

FOR IMMEDIATE RELEASE – November 13, 2007

GALLEON DELIVERS 46% PRODUCTION GROWTH YEAR OVER YEAR

CALGARY, ALBERTA – Galleon Energy Inc. (“Galleon” or the “Corporation”) is pleased to announce strong financial and operating results in Q3 2007.

The third quarter of 2007 was the best drilling quarter in Galleon’s history. Galleon had significant discoveries in 2 new major growth areas (McLeans Creek light sweet oil and Kimiwan light sweet oil) and one existing core area (Eaglesham light sweet oil and deep gas) in the Peace River Arch area.

Today, Galleon has 5 rigs drilling. The drilling program in the next six months continues to target light sweet oil and long reserve life deep gas with natural gas liquids. Based on drilling success and new discoveries in the third quarter of 2007, the fourth quarter drilling program has been expanded by 10% to potentially 30 wells.

Key accomplishments in third quarter 2007 include:

- ❖ Production averaged 13,726 Boe/d, an increase of 46% from Q3 2006. Compared to Q3 2006, Q3 2007 production volumes increased as follows: light oil 85%, natural gas 48%, and natural gas liquids 132%. Heavy oil production volumes remained the same year over year.
- ❖ Funds from operations were \$32.6 million (\$0.54 per basic share), a 54% increase from Q3 2006.
- ❖ Quarterly earnings were \$1.6 million with year to date earnings of \$8.8 million.
- ❖ Operating costs were \$8.35/Boe, a decrease of 22% from Q3 2006.
- ❖ 33 gross wells were drilled of which 32 (27.4 net) were cased for production including 11 light oil wells (9.4 net), 3 heavy oil wells (2.1 net) and 18 natural gas wells (15.9 net); resulting in a success rate of 97%.
- ❖ Spent \$54.3 million on exploration and development activities and raised \$60 million in equity financing to fund the exploration program and reduce bank debt to \$136.3 million at September 30, 2007.

Core area review

At Puskwa, production averaged 2,056 Boe/d (15% of corporate production) during Q3 2007. Puskwa generated 29% of corporate funds from operations in Q3 2007 with an operating netback (being revenues less royalties and operating costs) of \$55.90/Boe.

In the Montney gas project at Dawson, production averaged 3,580 Boe/d or 21.5 Mmcf/d (26% of corporate production) during Q3 2007. This project made up 20% of funds from operations and had an operating netback of \$24.64/Boe or \$4.11/Mcfe.

At Eaglesham, average production in Q3 2007 was 1,776 Boe/d (13% of corporate production). The operating netback for third quarter 2007 was \$25.42/Boe or

\$4.24/Mcfe. Eaglesham generated 10% of corporate funds from operations during Q3 2007.

Puskwa operations update

One well drilled in Q1 2007 has now been tested and a new deep gas pool has been confirmed with this successful production test. The zone tested had over 50 feet of gas pay. The well (100% interest) has flowed at 1.1 Mmscf/d with significant natural gas liquids. Galleon intends to drill 2 or 3 follow up wells this winter.

In the main Puskwa light oil pool, 5 further development wells (100% interest) have been drilled and cased. The continued drilling success in the main Puskwa pool further confirms the significant reserve accumulation of light oil from the Beaverhill Lake formation.

Galleon plans to drill up to 4 Beaverhill lake light sweet oil locations in fourth quarter 2007. Galleon has access to 45 sections (99% interest) on the Puskwa Beaverhill Lake fairway.

Dawson Montney gas operations update

In 2007, 32 Montney gas wells have been drilled with 29 wells being cased (91% success). The proven gas fairway is currently estimated to be 35 miles long by 12 miles wide with a number of distinct pools identified. This gas fairway has been confirmed by drilling over 70 wells in the area. Galleon expects to be producing over 25 Mmscf/d (4,167 Boe/d) from this area by year end 2007 and has a large drilling inventory of over 350 locations to support a multi-year drilling program.

Eaglesham operations update

In 2007, Galleon has drilled 15 wells and cased 13 wells. Galleon's excellent drilling results have been supported by owning 100 square miles of proprietary 3D seismic data. Galleon has identified a minimum of 40 locations for future drilling and has access to over 70 sections (average working interest of 72%) of land in the Eaglesham area.

Eaglesham has seen production growth from 0 to over 2,000 Boe/d (net) in less than one year. Galleon also controls the infrastructure, having built a 15 Mmscf/d natural gas plant (100% working interest) in 2006. This gas plant is currently being expanded to 22 Mmscf/d in December 2007. Galleon is also currently building a 10,000 Boe/d oil battery to handle the recent drilling success in the light oil program. This oil battery is scheduled to be on stream in January 2008.

