



Toronto, ON: August 19, 2008 - Galway Resources Ltd. (GWY: TSX-V) is pleased to announce new resource estimates for the Victorio project, which is a molybdenum tungsten project located in southern New Mexico. The new resource estimate incorporated the results of the recently completed 12-hole, 25,000 foot, phase 2, infill drilling program. The purpose of the infill drilling program is to upgrade the resource with the intended next step being a pre-feasibility study following the positive results of the recent Scoping Study.

“We are very pleased with the new upgraded resource with a high percentage now falling in the measured category. A component of our next drilling program will be to further expand the higher grade core while also expanding the larger system which is believed to be amenable to the low-cost block caving mining method,” cites Robert Hinchcliffe, President and CEO of Galway Resources.

Highlights of new resource estimates include:

- **Resources upgraded to Measured Category:** The new resource estimates now have roughly 25% in the Measured Category (versus 0% in the prior estimate), and an additional 25% of the resources fall in the Indicated Category.
- **Block Caving potential appears more robust:** The contained metal for molybdenum and tungsten increased by over 22% at the \$25 per ton cutoff.
- **Deposit remains open in 3 directions:** The deposit remains open at different cutoffs to significantly increase tonnages with additional drilling.
- **Prevailing \$34 molybdenum price and \$13 per pound tungsten price are much higher than the estimated resources calculated using a \$15 molybdenum and \$8 tungsten price.**

New Victorio Resource Estimate using \$15/lb molybdenum and \$8/lb Tungsten

Category	Cutoff/ Ton	Tons	Mo %	Tungsten%	Contained Metal (pounds)	
					Molybdenum	Tungsten
Measured	\$25	37,737,913	0.10	0.08	71,702,035	61,890,177
Indicated	\$25	39,499,463	0.08	0.09	64,779,119	72,679,012
M+I	\$25	77,237,376	0.09	0.09	136,481,154	134,569,189
Inferred	\$25	77,222,232	0.07	0.09	114,288,903	143,633,352
Measured	\$35	20,275,366	0.12	0.11	47,444,356	42,983,776
Indicated	\$35	19,125,184	0.10	0.12	39,397,879	45,517,938
M+I	\$35	39,400,550	0.11	0.11	86,842,235	88,501,714
Inferred	\$35	34,728,550	0.10	0.11	66,678,816	78,486,523



Galway Resources recently retained John Tumazos, Very Independent Opinions to commercialize the Victorio project. John Tumazos indicated, “We estimate at \$15 per pound molybdenum and \$8 per pound tungsten that the Victorio Project offers robust returns. Using the U.S. Securities and Exchange Commission’s (the “S.E.C.”) suggested 3-year rolling average molybdenum price and then conservatively discounting the price by a further 25%, leaves us with a molybdenum price of US\$22.50 under the block caving scenario yielding an NPV in excess of US\$700 million. Additionally, there is plenty of expansion potential for a deposit containing metals with a strong outlook on the pricing side, plus add in the great infrastructure and one realizes that all the ingredients are prevalent for an interesting project.”

New Resource Estimate Comparison with Prior Estimates						Contained Metal in Pounds	
Category	\$ Cutoff value/ton	New Model Tons (Millions)	Previous Model Tons (Millions)	Change in Tons (Millions)	Mo Equiv %	Mo Equiv lbs	Change in lbs
Measured + Indicated	25	77	67	10	0.134	206,000,000	3,000,000
Inferred	25	77	42	35	0.124	191,000,000	77,000,000
Measured + Indicated	35	39	40	-1	0.170	133,000,000	-20,000,000
Inferred	35	35	22	13	0.156	109,000,000	34,000,000

Note: For molybdenum equivalent calculation \$15 per molybdenum price and \$8 per pound tungsten price was used assuming also that metallurgical recoveries and net smelter returns are 100%.

Geological Modeling Discussion

The new geologic resource was calculated in compliance with NI 43-101 guidelines by Dr. H. Peter Knudsen, PhD. Dean of the School of Mines and Engineering, Montana Tech of the University of Montana. Dr. Knudsen is a “Qualified Person” as defined by NI 43-101, and is the Qualified Person responsible for the new resource estimations contained in this news release, and has reviewed the content of this press release.

The database used by Dr. Knudsen was updated to include Galway’s recently drilled holes, and totals 109 holes, 217,024 feet of drilling. The same estimation procedure that SRK used for their geologic resource estimate, inverse distance to the third power, was used for these calculations. The SRK resource estimates were reported in Galway’s press release dated



October 25, 2007.

Galway project personnel constructed new N-S and E-W sections and a new limiting polygon was developed from the sections, plan maps and 3-D images of the drill hole data. Dr. Knudsen calculated new 3-D shapes for each rock type, and a new geologic model, using parameters similar to SRK. As in previous studies a block size of 30' by 30' by 15' was used. The model was made using SURPAC Vision and transferred into VULCAN.

The resources are classified into Measured, Indicated and Inferred according to CIM guidelines. Standard geostatistical calculations show that a drilling grid of 200 ft. will give estimates that have a +/- 25% relative error bound. Thus, a portion of the resource could be upgraded into the Measured category.

About the Company

The Company is focused on developing and commercializing the Victorio project, and exploring for gold and coal in Colombia. The Victorio project has 165,000 feet of historical drilling and Galway has drilled an additional 40,000 feet. The Company has retained John Tumazos, of Very Independent Research, to investigate strategic alternatives to advance this project. Management believes that Galway's strategic portfolio of properties offers investors an interesting exposure to a unique blend of commodities (molybdenum, gold, tungsten, metallurgical and thermal coal) in varying stages of development.

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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, future studies and reports, 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 use of proceeds, the timing and success of future exploration, development and production activities the timing and completion of future reports and studies, and the timing and amount of expenditures.