

FOR IMMEDIATE RELEASE – July 10, 2007

GALLEON PROVIDES UPDATE ON SECOND QUARTER 2007 OPERATIONS

CALGARY, ALBERTA – Galleon Energy Inc. (“Galleon”) is pleased to announce a 78% success rate for the second quarter 2007 drilling program. Nine wells were drilled of which seven (6.6 net) were cased for production including one light oil well (0.6 net), one heavy oil well (1.0 net) and 5 natural gas wells (5.0 net). Currently, Galleon has 6 rigs drilling.

In Q3 2007, Galleon plans to drill up to 35 wells including 26 low and medium risk development and 9 high impact exploration wells (six targeting light oil and three targeting gas). If successful, these high impact wells have the potential to add significant growth in 2008 and 2009. Due to the current strong oil price environment, Galleon’s drilling program in Q3 2007 will be biased towards light oil development and exploration projects.

During Q2 2007, production averaged approximately 13,000 boepd (43% oil and 57% gas) based on actual sales and field estimates. This represents an increase of 10% over Q1 2007 average daily production.

Puskwa Beaverhill Lake light sweet oil pool

Waterflood/GPP phase one update:

- On March 23, 2007, Galleon was granted good production practice (“GPP”) status by the EUB on section 32-71-26W5M and section 5-72-26W5M. A pilot waterflood was successfully implemented in June 2007. Production will be gradually increased in order to continue proper reservoir management.

Waterflood/GPP phase two update:

- On May 19, 2007, Galleon applied for waterflood expansion on two additional developed sections.

Drilling update:

- Two wells targeting the Beaverhill Lake sand at Puskwa are currently drilling including one wildcat well testing a new structure. This well is located three miles south of the main Puskwa oil pool.
- During Q3 2007, testing is expected to commence on the well located at 2-5-73-25W5M which was cased for production in Q1 2007. This well encountered Beaverhill Lake sand and a secondary up-hole zone with 50 feet of hydrocarbon pay.
- Five light oil locations are scheduled to be drilled in Q3 2007 in the main Puskwa pool.

Eaglesham project

- One large 3D seismic shoot is planned to identify additional locations and to expand the high impact oil and gas exploration program.

- Up to 12 wells are scheduled in the next six months including 4 Wabamun light oil locations. Wells in the Wabamun formation characteristically have high deliverability.

Dawson Montney natural gas pools

- Drilled and cased 5 (100% interest) natural gas wells in Q2 2007.
- 15 wells are planned in Q3 2007.
- Galleon has identified over 300 locations in the Dawson area.

Consolidation acquisitions

Undeveloped land, production and facilities have been acquired in two key areas directly adjacent to Galleon's land holdings in the Peace River Arch.

At Eaglesham/Kakut, 200 boe/d of production (30% light oil/condensate and 70% gas), an oil battery and a natural gas plant were acquired. This acquisition gives Galleon greater control of infrastructure and a more dominant land position over a three township area (6 miles by 18 miles).

At Dawson, on the Montney gas play, 100 boe/d of production (100% gas) and over 8 miles of gathering systems connected to Galleon's 30 mmcf/d gas plant were purchased. This acquisition facilitates expansion of the Montney gas fairway by 15 miles to the south of Galleon's existing land base.

Galleon expects that production growth will increase on average between 5% and 15% per quarter during 2007. Estimated 2007 exit production is targeted between 17,000 and 21,000 boe/d. The upper range will be dependent upon obtaining regulatory approvals to remove restrictions on production at Puskwa.

Galleon has recently entered into two financial oil hedges. For the remainder of 2007 and for calendar 2008, 2,000 bbl/d of crude oil has been contracted within a costless collar of \$70 to \$80.75/bbl Cdn.

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 approximately 1 million gross acres of land.

Galleon has approximately 57.9 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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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.