Up to 5 wells will be drilled in fourth quarter 2007 targeting deeper targets with large reserve potential.

New exploration areas update

Galleon will continue to aggressively drill for high net back light oil in fourth quarter 2007 in the 2 new areas of Kimiwan and McLeans Creek. In 2007, Galleon has drilled 7 wells and cased 6 oil wells (86% success) in these two project areas. The wells have an average productivity of 130 Boe/d. Galleon plans to drill a 15 well program this winter with the potential to expand up to a 25 well program in the remainder of 2008. These projects are targeting large light oil pools.

In another new core area at Kakut, Galleon plans to drill 2 wells to test multi zone structures. An extensive 3D seismic program is being acquired to further expand the drilling program into 2008. In Kakut, Galleon controls the infrastructure by owning an oil battery and a natural gas plant.

Outlook

Galleon has achieved considerable growth in production, reserves, revenues and cash flow since inception four years ago. The most significant factors affecting the success of an oil and gas company are drilling success, commodity prices and control of costs.

Galleon has an extensive drilling inventory which is balanced between light oil and natural gas projects. These projects have and will continue to deliver multi-year production and reserve growth. To date, drilling success has exceeded 90%.

As a result of the drilling success, production has grown over 46% from Q3 2006. Exit 2007 production is expected to exceed 17,000 Boe/d. Available bank credit facilities are currently \$210 million which, subject to final approval, are expected to increase.

Current oil prices are at record high levels. Galleon's major oil projects are economic at prices as low as \$25.00 WTI USD. Current natural gas prices deliver solid returns on our major projects. Galleon's gas projects are economic at prices of approximately \$3.00/Mcf Cdn.

The control of costs affects the profitability of the company as well as the level of cash flow generated for reinvestment. Galleon has invested in infrastructure which allows it to control production and costs. Galleon has seen a significant reduction in drilling and service costs in 2007 as compared to 2006. Galleon anticipates that costs will continue to decrease in proportion to the anticipated reduction in industry wide cash flow created in part by the increased royalty structure.

Galleon is positioned to reach its goal of continuing to build a premium oil and gas company with sustainable growth.

Results of Operations

| Three months ended September 30 | 2007 | | 2006 | |
|--|---------------|--------------|---------------|--------------|
| | 1,262,772 BOE | \$/BOE | 866,646 BOE | \$/BOE |
| (\$000s) | | | | |
| Revenues | 60,156 | 47.64 | 39,921 | 46.06 |
| Royalties | (12,608) | (9.98) | (7,638) | (8.81) |
| ARTC and GCA ¹ | 1,988 | 1.57 | 1,397 | 1.61 |
| Transportation costs | (1,430) | (1.13) | (1,080) | (1.25) |
| Operating costs | (10,547) | (8.35) | (9,243) | (10.66) |
| Net | 37,559 | 29.75 | 23,357 | 26.95 |
| Other revenue | - | - | 2 | - |
| G&A | (1,507) | (1.19) | (692) | (0.80) |
| Interest costs | (2,707) | (2.14) | (1,202) | (1.39) |
| Capital and other taxes | (229) | (0.18) | (287) | (0.33) |
| Realized loss on financial derivative | (551) | (0.44) | - | - |
| Funds from operations² | 32,565 | 25.80 | 21,178 | 24.43 |

| Nine months ended September 30 | 2007 | | 2006 | |
|--|----------------|--------------|---------------|--------------|
| | 3,549,542 BOE | | 2,420,216 BOE | |
| (\$000s) | | \$/BOE | | \$/BOE |
| Revenues | 173,864 | 48.98 | 112,667 | 46.55 |
| Royalties | (37,233) | (10.49) | (23,479) | (9.70) |
| ARTC and GCA ¹ | 7,225 | 2.04 | 5,967 | 2.47 |
| Transportation costs | (4,424) | (1.25) | (3,135) | (1.30) |
| Operating costs | (30,533) | (8.60) | (24,024) | (9.93) |
| Net | 108,899 | 30.68 | 67,996 | 28.09 |
| Other Revenue | - | - | 3 | - |
| G&A | (4,568) | (1.29) | (2,920) | (1.21) |
| Interest costs | (7,634) | (2.15) | (3,040) | (1.26) |
| Capital and other taxes | (951) | (0.27) | (745) | (0.31) |
| Realized loss on financial derivative | (178) | (0.05) | - | - |
| Funds from operations² | 95,568 | 26.92 | 61,294 | 25.31 |

