

Toronto, Ontario: February 5, 2009 - Galway Resources Ltd. (GWY: TSX-V) is pleased to announce today that it has entered into an exploration and joint venture agreement with Prodeco for Galway's GALCA coal project in Colombia. The GALCA coal project comprises 132,000 hectares that Galway believes could host a new undiscovered coal basin that occurs close to surface. A 19-hole drilling program has been designed for the first phase of exploration. This drilling program will be focused on two areas (the northern flank and the southeastern portion) that appear to have the highest prospect of coal near the surface.

"We are very pleased to have Prodeco as a joint venture partner and to aggressively explore and realize the full potential of GALCA. This area has the potential to host several new coal deposits with great existing infrastructure. The upside could be tremendous," cites Robert Hinchcliffe, President and CEO of Galway Resources.

Terms of the Transaction

The terms of the GALCA exploration and joint venture agreement include the following: Prodeco will fund the first 19 drill holes, and in consideration for agreeing to fund the feasibility drilling program, thereafter will earn 60% of the project. Prodeco will then earn the remaining 40% in the project by paying Galway an already agreed value per tonne of economically mineable open-cut reserves determined in accordance with the JORC Code. The feasibility costs that are not associated with drilling will be spent based on a pro rata basis.

GALCA Project

The GALCA project comprises 77 concessions (132,000 hectares) and is located in the Cesar State. The project has very favorable infrastructure, with the Fenoco rail line running through the middle of the concession area, and the Rio Magdalena river and the National Road to the Caribbean coast and ports running along the western edge of the project.

Extensive analysis has been conducted over several months studying various seismic data and other geological analysis derived from petroleum drilling carried out over the years. Geological analysis indicates the presence of coal and this land package was put together targeting the areas where it is believed that coal is closest to the surface. As such, the focus for the 19 hole drilling program will be on the more prospective northern and southeastern flanks.

Colombian Coal Overview

After doubling the production and exports of coal in recent years, Colombia is the largest exporter of coal to the United States and is by far the largest coal producer in Latin America. More specifically, the total annual coal production is currently about 70 million

tons and that figure is expected to double by 2015 as levels of foreign direct investments continue to increase with high energy prices. Colombia is recognized for its vast high grade coal resources along with its highly motivated and skilled labor force.

About the Company

Galway Resources is also focused on commercializing the Victorio Project (a molybdenum-tungsten project located in south western New Mexico), whose positive Scoping Study results were reported on earlier this year. John Tumazos of Very Independent Opinion has been engaged to assess Galway's strategic alternatives. Mr. Tumazos has more than 25 years working on Wall Street in the mining and steel sectors, providing strategic and transactional advice to companies and financial institutions. Galway will look to secure joint venture partners to advance Galway's different projects. Management believes that its strategic portfolio of properties offers investors an interesting and attractive exposure to a unique blend of commodities (molybdenum, 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 the completion of transactions, the possibility of coal deposits, future exploration, development and production activities, future expenditures and forecast Colombian coal production. 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, without limitation, the timing and success of contemplated transactions and exploration,



development and production activities, the realization of coal deposits, the timing and amount of expenditures and actual realized Colombian Coal production. See the “risk factors” set out in Galway’s management’s discussion and analysis files on the SEDAR website.