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On behalf of: Galleon Holdings plc ("Galleon" or "the Company")
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Galleon Holdings PLC

Acquires stake in US strategic partner

Galleon Holdings plc (AIM: GON), the AIM listed entertainment media company developing and producing multi-platform properties with a focus on emerging markets, announces it is to acquire a 19% stake in Dragonfruit Entertainment, a subsidiary of its US strategic partner, Dragonfruit Studios.

Galleon will contribute a total of £252,000 (\$347,000) to the working capital of the newly formed Dragonfruit Entertainment, to be satisfied by \$250,000 in cash and 426,000 new Ordinary 1p shares in Galleon Holdings plc.

In September 2008 it was announced that Dragonfruit Studios had licensed certain exploitation rights to two of Galleon's multi-platform entertainment properties, Super Soccer Star and Apollo's Pad. This investment by Galleon in Dragonfruit Entertainment marks a strengthening of the relationship between the two companies and provides Galleon with an operating presence in the US, domestic market as well as expertise and expansion opportunities for its entertainment properties. Dragonfruit Entertainment will generate revenues from sponsorship, advertising and online exploitation in the US and the rest of the world. Galleon expects to receive a royalty from these activities.

Dragonfruit Entertainment is currently redeveloping the Apollo's Pad format in preparation for a multi-platform relaunch. The plans include a particular emphasis on establishing global distribution and attracting global advertising and sponsorship partners, to build on the relationships with Sony BMG and EMI, which supply the music catalogue for the site. The phased relaunch of the new apollospad.com website has already begun and will roll out progressively in the coming months.

Apollo's Pad is an interactive entertainment property aimed at the highly coveted yet elusive young male audience and offers online and mobile users a unique, broadcast-quality comedy entertainment show. The property features a series of webisodes set in the fictional Apollo's Pad nightclub and a cast of characters modelled after different music genres.

Dragonfruit Studios was launched in January 2008 by Michael Koziol and Melissa Honabach, who previously founded interactive agency Ant Farm Interactive in 1999, which they sold to Nurun, a publicly traded (TSX) global interactive agency, in 2004. Nurun was subsequently acquired by Quebecor Media. The principals are widely recognised for their expertise in digital media and marketing, new and emerging media models, and advising leading global brands on the new media landscape. During their tenure at Ant Farm Interactive and Nurun, they advised a wide range of clients, including: AT&T, AutoTrader.com, Equifax, L'Oreal, Unilever, Evian, The Home Depot, Bombardier Recreational Products, Frontier Airlines, and many others.

The 426,000 new Ordinary Shares being issued will rank pari passu in all respects with the existing Ordinary Shares in Galleon. Application will be made for these new shares to be admitted to trading on AIM and it is expected that dealings will commence on 2 February 2009.

Commenting on the partnership, CEO of Galleon Holdings, Stephen Green said:

“Michael and Melissa have a proven track record of building successful businesses. Their knowledge of the North American market, digital media expertise and network of contacts are highly complementary to our own and we are confident that this partnership will help Galleon expand its entertainment brands more rapidly into the US and internationally”.

Commenting on the partnership, CEO of Dragonfruit Studios, Michael Koziol said:

“Galleon and Dragonfruit Studios have aligned interests, compatible styles, and similar cultures. We are excited about this expansion of our corporate relationship and using it as the platform to bring new concepts in multi-platform content and branded entertainment to the global market.”

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Notes to Editors:

ABOUT GALLEON HOLDINGS

Galleon Holdings plc creates and distributes multi-platform branded entertainment properties focused on the emerging markets, in particular China and South East Asia. The entertainment properties are designed to establish a direct, interactive relationship with the viewer.

Television in China reaches approximately 98% of the population of 1.3 billion. Mobile phone penetration is also high, with over 450 million subscribers and with over 300 million people online, China is now the largest online market in the world. Huge TV audiences and growing interactive platform access presents a substantial opportunity for Galleon to benefit from the popularity and demand for interactive entertainment and game shows. China is forecast to become the world's fifth largest advertising market.

In October 2007 Galleon acquired Phoenix, a Hong Kong based media solutions company, which specialises in the provision of interactive broadcast television services that enable broadcasters in China and South East Asia to provide interactive entertainment for audiences to access through TV, online and mobile.

In February 2008 Galleon acquired Yunbo, a mobile service provider in China, strengthening the Company's ability to provide Chinese broadcasters with a complete media solution for multiplatform

entertainment. Galleon now has total control over the interactive content, its delivery to the consumer, data capture and the billing process.

Galleon develops entertainment formats for children, families and young adults. These include:

- Super Soccer Star – an interactive family orientated football talent show. Produced in association with Chelsea Football Club. The first series, broadcast in Guangdong province, China, achieved top five show status. The show has recently launched in Malaysia.
- Skunk Fu! - a comedy action animated TV show for kids aged 6-11.
- Apollo's Pad - an interactive online animated sitcom targeting the young male audience.

ABOUT DRAGONFRUIT STUDIOS

Dragonfruit Studios is an Atlanta-based original content studio focused on creating, developing, and producing multi-platform entertainment properties. With the dynamic shifts occurring in the media and entertainment spaces, now is the time for new approaches to content creation and a new view towards distribution and revenue models. The founders' experience with new marketing and media models, their perspective on the current and emerging media landscape, and their understanding of the needs and expectations of new consumers positions Dragonfruit Studios well to create and exploit new audiences and deliver the right content using the right channels.