



GALLEON ENERGY

Galleon Increases Size of Flow-Through Financing

CALGARY, ALBERTA--(Oct. 8, 2009) -

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Galleon Energy Inc. ("Galleon") (TSX:GO) announces that it has increased the size of its previously announced flow-through financing from 2,000,000 to 2,200,000 Class A Shares on a flow through basis ("Flow Through Shares") at a price of \$7.80 per Flow Through Share for aggregate gross proceeds of \$17,160,000. Closing is now scheduled to occur on or about November 2, 2009 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including approval of the Toronto Stock Exchange. The offering is being made on a bought deal, private placement basis through an underwriting syndicate co-led by GMP Securities L.P. and Cormark Securities Inc. and including, Scotia Capital Inc., TD Securities Inc., Macquarie Capital Markets Canada Ltd., FirstEnergy Capital Corp., HSBC Securities Canada Inc., Thomas Weisel Partners Canada Inc. and Maison Placements Canada Inc.

The Class A Shares issued have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States, or to a U.S. person, absent registration, or an applicable exemption from the registration requirements.

ADVISORY: This press release contains forward-looking statements. More particularly, this press release contains statements concerning the anticipated closing date of the offering and the anticipated use of the net proceeds of the offering. Although Galleon believes that the expectations reflected in these forward-looking statements are reasonable, undue reliance should not be placed on them because Galleon can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. The closing of the offering could be delayed if Galleon is not able to obtain the necessary regulatory and stock exchange approvals on the timelines it has planned. The offering will not be completed at all if these approvals are not obtained or some other condition to the closing is not satisfied. Accordingly, there is a risk that the offering will not be completed within the anticipated time or at all. The specific intended use of the net proceeds of the offering by Galleon might change if the board of directors of Galleon determines that it would be in the best interests of Galleon to deploy the proceeds for some other purpose, and which may be subject to various risks including risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, 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. 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).

The forward-looking statements contained in this press release are made as of the date hereof and Galleon undertakes no obligations to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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