technologies are being used to increase productivity and to increase allowable production by up to 2 to 3 times the maximum allowable rate assigned by the EUB to a vertical well.

One horizontal well, located at 9-10-72-26W5M, has been cased and is currently being completed with production testing to follow. An additional horizontal well, located at 6-10-72-26W5M, is currently drilling. Galleon plans to drill 1 vertical and 3 horizontal wells in the remainder of 2006.

Galleon is a technically oriented high growth junior oil and gas company with focused operations in the Peace River area of Alberta. Galleon has access to over 1 million gross acres of land.

Galleon has approximately 55.9 million 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 news release including management's assessment of future plans and operations, number, type and timing of wells to be drilled, the plan and development of certain prospects, production estimates, productive capacity and allowable production rates for the wells, 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, capital expenditure costs, including drilling, completion and facilities costs, unexpected decline rates in wells, wells not performing as expected, 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.