¹ GCA means Gas Cost Allowance

² See "Non-GAAP Measurements"

Production

| | Three months ended September 30 | | | | Nine months ended September 30 | | | |
|---------------------|---------------------------------|------------|--------------|------------|--------------------------------|------------|--------------|------------|
| | 2007 | | 2006 | | 2007 | | 2006 | |
| | | % | | % | | % | | % |
| Light oil (Bbls/d) | 3,375 | 25 | 1,823 | 19 | 3,273 | 25 | 1,809 | 20 |
| Heavy oil (Bbls/d) | 1,949 | 14 | 1,984 | 21 | 2,092 | 16 | 1,760 | 20 |
| NGLs (Bbls/d) | 237 | 2 | 102 | 1 | 233 | 2 | 98 | 1 |
| Natural gas (Mcf/d) | 48,989 | 59 | 33,068 | 59 | 44,421 | 57 | 31,186 | 59 |
| BOE/d (6:1) | 13,726 | 100 | 9,420 | 100 | 13,002 | 100 | 8,865 | 100 |

Prices (net of transportation)

| | Three months ended September 30 | | Nine months ended September 30 | |
|---------------------------|---------------------------------|-------|--------------------------------|-------|
| | 2007 | 2006 | 2007 | 2006 |
| Light oil (\$Bbls/d) | 78.43 | 75.65 | 71.33 | 72.27 |
| Heavy oil (\$Bbls/d) | 40.04 | 47.01 | 37.41 | 38.99 |
| Total oil including Hedge | 63.25 | - | 57.98 | - |
| Total oil without Hedge | 64.38 | - | 58.10 | - |
| NGLs (\$Bbls/d) | 64.05 | 69.83 | 60.29 | 64.63 |
| Natural gas (\$Mcf/d) | 5.73 | 5.58 | 6.68 | 6.28 |

Performance by Property

Three months ended September 30

| | 2007 | | | 2006 | | | 2007 Funds from operations ² |
|-----------------------------|---------------|------------|--|--------------|------------|--|---|
| | Production | | Operating netbacks/ BOE ¹ | Production | | Operating netbacks/ BOE ¹ | |
| | BOE/d | % | \$ | BOE/d | % | \$ | |
| Puskwa | 2,056 | 15 | 55.90 | 648 | 7 | 58.75 | 29 |
| Dawson Montney gas | 3,580 | 26 | 24.64 | 1,894 | 20 | 22.09 | 20 |
| Eaglesham | 1,776 | 13 | 25.42 | 325 | 4 | 30.10 | 10 |
| Dawson | 3,231 | 24 | 29.26 | 3,341 | 36 | 28.58 | 22 |
| Edam and other heavy oil | 1,949 | 14 | 9.48 | 1,985 | 21 | 14.18 | 5 |
| B.C. | 214 | 2 | 30.74 | 226 | 2 | 26.83 | 2 |
| Calais | 744 | 5 | 22.76 | 774 | 8 | 22.19 | 4 |
| Other | 176 | 1 | 10.26 | 227 | 2 | 9.61 | 8 |
| | 13,726 | 100 | 28.18 | 9,420 | 100 | 25.34 | 100 |

Nine months ended September 30

| | 2007 | | | 2006 | | | 2007 Funds from operations ² |
|-----------------------------|---------------|------------|--|--------------|------------|--|---|
| | Production | | Operating netbacks/ BOE ¹ | Production | | Operating netbacks/ BOE ¹ | |
| | BOE/d | % | \$ | BOE/d | % | \$ | |
| Puskwa | 1,905 | 15 | 52.08 | 440 | 5 | 65.75 | 27 |
| Dawson Montney gas | 3,413 | 26 | 28.66 | 1,401 | 16 | 23.03 | 25 |
| Eaglesham | 1,682 | 13 | 29.34 | 199 | 2 | 46.49 | 13 |
| Dawson | 2,982 | 23 | 28.15 | 3,591 | 41 | 29.36 | 21 |
| Edam and other heavy oil | 2,092 | 16 | 10.01 | 1,760 | 20 | 10.05 | 6 |
| B.C. | 214 | 2 | 26.68 | 241 | 3 | 26.70 | 1 |
| Calais | 533 | 4 | 24.76 | 993 | 11 | 23.17 | 3 |
| Other | 181 | 1 | 12.66 | 240 | 2 | 16.43 | 4 |
| | 13,002 | 100 | 28.64 | 8,865 | 100 | 25.62 | 100 |

