Vancouver, British Columbia: August 29, 2006 – Galway Resources Ltd. (GWY: TSX-V) is pleased to announce the first results of its current confirmatory drilling program at its Indian Springs tungsten project. The current reverse circulation program consists of drilling an expected 26 holes for a total footage or approximately 10,000 feet. Thus far, partial results of 6 holes have been received and a total of 9 holes have been completed.

"I am very pleased with these initial results confirming some of the historical data. Moreover, I am very happy with the progress we have made in a short period of time. Our staff has done a terrific job with the compilation of the historical data, putting together a sensible work program at Indian Springs. Now the solid execution of a work program with encouraging assay results is certainly very satisfying. The work program moves us closer to our goal of developing an open pit tungsten mine at Indian Springs," stated Marshall Himes, the COO of Galway.

Current Drilling Program
The 2006 drilling program has two main objectives: collection of material for metallurgical testing, and verification of historic data for which QA/QC information is unavailable. Comparison of these results with the nearest historical data is shown in the following table. Additional information including the cross section views (cross section 61, cross section 63) of these hole locations (and relevant mineralized intercepts) and relative to the location of the historical holes can be seen by clicking on the following links (To access cross section 61 directly please refer to: http://www.galwayresources.com/i/maps/Indian_Springs_Cross_Section_61.pdf To access cross section 63 directly please refer to: http://www.galwayresources.com/i/maps/Indian_Springs_Cross_Section_63.pdf To access drill hole plan map directly please refer to: http://www.galwayresources.com/i/maps/Indian_Springs_Plan_Map.pdf)

In general the results to date indicate that the new drilling verifies the geometry of mineralized zones previously defined by the historic drilling and compare favorably in terms of grade. Over the years 336 holes were drilled at Indian Springs representing a total of 82,000 feet of drilling. This drill data has been digitized and served as the basis for devising the current work program. As noted, partial analytical results have been received for the first six holes drilled at Indian Springs. To summarize the results received to date would include:

- **Four Cross Holes:** Drill hole ISR06-101 crosses a thick zone of mineralization defined by historic vertical holes UCW-66 (open rotary wagon hole) and UISC-11 (core). It confirms the grade of the zone and extends the limits of the zone to the northwest.

Drill hole ISR06-102 fills a gap in drilling adjacent to a historical open rotary wagon hole UCW-80. It confirms the geometry and grade of the mineralized zone. Drill hole ISR06-103 crosses a thick flat-lying mineralized zone defined by several historical open rotary wagon holes and generally confirms the shape and grade. Similarly, ISR06-106, crosses another mineralized zone defined by an historical rotary hole UCW-63. ISR06-106 intersected a slightly thinner and lower grade mineralization.

- **Two Twin Holes:** ISR06-104 twins an open rotary hole (UC-25) and confirms the bottom limit of the mineralized zone. Assays are pending for the upper part of the mineralized zone. Drill hole ISR06-105 is also a twin of two generations of historical open rotary holes (UCW-75, J-8). It confirms the location of two mineralized horizons.

Comparison of mineralized intervals (+0.1%WO3) in 2006 drill holes with nearest historic data.

2006 HOLE	FROM	TO	%WO3	RELATION TO HISTORIC DRILLING(*)	HISTORIC HOLE	FROM	TO	%WO3
					UCW-66	30	220	0.221
ISR06-101	15	175	0.220	crosses	UISC-11	0	215	0.171
ISR06-102	40	80	0.209	crosses	UCW-80	35	75	0.183
				crosses	UCW-19	0	100	0.153
				crosses	UCW-14	0	100	0.230
ISR06-103	5	100	0.222	crosses	UCW-13	0	100	0.288
				crosses	UCW-15	10	60	0.296
ISR06-104(**)	55	100	0.272	twins	UC-25	15	95	0.339

				twins	UCW-75	20	85	0.185
ISR06-105	30	70	0.241	twins	J-8	30	70	0.048
ISR06-105	135	170	0.207	twins	J-8	130	180	0.240
ISR06-106	60	95	0.164	crosses	UCW-63	40	95	0.185

(*) "Crosses" indicates new hole crosses mineralized zone (near but not necessarily through the actual hole trace) but at different angle than historic hole. "Twins" duplicate the historic hole as nearly as possible.

(**) Analytical results for interval from 0-55 in hole ISR06-104 are pending.

As shown in Sections 61 and Section 63, the mineralization tends to dip shallow and to the east, and all but 2 of Galway's drill hole have been drilled perpendicular to the trend of mineralization and represent true thickness intercepts. Note, that holes ISRO-102 and ISRO-104 are the exception. Full assays for each of the drill holes will be available on the Company's website as received.

About Indian Springs

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. The project represents an opportunity for Galway Resources to bring a historical advanced exploration property to current and compliant resource definition and scoping level study (preliminary assessment) in a 6 to 9 month time frame with expected expenditures projected to be less than US$1 million.

The project had undergone extensive exploration drilling and metallurgical testing during the period of 1968 through 1986, including the activities of three major mining companies; Placer Amex, Union Carbide, and Utah International; for a total estimated expenditure of from US$3.0 to $5.0 million. A historical tungsten resource was defined based upon 336

drill holes, representing over 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.

The most current reserve, carried out by Utah International in 1984 (internal Company documentation), stated a reserve of 8.85 million tons @ 0.257% WO3 at a 0.17% cutoff and a strip ratio of 4.8. Additionally, Utah International also reported a reserve of 21.94 million tons @ 0.179% WO3, at a 0.10% cut-off grade and a strip ratio 1.3. These historical 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 NI 43-101 resource/reserve categories. While current NI 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.

About the Company
Galway is a mineral exploration company focused on developing two recently acquired advanced exploration projects that are located in the United States. Collectively the Indian Springs and Victorio projects have 250,000 feet of historical drilling done on the projects. Both projects are located in the United States in states that have a history of mining, and both projects are well situated with regards to existing infrastructure. The company has successfully compiled all the historical data on both projects and has recently commenced a drilling program at the Indian Springs tungsten project and expects to begin drilling at the Victorio molybdenum-tungsten project in the early Fall. The company continues to look for interesting projects with reasonable deal terms in an effort to further diversify its commodity exposure.

The results of the Company's current drilling program have been reviewed, verified (including sampling, analytical and test data) and compiled by the Company's geological staff (which includes a "qualified person," Bob Morrell, CPG, the Company's Vice President of Project Development, for the purpose of National Instrument 43-101 *Standards of Disclosure for Mineral Projects,* of the Canadian Securities Administrators).

The Company has implemented a quality assurance and quality control (QA/QC) program to ensure collection and analysis of all drill samples is conducted in accordance with the best possible practices. Samples are stored in a secured area in Montello prior to transfer to lab personnel for shipping to the Chemex sample preparation facility in Elko, Nevada. Duplicate samples are collected for all intervals and retained for future metallurgical work or assay

verification. Other QA/QC procedures include the insertion of blanks and control samples every 100 feet, and re-assaying duplicate pulps of 5% of all samples and 10% of samples assaying greater than 0.1% WO3. All duplicate samples are re-assayed at both Chemex and at a certified independent laboratory (either SGS or American Assay). WO3 is assayed at the Chemex Vancouver laboratory by two methods: (1) lithium borate fusion with an XRF finish and (2) pressed pellet XRF.

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.

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The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents 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 the completion of transactions, the timing and amount of payments and share issuances, the completion of financings, the use of proceeds, future exploration, development and production activities 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 ability to complete contemplated transactions, payments, share issuances and financings, the use of proceeds, the time and success of future exploration, development and production activities and the timing and amount of expenditures.