



FOR IMMEDIATE RELEASE

TSX.V: FYI

Galena Capital Corp. Closes Purchase and Sale Agreement on Matagorda Bay Project in the Gulf of Mexico

Vancouver, British Columbia, CANADA (March 7, 2011) –

Galena Capital Corp. (TSX.V: FYI), (the “Company”), is pleased to announce that it has entered into a definitive Participation Agreement with Arbol Energy (“Arbol”), a private Houston based oil and gas company, governing Arbol’s Matagorda Bay, Texas Prospect.

The Participation Agreement provides Galena with a 23% Working Interest (23% Working Interest Before Payout, 17.25% Working Interest After Payout) in the 1280 acres covering Texas State Blocks 127, the south half of Block 150 and the north half of Block 151, and includes 3 existing well bores, an existing 7 mile pipeline to shore and an onshore oil/gas handling facility.

Under the terms of the Participation Agreement, Galena will pay 23% of lease acquisition, geological and geophysical costs (\$650,000 gross, or \$150,000 net to Galena) and 23% of any costs associated with re-completion of the existing well bores.

A key component of this acquisition is the existence of a fully drilled, cored, logged, cased and shut-in well bore (the 127-1) in Block 127. The 127-1 well has multiple pay zones indicated on logs and cores and is expected to be initially completed in the Bol Mex (8560 - 8710' depth) section of the Lower Frio. Internal analysis of the logs and cores of the Bol Mex zone indicate approximately 115 feet of expected oil pay. The reservoir is estimated to cover a minimum of 350 acres with potential up to 750 acres.

Completion planning has already begun with Operating Partner South Bay Resources, and on-site operations are expected to commence within the next 2 months.

Costs associated with the re-entry, perforation and testing of the 127-1 well are expected to be approximately \$1,200,000 (approximately \$276,000 net to Galena).

An additional 200 plus feet of apparent net pay are evident in the logs and cores, and upon successful completion of the Bol Mex interval the company will target these additional zones for future completions.

Arni Johansson, Chairman states “This acquisition of a low cost, low risk, asset provides an ideal profile for Galena as we move into the Oil and Gas sector”. Galena is moving its strategic focus from strictly mining into hydro carbons. The Matagorda bay project is complementary to our proposed bitumen project which is currently in the due diligence phase.

ON BEHALF OF GALENA CAPITAL CORP.

“Arni Johannson”

Chairman

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Although Galena believes that the expectations and assumptions on which the forward-looking statements are based reasonable, undue reliance should not be placed on the forward-looking statements because Galena 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. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the failure to obtain necessary regulatory approvals, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), and commodity price, interest rate and exchange rate fluctuations. The forward-looking statements contained in this document are made as of the date hereof and Galena undertakes no obligation 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.