Capital Expenditures

| | (\$000s) |
|---|----------------|
| Property & equipment balance at December 31, 2006 | 577,758 |
| Additions to property and equipment | 139,903 |
| Change in equipment inventory | (68) |
| Acquisition of property and equipment | 51,457 |
| Asset retirement obligation acquired | 980 |
| Asset retirement obligation incurred | 2,874 |
| Depletion and depreciation | (72,416) |
| Property & equipment balance at September 30, 2007 | 700,488 |

| Three months ended September 30 | 2007 | | 2006 | |
|---|----------------|------------|----------------|------------|
| (\$000s) | | % | | % |
| Land | 3,158 | 6 | 3,425 | 4 |
| Geological and geophysical | 3,925 | 7 | 929 | 1 |
| Drilling and completion | 36,971 | 68 | 45,028 | 56 |
| Plant and facilities | 10,116 | 18 | 30,652 | 39 |
| Other assets | 131 | - | 28 | - |
| Inventory | 385 | 1 | - | - |
| Exploration and Development Expenditures | 54,686 | 100 | 80,062 | 100 |
| Nine months ended September 30 | 2007 | | 2006 | |
| (\$000s) | | % | | % |
| Land | 8,603 | 6 | 15,654 | 7 |
| Geological and geophysical | 10,055 | 7 | 18,000 | 9 |
| Drilling and completion | 92,764 | 67 | 97,412 | 48 |
| Plant and facilities | 28,164 | 20 | 72,953 | 36 |
| Other assets | 317 | - | (58) | - |
| Inventory | (68) | - | - | - |
| Exploration and Development Expenditures | 139,835 | 100 | 203,961 | 100 |

| Quarterly Highlights (unaudited) | 2007 | | | 2006 | | | | 2005 |
|---|---------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
| Production | | | | | | | | |
| Light oil (Bbl/d) | 3,375 | 3,317 | 3,127 | 2,419 | 1,823 | 1,753 | 1,859 | 2,271 |
| Heavy oil (Bbl/d) | 1,949 | 2,247 | 2,081 | 2,100 | 1,984 | 1,705 | 1,580 | 1,135 |
| Natural Gas (Mcf/d) | 48,989 | 45,314 | 38,845 | 36,733 | 33,068 | 30,014 | 30,445 | 32,212 |
| Liquids (Bbl/d) | 237 | 256 | 206 | 230 | 102 | 100 | 93 | 99 |
| BOE/d | 13,726 | 13,372 | 11,888 | 10,869 | 9,420 | 8,560 | 8,606 | 8,874 |
| Total BOE produced | 1,262,762 | 1,216,855 | 1,069,915 | 999,982 | 866,646 | 778,992 | 774,578 | 816,420 |
| Daily BOE of production per million Class A shares – basic¹ | 229 | 226 | 206 | 191 | 172 | 165 | 173 | 186 |
| Prices (net of transportation) | | | | | | | | |
| Light oil (\$/Bbl) | 78.43 | 70.12 | 63.24 | 61.12 | 75.65 | 75.63 | 65.66 | 67.44 |
| Heavy oil (\$/Bbl) | 40.04 | 35.89 | 36.55 | 31.16 | 47.01 | 42.69 | 24.71 | 29.31 |
| Crude oil (\$/Bbl) | 63.25 | 56.30 | 52.57 | 47.19 | 53.35 | 59.39 | 46.78 | 54.73 |
| Natural Gas (\$/Mcf) | 5.73 | 7.14 | 7.36 | 6.84 | 5.58 | 5.97 | 7.36 | 11.16 |
| NGLs (\$/Bbl) | 64.05 | 59.67 | 56.64 | 56.02 | 69.83 | 65.71 | 57.62 | 58.84 |
| Per BOE (\$) | | | | | | | | |
| Revenues | 47.64 | 49.91 | 49.51 | 45.26 | 46.06 | 46.88 | 46.77 | 63.68 |
| Royalties, net of ARTC & GCA | (8.41) | (9.04) | (7.84) | (6.02) | (7.20) | (4.34) | (10.18) | (15.01) |
| Transportation costs | (1.13) | (1.16) | (1.47) | (1.37) | (1.25) | (1.22) | (1.43) | (1.48) |
| Operating costs | (8.35) | (8.63) | (8.86) | (9.65) | (10.66) | (9.91) | (9.12) | (7.73) |
| Net | 29.75 | 31.08 | 31.34 | 28.22 | 26.95 | 31.41 | 26.04 | 39.46 |
| Other revenue | - | - | - | - | - | - | - | - |
| G&A | (1.19) | (1.48) | (1.18) | (2.67) | (0.80) | (1.37) | (1.50) | (1.82) |
| Interest | (2.14) | (2.20) | (2.10) | (1.49) | (1.39) | (1.41) | (0.95) | (0.91) |
| Capital and other taxes | (0.18) | (0.41) | (0.21) | (0.21) | (0.33) | (0.30) | (0.29) | (0.40) |
| Realized loss on financial derivative | (0.44) | - | 0.35 | - | - | - | - | - |
| Funds from operations² | 25.80 | 26.99 | 28.20 | 23.85 | 24.43 | 28.33 | 23.30 | 36.33 |

