

FOR IMMEDIATE RELEASE – November 9, 2006

GALLEON ANNOUNCES THIRD QUARTER 2006 RESULTS

CALGARY, ALBERTA – Galleon Energy Inc. (“Galleon”) announces solid financial and operations results in the third quarter of 2006 with average daily production of 9,420 Boe generating funds from operations of \$21.2 million and earnings of \$2.2 million.

The drilling program delivered significant results and advanced the development of the key projects: Puskwa light sweet oil, Dawson Montney gas and Eaglesham liquids rich natural gas. Thirty seven wells were drilled in the quarter with 35 cased for production including 24 (19.0 net) natural gas wells and 11 (9.5 net) oil wells. This success rate of 95% is attributable to our technical staff's expertise and to the quality of the projects.

Puskwa light sweet oil

At Puskwa, a third major light sweet oil well was announced in September 2006. In early October, Galleon completed two additional major wells including the first horizontal re-entry well. To date, five major wells have been completed with net tested capacity exceeding 9,200 Boe/d.

Galleon has implemented two drilling technologies at Puskwa: 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. Subsequent to the third quarter 2006, a second horizontal well was cased and a third horizontal well is currently drilling. Three additional horizontal wells and 1 vertical well are scheduled to be drilled in fourth quarter 2006.

Galleon's 2007 Puskwa drilling program has been designed to further delineate the boundaries of this large oil pool. A resource study is underway to evaluate the reserves in place and to identify optimum recovery methods. This study, the further delineation drilling and approval of Good Production Practice by the Alberta government will allow the maximization of the value of this outstanding pool.

Dawson Montney gas

To September 30, 2006, Galleon has drilled 48 wells in the Montney natural gas project with a 98% success rate. Forty-seven (42.0 net) wells have been cased with current production between 13 and 14 MMcf/d and approximately 8 MMcf/d of production capacity awaiting tie in. The existing natural gas plant is scheduled to be expanded to 30 MMcf/d before year end 2006. In the fourth quarter of 2006, up to 15 wells will be drilled.

Galleon has identified over 150 locations in 8 separate large gas pools in the Montney project. Land access exceeds 385,000 gross acres (602 sections). The majority of the wells will payout within one year at current natural gas prices. An evaluation is in progress to determine probable and possible reserves and their value to Galleon.

Eaglesham liquids rich natural gas

Two important multi zone discovery wells, one natural gas and one light oil, were announced at Eaglesham in third quarter 2006. The 10 MMcf/d natural gas plant came on stream in August 2006. This plant was further expanded to 15 MMcf/d in October 2006. Due to the continued success of the drilling program, three to five additional wells will be drilled in fourth quarter 2006 targeting the Dunvegan to Banff formations.

Exit 2006 production is targeted to be between 13,500 and 15,500 Boe/d. With Galleon's significant land position in the Peace River Arch and over 300 quality drilling locations, Galleon expects to exit 2007 with daily production ranging between 17,000 and 21,000 Boe/d.

In order to ensure that Galleon is well positioned financially to execute the business plan, further equity is necessary. Therefore in October 2006, Galleon announced an equity issuance of 1.8 million Class A shares, of which 0.8 million Class A shares will be issued on a flow through basis, for gross proceeds of \$40 million with closing scheduled for November 16, 2006. In addition, Galleon's credit facilities have been increased to \$170 million subject to completion of documentation.

	Q3 2006		Q3 2005	
	866,646 Boe		741,917 Boe	
	\$	\$/Boe	\$	\$/Boe
Gross revenues	39,920,718	46.06	44,505,716	59.99
Royalties	(7,638,042)	(8.81)	(9,865,136)	(13.30)
ARTC and GCA	1,396,825	1.61	1,192,479	1.61
Transportation costs	(1,079,361)	(1.25)	(1,214,249)	(1.64)
Operating costs	(9,242,769)	(10.66)	(5,178,675)	(6.98)
Net	23,357,371	26.95	29,440,135	39.68
Other revenue	2,454	-	2,926	-
G&A	(692,234)	(0.80)	(1,170,638)	(1.58)
Interest costs	(1,202,060)	(1.39)	(668,167)	(0.90)
Capital and other taxes	(287,364)	(0.33)	(279,756)	(0.38)
Funds from operations	21,178,167	24.43	27,324,500	36.82

	YTD 2006		YTD 2005	
	2,420,216 Boe		1,570,338 Boe	
	\$	\$/Boe	\$	\$/Boe
Gross revenues	112,667,235	46.55	83,060,609	52.89
Royalties	(23,479,044)	(9.70)	(19,436,686)	(12.38)
ARTC and GCA	5,967,020	2.47	1,885,677	1.20
Transportation costs	(3,134,993)	(1.30)	(2,395,298)	(1.52)
Operating costs	(24,024,221)	(9.93)	(9,493,789)	(6.05)
Net	67,995,997	28.09	53,620,513	34.14
Other revenue	3,027	-	25,298	0.02
G&A	(2,920,036)	(1.21)	(2,949,485)	(1.88)
Interest costs	(3,040,071)	(1.26)	(1,646,496)	(1.05)
Capital and other taxes	(744,812)	(0.31)	(632,046)	(0.40)
Funds from operations	61,294,105	25.31	48,417,784	30.83

