

FOR IMMEDIATE RELEASE – SEPTEMBER 4, 2008

**GALLEON ENERGY ANNOUNCES SUCCESS IN BC MONTNEY, CENTRAL
AND EASTERN UPPER MONTNEY PROJECTS**

CALGARY, ALBERTA – Galleon Energy Inc. (“Galleon”) is pleased to announce the successful drilling of a significant Montney horizontal oil well located in British Columbia and strong drilling results in the Central and Eastern upper Montney projects.

BC MONTNEY

Galleon’s recently drilled horizontal well in north east BC tested in excess of 200 Bbl/d of 42° API crude oil and 1.0 Mmcf/d of natural gas (370 BOE/d) (gross rates, Galleon’s interest is 77%) over a period of 4 days. Four multistage horizontal fractures were performed. Tie-in of this well is expected within the next six weeks with completion of a natural gas line. The well is expected to be produced at an initial rate of approximately 250 BOE/d.

This is the first horizontal well that has been drilled on this Montney turbidite trend. To date, the lead vertical well on the play has produced approximately 58,200 Bbl of crude oil and 0.42 Bcf of natural gas. This vertical well has a net pay of 50 feet and 12% porosity. Based on current commodity prices, royalty rates and estimated operating costs, pay out of this horizontal well is expected to be within 1 year.

Based on 3D seismic and geological interpretation, the current pool size is estimated to be 6 miles in length and 0.75 miles in width. Approximately 35% of the pool has been delineated to date based on well logs, completions, tests and production. Galleon plans to further delineate this pool by drilling up to 12 horizontal wells under current spacing restrictions over the next 18 months. With down spacing, an additional 12 horizontal wells are planned.

Galleon has access to an approximate 68% interest in over 5,000 gross acres of land on this Montney trend within the project area.

Galleon is committed to developing its resource plays in BC in a program designed to test at least 4 additional resource fairways. Galleon has access to approximately 50,847 gross acres (35,120 net acres) of land in BC. Galleon plans to target approximately 15% to 20% of the 2009 drilling capital program in BC.

CENTRAL AND EASTERN UPPER MONTNEY

Galleon’s first horizontal well drilled in the Central fairway was completed in early July 2008 in the upper Montney zone. The well (100% interest) has been on

production for over one month and has produced at a stabilized rate of 3.4 Mmcf/d with 20 Bbls of crude oil over this period.

One Montney vertical well (100% interest) in the Central fairway was completed in July. The well has been on production for two weeks and is producing from two separate Mid Montney zones. The first zone is producing 1 Mmcf/d and 18 Bbl/d of liquids. The second zone is producing 1.0 Mmcf/d and 8 Bbl/d of liquids. Follow up horizontal drilling is planned in 2009.

In the Eastern Montney fairway, 8 Montney horizontal wells (100% interest) have been drilled in 2008. Four wells are currently producing, in aggregate, over 1,000 BOE/d. Two wells are awaiting tie-in with production capacity of approximately 400 BOE/d. Two wells are awaiting recompletion.

At least two more Montney horizontal wells are planned in the Central fairway and at least 16 Montney horizontal wells are planned in the Eastern fairway over the remainder of 2008.

Galleon has access to approximately 506,000 gross acres of prospective Montney lands in the Central and Eastern areas.

Galleon has approximately 72.9 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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ADVISORY: Certain information regarding Galleon in this news release including management's assessment of future plans and operations, number, type and timing of wells to be drilled, completed and tied-in, the plan and development of certain prospects, production estimates, allocation of capital to certain projects, and the timing of payout of the horizontal wells, 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, 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, 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.

Forward-looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information but which may prove to be incorrect. Although the Galleon believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because the Galleon can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this document, assumptions have been made regarding, among other things: the impact of increasing competition; the general stability of the economic and political environment in which the Galleon operates; the timely receipt of any required regulatory approvals; the ability of the Galleon to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects which the Galleon has an interest in to operate the field in a safe, efficient and effective manner; the ability of the Galleon to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development of exploration; the

timing and costs of pipeline, storage and facility construction and expansion and the ability of the Galleon to secure adequate product transportation; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Galleon operates; and the ability of the Galleon to successfully market its oil and natural gas products.

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.

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.