



**Toronto, Ontario: August 28, 2009 - Galway Resources Ltd. (GWY:TSX-V)** announced today that its Board of Directors has approved the adoption of a shareholder rights plan agreement (the "Rights Plan"). The Rights Plan is being adopted to ensure the fair treatment of all Galway's shareholders in connection with any take-over bid for the outstanding common shares of Galway. The Rights Plan is intended to provide shareholders with adequate time to properly evaluate and assess a take-over bid without facing undue pressure or coercion. The Rights Plan also provides the Board of Directors of Galway with additional time to consider any take-over bid and, if applicable, to explore alternative transactions in order to maximize shareholder value.

The Rights Plan is not designed to prevent take-over bids that treat Galway's shareholders fairly. Pursuant to the terms of the Rights Plan, any bid that meets certain criteria intended to protect the interests of all shareholders are deemed to be "Permitted Bids". A Permitted Bid must be made by way of a take-over bid circular prepared in compliance with applicable securities laws and, in addition to certain other conditions, must remain open for 60 days. In the event a take-over bid does not meet the Permitted Bid requirements of the Rights Plan, the rights issued under the plan will entitle shareholders, other than any shareholder or shareholders involved in the take-over bid, to purchase additional common shares of the Company at a significant discount to the market price of the common shares at that time. The Rights Plan is not being adopted in response to any proposal to acquire control of Galway.

The Rights Plan is subject to approval by the TSX Venture Exchange (the "Exchange") and in accordance with the policies of the Exchange will be presented for ratification by the shareholders of Galway within 6 months. If ratified by shareholders, the Rights Plan will have an initial term of three years.

### **Current Developments**

The major focus of the Company is:

1. To take full advantage of the recently acquired gold properties located on the California Gold Trend (Colombia). Recent results confirm historical data indicating Galway's concessions are on trend with Ventana's La Bodega-La Mascota project's and Greystar's Angostura project. Drilling is expected to begin on the California properties during the fourth quarter of 2009.
2. On the coal front, Prodeco will begin drilling at Galway's GALCA project in early October 2009.

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***Neither the TSX Venture Exchange nor its regulation services provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this 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, 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.