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

² See "Non-GAAP Measurements"

GALLEON ENERGY INC.
Consolidated Balance Sheets as at
(\$000s) (unaudited)

| | September 30, 2007 | December 31, 2006 |
|--|-----------------------|----------------------|
| ASSETS | | |
| CURRENT | | |
| Accounts receivable | 24,849 | 24,639 |
| Deposits and prepaid expenses | 2,573 | 1,839 |
| Fair value of financial derivative | - | 190 |
| | 27,422 | 26,668 |
| Goodwill | 16,022 | 10,139 |
| Property and equipment | 700,488 | 577,758 |
| | 743,932 | 614,565 |
| LIABILITIES | | |
| CURRENT | | |
| Accounts payable and accrued liabilities | 49,900 | 54,695 |
| Bank loan | 136,295 | 122,996 |
| Fair value of financial derivative | 1,288 | - |
| | 187,483 | 177,691 |
| Asset retirement obligation | 25,487 | 21,432 |
| Future income taxes | 55,310 | 32,287 |
| | 268,280 | 231,410 |
| SHAREHOLDERS' EQUITY | | |
| Share capital | 418,352 | 339,869 |
| Contributed surplus | 16,851 | 11,619 |
| Retained earnings | 40,449 | 31,667 |
| | 475,652 | 383,155 |
| | 743,932 | 614,565 |

GALLEON ENERGY INC**Consolidated Statements of Earnings, Comprehensive Income and Retained Earnings**

(\$000s, except per share amounts)
(unaudited)

| | Three months ended September 30 | | Nine months ended September 30 | |
|--|------------------------------------|--------------|-----------------------------------|---------------|
| | 2007 | 2006 | 2007 | 2006 |
| REVENUE | | | | |
| Petroleum and natural gas revenue | 60,156 | 39,923 | 173,864 | 112,670 |
| Royalties, net of ARTC and GCA | (10,620) | (6,241) | (30,008) | (17,512) |
| | 49,536 | 33,682 | 143,856 | 95,158 |
| EXPENSES | | | | |
| Operating | 10,547 | 9,243 | 30,533 | 24,024 |
| Transportation | 1,430 | 1,079 | 4,424 | 3,135 |
| General and administration | 1,507 | 692 | 4,568 | 2,920 |
| Interest | 2,707 | 1,202 | 7,634 | 3,040 |
| Stock-based compensation | 2,083 | 2,007 | 6,137 | 6,018 |
| Accretion | 370 | 168 | 1,043 | 464 |
| Depletion and depreciation | 25,414 | 14,875 | 72,416 | 41,039 |
| Realized loss on financial derivative | 551 | - | 178 | - |
| Unrealized loss on financial derivative | 1,930 | - | 1,477 | - |
| | 46,539 | 29,266 | 128,410 | 80,640 |
| Earnings before taxes | 2,997 | 4,416 | 15,446 | 14,518 |
| Income taxes | | | | |
| Capital and other taxes | 229 | 287 | 951 | 744 |
| Future income taxes | 1,177 | 1,933 | 5,713 | 1,853 |
| | 1,406 | 2,220 | 6,664 | 2,597 |
| NET EARNINGS AND COMPREHENSIVE INCOME | 1,591 | 2,196 | 8,782 | 11,921 |
| RETAINED EARNINGS, BEGINNING OF PERIOD | | | | |
| | 38,858 | 27,566 | 31,667 | 17,841 |
| RETAINED EARNINGS, END OF PERIOD | | | | |
| | 40,449 | 29,762 | 40,449 | 29,762 |
| NET EARNINGS AND COMPREHENSIVE INCOME PER SHARE | | | | |
| Basic | 0.03 | 0.04 | 0.15 | 0.23 |
| Diluted | 0.03 | 0.04 | 0.14 | 0.22 |
| <i>Weighted average Class A shares – basic</i> | 59,880,135 | 54,854,334 | 58,969,425 | 52,192,152 |
| <i>– diluted</i> | 61,724,550 | 57,447,555 | 60,845,685 | 54,783,056 |

