



## **GALLEON ENERGY**

FOR IMMEDIATE RELEASE – June 4, 2010

### **GALLEON PROVIDES STRATEGIC ALTERNATIVES PROCESS UPDATE AND ANNOUNCES PROPERTY DISPOSITION**

**CALGARY, ALBERTA--** Galleon Energy Inc. (TSX:GO) ("Galleon" or the "Corporation") is pleased to provide an update on its previously announced strategic alternatives process including the disposition of a property.

As part of Galleon's strategic alternatives process initiated on March 11, 2010, Galleon has entered into a purchase and sale agreement with a wholly-owned subsidiary of a public company to sell its wholly-owned subsidiary that holds a portion of its Puskwa property for approximately \$135 million in cash subject to closing adjustments. These properties represent 100% of Galleon's interest in a portion of its Puskwa property and are currently producing 1.4 Mmcf/d and 1,370 Bbl/d of oil and NGLs (1,600 BOE/d). Closing of this transaction is expected to occur prior to the end of June 2010 with an effective date of June 1, 2010.

This transaction is subject to customary closing conditions including required regulatory approvals and customary purchase due diligence. Net proceeds from the sale will be used to reduce bank indebtedness. After giving effect to the property disposition, Galleon expects to have average daily production of approximately 14,500 BOE (25% oil and NGLs, 75% natural gas) based on field report estimates, net debt of approximately \$120 million, and tax pools of approximately \$630 million.

The strategic alternatives process is continuing with various further steps and alternatives being reviewed. Galleon does not intend to disclose further developments with respect to the strategic review process until the board of directors has approved a further definitive transaction or strategic option, unless otherwise determined or required by law. There are no guarantees that the process will result in an additional transaction or, if a transaction is entered into, as to its terms or timing.

FOR FURTHER INFORMATION SEE [www.galleonenergy.com](http://www.galleonenergy.com).

## *Forward-Looking Statements and Advisories*

*Statements herein that are not historical facts may be considered forward looking statements including management's assessment of future plans, completion of the disposition and the anticipated closing date and effective date thereof and the expected production, net debt and tax pools after giving effect to the disposition. These forward-looking statements sometimes include words to the effect that management believes or expects a stated condition or result. All estimates and statements that describe the Corporation's objectives, goals or future plans are forward-looking statements. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties including, without limitation, risks associated with closing of the disposition including satisfaction of the conditions to closing thereof, 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, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources. As a consequence, Galleon's actual results may differ materially from those expressed in, or implied by, 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 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 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: timing of satisfaction of conditions precedent to closing of the disposition and the effects of the disposition. Readers are cautioned that the foregoing list of factors and assumptions 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](http://www.sedar.com)), or at Galleon's website ([www.galleonenergy.com](http://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.*

## *BOEs*

*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.*

For more information, please contact

Galleon Energy Inc.  
Steve Sugianto  
President and Chief Executive Officer  
(403) 261-6012

or

Galleon Energy Inc.  
Glenn R. Carley  
Executive Chairman  
(403) 261-6012

or

Galleon Energy Inc.  
Shivon Crabtree  
Vice President and Chief Financial Officer  
(403) 261-6012