

FOR IMMEDIATE RELEASE – January 17, 2008

GALLEON DELIVERS DRILLING SUCCESS OF 89% IN 2007

CALGARY, ALBERTA – Galleon Energy Inc. (“Galleon”) is pleased to report the results of the company’s most successful annual drilling program. A success rate of 89% was recorded resulting in significant growth in production, reserve value and drilling inventory.

In 2007, 93 wells were drilled and 83 wells (74.8 net) were cased for an 89% success rate. Wells cased for production include 29 light oil (26.7 net), 49 natural gas (44.5 net) and 5 heavy oil (3.6 net). 28% of these wells were exploratory.

During the second half of 2007, Galleon focused its drilling program towards light oil to take advantage of high crude oil prices. Six of 7 previously defined exploration areas were successfully converted into new producing properties. The success of the 2007 exploration program has further enhanced Galleon’s portfolio of light oil and natural gas projects with long life reserves and good well productivity. In 2008, Galleon will continue to focus on expanding its light oil, high netback projects.

In fourth quarter 2007, 22 wells were drilled and 19 wells (18.0 net) were cased for an 86% success rate. Wells cased for production include 8 light oil (8.0 net), 10 natural gas (9.5 net) and 1 heavy oil (0.5 net).

Highlights in Q4 2007 and Q1 2008 to date

- Momentum continued to build with the exploitation phase in three of Galleon’s significant light oil growth areas of Eaglesham, McLean’s Creek, and Kimiwan. These projects have shown repeatability, high chance of success, and broad aerial extent. Galleon has an extensive multiyear drilling portfolio identified on existing 3D seismic. Up to 35 wells are planned for light oil in these areas in 2008.
- At Eaglesham, the completion of a new 10,000 bopd battery and expansion of the existing gas plant is on track for start up prior to the end of January 2008. The battery and plant expansion are required to accommodate significant production growth expected from activity planned in 2008.
- Four Beaverhill Lake sand oil wells were drilled and cased at Puskwa in Q4 2007 and early Q1 2008. The northeast extension of the pool was confirmed with the successful drilling of a well at 3-32-72-26W5M which is located 8 miles away from the original discovery well at 16-32-71-26W5M. The 3-32 well was cased on January 14, 2008 and showed over 20 feet of oil charged Beaverhill Lake sand on logs. The well has yet to be evaluated

and is expected to be completed within two weeks. Up to thirteen light oil wells are planned at Pus kwa in 2008.

- An exciting new upper Montney resource play was confirmed through definitive well tests on Galleon lands. This new play is directly analogous to recent industry successes in British Columbia and at Pouce Coupe, Alberta. Galleon plans to aggressively pursue delineation drilling of this pool in Q1 2008.
- In 2008, Galleon plans to drill horizontal wells on its Dawson, Alberta Montney play commencing with the first well in Q1 2008. Galleon has assembled a large contiguous land block at Dawson covering over 500 square miles.

Due to the drilling success achieved in 2007, Galleon's planned capital and drilling program in Q1 2008 will be the largest in the company's history. Approximately \$68 to \$73 million has been allocated with 35 to 40 wells planned. Up to 10 high impact exploration wells are planned in Q1 2008.

Upon closing of the acquisition of ExAlta Energy Inc., Galleon's credit facilities were increased to \$265 million comprised of a lending base facility of \$250 million and an acquisition facility of \$15 million.

Galleon has entered into one term natural gas contract and two crude oil financial contracts. The natural gas contract for 10,000 GJ/day has a term from February 1 to December 31, 2008 with pricing subject to a costless collar of \$6.00/GJ and \$8.00/GJ Canadian. During 2008, one crude oil costless collar contract for 2,000 bbl/day is in place with a floor of \$70.00 CDN WTI and a ceiling of \$80.75 CDN WTI. A second crude oil costless collar contract for 1,000 bbl/day is in place with a floor of \$75.00 US WTI and a ceiling of \$100.00 US WTI.

Galleon is a growth oriented 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 67.6 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.