

FOR IMMEDIATE RELEASE – January 15, 2007

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

**CALGARY, ALBERTA** – Galleon Energy Inc. (“Galleon”) announces completion of the fourth horizontal well at Puskwa, Alberta. The well, a re-entry of a vertical well, is located at 11-10-72-26W5M (100% interest) and was rig released on December 25, 2006. This well was drilled to a total measured depth of 11,270 feet and encountered 731 feet of horizontal oil pay in the Beaverhill Lake formation. The well flowed, during an initial test period of 60 hours, at an average rate of 650 boepd (88% oil and 12% gas) with no water. After completion of testing, the well will commence production at a restricted allowable rate yet to be determined. The quality of the light sweet oil is 38° API.

This horizontal well is significant because it is a re-entry of a marginal vertical well and it has the potential for establishing highly economic production at what appears to be the western pool edge. The northern and eastern pool edges have not yet been delineated.

Tested capacity of all wells drilled to date at Puskwa exceeds 11,150 boepd net of light sweet oil. The wells are currently under EUB imposed restricted production rates pending regulatory approval. It is expected that production from the 11-10 well will also be initially restricted by the EUB.

Due to successful 2006 drilling program at Puskwa, Galleon continues to expand the delineation of the large oil pool. One vertical well (100% interest) is currently drilling within 5 miles of the first major well located at 16-32-71-26W5M. One well (100% interest) is expected to commence drilling within two weeks. It is located within 6 miles of the 16-32 well. In February 2007, one well (100% interest) is planned to commence drilling within 9 miles of the 16-32 well. Depending upon the success of the drilling program, up to 25 wells are planned in the remainder of 2007 and 2008.

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 57.7 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, risk that regulatory approval to allow increased production at Puskwa will not be obtained or be delayed for an extended period of time, 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](http://www.sedar.com)), at Galleon's website ([www.galleonenergy.com](http://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.*