GALLEON ENERGY INC.
Consolidated Statements of Cash Flows

(\$000s) (unaudited)

| | Three months ended September 30 | | Nine months ended September 30 | |
|--|--|-------------|---|-------------|
| | 2007 | 2006 | 2007 | 2006 |
| Cash provided by (used in): | | | | |
| OPERATING ACTIVITIES | | | | |
| Net earnings | 1,591 | 2,196 | 8,782 | 11,921 |
| Items not requiring cash: | | | | |
| Future income taxes | 1,177 | 1,933 | 5,713 | 1,853 |
| Depletion and depreciation | 25,414 | 14,875 | 72,416 | 41,039 |
| Accretion | 370 | 168 | 1,043 | 464 |
| Stock-based compensation | 2,083 | 2,007 | 6,137 | 6,018 |
| Unrealized loss on financial derivative | 1,930 | - | 1,477 | - |
| Abandonment costs | (386) | (227) | (842) | (417) |
| Change in non-cash working capital | 2,689 | 1,048 | (993) | 6,885 |
| | 34,868 | 22,000 | 93,733 | 67,763 |
| FINANCING ACTIVITIES | | | | |
| Issue of common shares | 60,578 | 80,437 | 92,757 | 138,124 |
| Share issue costs | (3,279) | (4,359) | (4,915) | (7,817) |
| Bank loan | (31,796) | (29,175) | 13,298 | 17,150 |
| | 25,503 | 46,903 | 101,140 | 147,457 |
| INVESTING ACTIVITIES | | | | |
| (Additions to) disposal of equipment inventory | (385) | 1,833 | 68 | (1,615) |
| Additions to oil and gas properties | (54,301) | (80,062) | (139,903) | (203,961) |
| Acquisition of oil and gas properties | (15,687) | 435 | (50,293) | (25,421) |
| Change in non-cash working capital | 10,002 | 8,541 | (4,745) | 15,777 |
| | (60,371) | (69,253) | (194,873) | (215,220) |
| CHANGE IN CASH | - | 350 | - | - |
| CASH, BEGINNING AND END OF PERIOD | - | 350 | - | - |
| SUPPLEMENTARY INFORMATION | | | | |
| Cash interest paid | 2,357 | 1,079 | 7,524 | 1,646 |
| Cash taxes paid | 265 | 167 | 542 | 632 |

Alberta Government Announces New Royalty Framework

The Government of Alberta announced changes to oil and gas royalties effective January 1, 2009. Based on the interpretation of publicly available information, Galleon estimates that the potential effect of the proposed changes on cash flow from current production would be approximately 9% to 9.5% (based on benchmark prices of \$70 WTI

USD and \$7.00/Mcf CDN). An increase in the oil price to \$80 WTI USD is estimated to result in an additional approximate of 0.6% effect on cash flow. As oil prices increase beyond \$80 WTI USD, the incremental effect on cash flow would be minimal.

Based on interpretation of publicly available information utilizing the December 31, 2006 reserves of the Corporation and the external engineer's price forecast at that date and rerunning such reserves as evaluated as of December 31, 2006, Galleon estimates that the royalty changes would have less than a 10% reduction to the net present value of future net revenues from proved plus probable reserves (at a 10% discount rate) and would have no effect on reserve volumes.

Given the methodology used in the proposed royalty regime, the effects will be affected by depths and productivity of wells. The actual effect of the Alberta royalty changes on Galleon will be determined based on, among other things, the actual legislation enacted, the production rates, commodity prices, foreign exchange rates, production risks, service costs and percentage of Galleon's production from Alberta after January 1, 2009.

Galleon has approximately 63.2 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".

FOR FURTHER INFORMATION SEE www.galleonenergy.com OR CONTACT:

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ADVISORY: Certain information regarding Galleon in this news release including management's assessment of future plans and operations, the effect on Galleon and its cash flow from changes to royalty rates in Alberta, expected reductions in service costs and production estimates 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, changes to the proposed royalty regime prior to implementation and thereafter, 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, delays in projects and/or operations resulting from surface conditions, 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 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.

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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.