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Vancouver, British Columbia: July 20, 2006 - Galway Resources Ltd. (GWY: TSX-V) ("Galway" or the "Company") is pleased to announce that drilling will begin this week at its Indian Springs Tungsten deposit, Elko County, Nevada. Diversified Drilling has been contracted to drill approximately 10,000 feet in 26 holes using a reverse circulation drill rig. Of the 26 holes, eight holes have been designated for twinning purposes to validate (for grade and drilling methods) the results of holes drilled by exploration companies in the past.

The three objectives of the reverse circulation drilling program are:

- To validate historical drilling results and confirm the existing geological model (Note: there were 336 holes (82,000 feet) drilled in prior exploration programs.)
- To carry out in-fill drilling between widely spaced holes.
- To utilize some of the samples for metallurgical testing.

Management also intends to initiate as soon as possible a core drilling program, the primary purpose of which will be to collect samples for metallurgical testing.

" I am extremely pleased with the progress that Galway is making in a very short period of time. We have put together a very competent technical team headed by Marshall Himes. This team has successfully compiled and digitized the historical information on Indian Springs, enabling us to formulate the optimal plan to achieve the desired results from our current drilling program. Starting this drilling program marks one of the major milestones as we look to move this advanced exploration tungsten project into the pre-feasibility stage by year end," stated Robert Hinchcliffe, President and CEO of Galway.

Indian Springs Project

The Indian Springs Tungsten Property, located in northeastern Nevada (25 miles north of Montello), is an advanced stage exploration property that has been inactive since the early 1980's due to low tungsten commodity prices over most of this period. The project has very favorable infrastructure advantages including but not limited to road access and nearby rail lines. The project represents an opportunity for Galway to bring a historical advanced exploration property to current and compliant resource definition and scoping level study (preliminary assessment) within a six month time frame with expected expenditures



projected to be less than US\$1 million.

The property underwent extensive exploration drilling and metallurgical testing during the period of 1968 through 1986, including by three major mining companies, Placer Amex, Union Carbide and Utah International, with a total estimated expenditure of US\$3.0-5.0 million. A historical tungsten resource was defined based upon 336 drill holes representing in excess of 82,000 feet of drilling and thousands of feet of trenching, geologic mapping, sampling, along with metallurgical testing. The drill-defined tungsten mineralization has exploration potential along strike to the northeast and southwest.

Various historical resource and "reserve" estimates exist, with the most recent carried out by Utah International in 1984 (internal Company documentation) ranging from 8.85 million tons @ 0.257% WO₃ at a 0.17% cutoff grade to 21.94 million tons @ 0.179% WO₃ at a 0.10% cut-off grade; with strip ratios of 4.8 and 1.3 respectively. These historical resource/reserve numbers should not be relied upon as they have not been classified according to CIM resource/reserve categories. There is insufficient documentation to categorize the historical "reserves" and therefore to reconcile them with current National Instrument 43-101 resource/reserve categories. Galway is not reporting a resource/reserve estimate at Indian Springs. While current National Instrument 43-101 compliant resources and/or reserves are not established for Indian Springs, Galway considers the project data to be substantial and relevant. Indications are that resource estimation is achievable using the large amount of existing historical drill data. The foregoing is derived from the National Instrument 43-101 technical report on the Indian Springs property dated January 27, 2006 and prepared by Allan Moran of SRK Consulting found under the Company's profile on the SEDAR website at www.sedar.com.

Bob Morrell is Galway's Qualified Person responsible for the activities at Indians Springs and has reviewed the technical content of this news release. Galway is following the "Best Practices Guidelines" in documenting, reporting, and conducting exploration activities at Indian Springs.

Private Placement Update

Further to the Company's announcement on June 7, 2006 of a non-brokered private placement of up to two million units, the Company has revised the pricing of the units. Each unit will now be priced at \$0.80 (previously \$1.00) for gross proceeds of up to \$2 million. Each full warrant is exercisable into one additional common share of the Company for a period of 18 months from the close date of the private placement at an exercise price of \$1.25 (previously \$1.40).



The warrants will be subject to accelerated expiry in the event the closing trading or quotation price of the common shares of the Company on the TSX Venture Exchange is \$1.70 (previously \$1.80) per common share or higher over a period of 20 consecutive trading or quotation days beginning on the date that is four months and one day after the date of issuance of the warrants.

All other terms and conditions as set out in our news release dated June 7, 2006 will remain the same, including the requirement for approval of the TSX Venture Exchange.

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The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this news release.

Forward Looking Statements:

Some statements in this news release contain forward-looking information. These statements include, but are not limited to, statements with respect to future exploration, development and production activities, financing terms and future expenditures. These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. Such factors include, among others, the timing and success of future exploration, development and production activities, the terms of proposed financings and the timing and amount of expenditures.