

FOR IMMEDIATE RELEASE – November 26, 2007

GALLEON ANNOUNCES ACQUISITION OF EXALTA ENERGY INC.

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CALGARY, ALBERTA – Galleon Energy Inc. (“Galleon”) is pleased to announce that it has agreed to acquire, subject to certain conditions, by plan of arrangement, all of the issued and outstanding shares of ExAlta Energy Inc. (“ExAlta”), for total consideration of approximately \$110 million including the assumption of approximately \$47.9 million of net debt (including associated deal costs) (the “Transaction”). Under the terms of the Transaction, Galleon will issue, in aggregate, approximately 4.33 million Class A common shares to shareholders of ExAlta based on an exchange ratio of 0.118 Galleon Class A common shares for each ExAlta share.

The Transaction is accretive to Galleon on the following economic benchmarks: production per share +8%; cash flow per share +8%; and reserves per share +5%. This acquisition has a strong operational fit for Galleon as over 60% of the ExAlta assets are imbedded in Galleon's major core areas in the Peace River Arch area of Alberta. Upon completion of the Transaction, Galleon's inventory of drillable locations will increase to over 725 locations and its land holdings will increase by approximately 132,000 net acres.

Pursuant to the Transaction, Galleon will acquire approximately 2,620 Boe/d (60% gas, 40% oil) with 5.9 Mmboe of proven plus probable reserves (based on Galleon's internal estimates). The production is 80% operated and largely comprised of light oil and natural gas proximal to Galleon's current operations in the Peace River Arch area of Alberta.

At Eaglesham, Galleon's drillable locations targeting light oil will increase to 72 net locations from 40 net locations. Based on existing opportunities, Galleon believes there is potential for growth in this core area to over 6,000 Boe/d from current production of 2,000 Boe/d. Upon completion of the Transaction, Gallon's land access will increase to approximately 170 gross sections (107 net sections) in Eaglesham. Galleon has extensive technical expertise and experience in this area.

Excluding ExAlta's undeveloped land value of approximately \$12 million, the Transaction metrics are:

- Production - \$37,400 per Boe based on ExAlta's 2007 third quarter production of approximately 2,620 Boe/d;
- Reserves - \$16.61 per proved plus probable barrel oil equivalent;
- Property operating cash flow multiple – 3.5 times annualized estimated 2008 property operating cash flow based on \$75 US WTI and \$6.00/Mcf Cdn.

Galleon will have the following corporate characteristics upon closing of the Transaction:

- High quality assets: 90% operated light oil and natural gas reserves and production in four core operating areas;

- High quality production: average estimated 2008 daily production of approximately 20,000 Boe/d and a forecasted 2008 exit rate of between 22,000 and 24,000 Boe/d;
- Shares outstanding: 67.6 million basic, 73.6 million diluted;
- Significant upside: greater than 725 drilling locations with land access over 1 million gross acres.

In support of the Transaction, Galleon intends to hedge approximately 1,000 barrels per day of oil production in 2008.

The Transaction will provide ExAlta's shareholders with enhanced liquidity and ownership in a larger, financially stronger company with excellent growth prospects and the ability to accelerate the exploitation of ExAlta's substantial prospect inventory. In addition, based on the closing share prices on the Toronto Stock Exchange on November 23, 2007, the Transaction represents a significant premium to ExAlta's share price.

The Boards of Directors of both Galleon and ExAlta have unanimously approved the Transaction. ExAlta's Board of Directors has concluded that the Transaction is in the best interests of its shareholders, and has resolved to recommend that ExAlta shareholders vote their shares in favor of the Transaction. Closing is expected to occur in February 2008, subject to regulatory approval, approval of ExAlta's shareholders, court approval and certain other conditions. An information circular outlining the Transaction will be mailed to ExAlta shareholders in connection with a meeting of shareholders to be held in early 2008.

Certain ExAlta shareholders, including the Board of Directors and all officers of ExAlta, representing approximately 9.3 percent of the shares outstanding, have entered into lock-up agreements to vote their shares in favor of the Transaction, subject to certain exceptions. ExAlta has agreed that it will not solicit or initiate discussions regarding any other business combination or sale of material assets. ExAlta has also granted Galleon a right to match competing unsolicited proposals. The agreement provides for a \$3.5 million termination fee payable to Galleon in certain circumstances if the Transaction is not completed.

FirstEnergy Capital Corp. is acting as exclusive financial advisor to ExAlta with respect to the Transaction and has advised the Board of Directors of ExAlta that it is of the opinion, as of the date hereof, and subject to review of the final documentation, that the consideration to be received by the ExAlta shareholders pursuant to the Transaction is fair, from a financial point of view, to the ExAlta shareholders.

GMP Capital LP is acting as a special advisor to Galleon with respect to this Transaction.

Prior to this Transaction, 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 and ExAlta (the "Companies") in this news release including management's assessment of future plans and operations, the effect of the Transaction on the Companies, timing of matters related to the approval of the Transaction and implementation thereof, production increases, reserves estimates, production levels, hedging activity and future cash flow 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 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.