	2006		2005	
	Q3	Q2	Q1	Q4
Production				
Light oil (Bbl/d)	1,823	1,753	1,859	2,271
Heavy oil (Bbl/d)	1,984	1,705	1,580	1,135
Natural Gas (Mcf/d)	33,068	30,014	30,445	32,212
Liquids (Bbl/d)	102	100	93	99
Boe/d at 6:1 gas	9,420	8,560	8,606	8,874
Total Boe produced	866,646	778,992	774,578	816,420
Daily Boe of production per million Class A shares – basic⁽¹⁾	172	165	173	186

Prices (net of transportation)				
Light oil (\$/Bbl)	75.65	75.63	65.66	67.44
Heavy oil (\$/Bbl)	47.01	42.69	24.71	29.31
Crude oil (\$/Bbl)	60.71	59.39	46.78	54.73
Natural Gas (\$/Mcf)	5.58	5.97	7.36	11.16
NGLs (\$/Bbl)	69.83	65.71	57.62	58.84
Per Boe (\$)				
Gross revenues	46.06	46.88	46.77	63.68
Royalties, net of ARTC & GCA	(7.20)	(4.34)	(10.18)	(15.01)
Transportation costs	(1.25)	(1.22)	(1.43)	(1.48)
Operating costs	(10.66)	(9.91)	(9.12)	(7.73)
Net	26.95	31.41	26.04	39.46
Other revenue	-	-	-	-
G&A	(0.80)	(1.37)	(1.50)	(1.82)
Interest – cash	(1.39)	(1.41)	(0.95)	(0.91)
Capital and other taxes – cash	(0.33)	(0.30)	(0.29)	(0.40)
Funds from operations	24.43	28.33	23.30	36.33

⁽¹⁾ Restated to reflect a three-for-two Class A share split in June 2006.

Highlights	2005			2004
	Q3	Q2	Q1	Q4
Production				
Light oil (Bbl/d)	2,213	1,393	670	329
Heavy oil (Bbl/d)	1,205	594	206	249
Natural Gas (Mcf/d)	27,452	21,813	15,511	10,343
Liquids (Bbl/d)	71	21	37	21
Boe/d at 6:1 gas	8,064	5,643	3,499	2,324
Total Boe produced	741,917	513,535	314,887	213,762
Daily Boe of production per million Class A shares – basic⁽¹⁾				
	169	130	96	73
Prices (net of transportation)				
Light oil (\$/Bbl)	73.64	65.35	59.72	51.18
Heavy oil (\$/Bbl)	48.19	32.21	26.45	28.98
Crude oil (\$/Bbl)	62.54	54.86	51.91	38.49
Natural Gas (\$/Mcf)	9.13	6.99	6.51	6.15
NGLs (\$/Bbl)	56.64	53.94	44.75	40.36
Per Boe (\$)				
Gross revenues	59.99	48.18	43.86	39.13
Royalties, net of ARTC & GCA	(11.69)	(11.11)	(10.08)	(8.33)
Transportation costs	(1.64)	(1.37)	(1.51)	(1.76)
Operating costs	(6.98)	(5.31)	(5.04)	(5.93)
Net	39.68	30.39	27.23	23.11
Other revenue	-	0.03	0.02	0.04
G&A	(1.58)	(2.01)	(2.38)	(2.93)
Interest – cash	(0.90)	(1.09)	(1.33)	(1.25)
Capital and other taxes – cash	(0.38)	(0.49)	(0.32)	(0.79)
Funds from operations	36.82	26.83	23.22	18.18

⁽¹⁾ Restated to reflect a three-for-two Class A share split in June 2006.

GALLEON ENERGY INC.**Balance Sheets**

(unaudited)

	September 30, 2006	December 31, 2005
	\$	\$
ASSETS		
CURRENT		
Accounts receivable	19,236,344	23,233,779
Deposits and prepaid expenses	1,246,198	960,666
	20,482,542	24,194,445
Goodwill	10,138,976	10,138,976
Property and equipment	510,358,650	318,285,343
	540,980,168	352,618,764
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	61,628,609	42,677,142
Bank loan	92,451,573	75,301,382
	154,080,182	117,978,524
Asset retirement obligation	13,348,189	11,185,906
Future income taxes	32,563,217	26,394,082
	199,991,588	155,558,512
Commitments		
SHAREHOLDERS' EQUITY		
Share capital	301,246,412	174,463,341
Contributed surplus	9,980,411	4,755,980
Retained earnings	29,761,757	17,840,931
	340,988,580	197,060,252
	540,980,168	352,618,764

