



*FOR IMMEDIATE RELEASE*

*TSX.V: FYI*

Vancouver, British Columbia, CANADA (October 5, 2011)

Vancouver, BC, October 5, 2011 – Galena Capital Corp. (TSXV: FYI) (the “Company” or “Galena”), a Vancouver-based company listed on the TSX Venture Exchange, wishes to provide the following operational update regarding our Matagorda Bay prospect.

South Bay Resources LLC, (“the Operator”) has advised that the Parker 76B rig arrived under tow on location at the 127-1 well site at 22:30 PM hours, Wednesday September 28<sup>th</sup>, 2011.

Recompletion activities have commenced; the perforation of the Bol Mex sand scheduled to occur in the next several days, immediately followed by a Frac Pack. Testing of the well will follow the completion of the Frac Pack procedure.

As a result of operational changes including the addition of a Frac Pack procedure to the completion, the AFE for this operation has escalated to approximately \$2.6m USD.

The Company is funding its share of this increase (~US\$258,000) by way of a sale of an 8% interest in the project; thereby reducing its working interest from 23% to 15%.

#### **About the Matagorda Bay Prospect**

The Matagorda Bay recompletion project comprises approximately 1,600 acres and consists of Texas State Blocks 127, 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.

A key component of this acquisition is the existence of a fully drilled, cored, logged, cased and shut-in well bore (the 127-1 well) 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.

### **ON BEHALF OF THE BOARD OF DIRECTORS**

#### **GALENA CAPITAL CORP.**

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Although Galena believes that the expectations and assumptions on which the forward-looking statements are based are 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 law.