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

(unaudited)

	Three months ended September 30		Nine months ended September 30	
	2006	2005	2006	2005
	\$	\$	\$	\$
REVENUE				
Petroleum and natural gas	39,920,718	44,505,716	112,667,235	83,060,609
Royalties, net of ARTC and GCA	(6,241,217)	(8,672,657)	(17,512,024)	(17,551,009)
Other income	2,454	2,926	3,027	25,298
	33,681,955	35,835,985	95,158,238	65,534,898
EXPENSES				
Operating	9,242,769	5,178,675	24,024,221	9,493,789
Transportation	1,079,361	1,214,249	3,134,993	2,395,298
General and administration	692,234	1,170,638	2,920,036	2,949,485
Interest	1,202,060	668,167	3,040,071	1,646,496
Stock-based compensation	2,006,572	998,964	6,017,458	3,013,562
Accretion	167,609	92,916	464,223	230,090
Depletion and depreciation	14,874,921	12,141,268	41,038,799	27,581,741
	29,265,526	21,464,877	80,639,801	47,310,461
Earnings before taxes	4,416,429	14,371,108	14,518,437	18,224,437
Capital and other taxes	287,364	279,756	744,812	632,046
Future income taxes	1,932,989	4,978,896	1,852,799	7,295,975
	2,220,353	5,258,652	2,597,611	7,928,021
NET EARNINGS	2,196,076	9,112,456	11,920,826	10,296,416
RETAINED EARNINGS (DEFICIT), BEGINNING OF PERIOD	27,565,681	(595,409)	17,840,931	(1,779,369)
RETAINED EARNINGS, END OF PERIOD	29,761,757	8,517,047	29,761,757	8,517,047
NET EARNINGS PER SHARE				
Basic	\$0.04	\$0.19	\$0.23	\$0.24
Diluted	\$0.04	\$0.18	\$0.22	\$0.23
Weighted average Class A shares – basic	54,854,334	47,640,620	52,192,152	42,596,579
diluted	57,447,555	50,268,840	54,783,056	44,872,874

GALLEON ENERGY INC.
Statements of Cash Flow
(unaudited)

	Three months ended September 30		Nine months ended September 30	
	2006 \$	2005 \$	2006 \$	2005 \$
Cash provided by (used in):				
OPERATING ACTIVITIES				
Net earnings	2,196,076	9,112,456	11,920,826	10,296,416
Add items not requiring cash:				
Future income taxes	1,932,989	4,978,896	1,852,799	7,295,975
Depletion and depreciation	14,874,921	12,141,268	41,038,799	27,581,741
Accretion	167,609	92,916	464,223	230,090
Stock-based compensation	2,006,572	998,964	6,017,458	3,013,562
FUNDS FROM OPERATIONS	21,178,167	27,324,500	61,294,105	48,417,784
Abandonment costs	(226,887)	-	(417,280)	-
Change in non-cash working capital	1,048,074	(4,749,998)	6,886,788	(3,314,106)
	21,999,354	22,574,502	67,763,613	45,103,678
FINANCING ACTIVITIES				
Issue of common shares	80,436,844	148,263	138,124,119	103,301,195
Share issue costs	(4,359,179)	(12,909)	(7,817,741)	(6,421,994)
Bank loan	(29,174,324)	2,909,517	17,150,191	22,838,376
	46,903,341	3,044,871	147,456,569	119,717,577
INVESTING ACTIVITIES				
Transfers from (additions to) equipment inventory	1,833,402	258,704	(1,614,698)	(78,375)
Additions to oil and gas properties	(80,062,408)	(27,486,906)	(203,961,376)	(61,734,895)
Acquisition of oil and gas properties	434,893	(318,183)	(25,420,692)	(98,828,144)
Change in non-cash working capital	8,540,969	1,927,012	15,776,584	(4,179,841)
	(69,253,144)	(25,619,373)	(215,220,182)	(164,821,255)
CHANGE IN CASH	(350,449)	-	-	-
CASH, BEGINNING OF PERIOD	350,449	-	-	-
CASH, END OF PERIOD	-	-	-	-
SUPPLEMENTARY INFORMATION				
Cash interest paid	1,079,240	668,167	3,070,869	1,646,496
Cash taxes paid	167,303	279,756	932,272	632,046

Galleon is a technically oriented high growth 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 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”.

The entire Third Quarter 2006 Report to Shareholders may be found on the SEDAR website www.sedar.com or the Corporation’s website www.galleonenergy.com

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 in this new release including management’s assessment of future plans and operations, results from various projects of the Corporation, ability to continue growth, production to be added and the timing thereof and expected production, growth expectations within the Corporation, the timing of completion of facilities, drilling plans and the timing thereof, and capital expenditures, the timing thereof and the method of funding thereof, expected payout period for certain 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, 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, 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 exhaustive. Additional information on these and other factors that could affect 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.