

**Toronto, Ontario: November 17, 2009 - Galway Resources Ltd. (GWY: TSX-V)** is pleased to announce today that Prodeco (Colombian subsidiary of Xstrata) has begun drilling the first of 19 holes in the initial drill program at Galway's Galca coal project. The company has an exploration and joint venture agreement with Prodeco, which is the third largest coal producer in Colombia, with 11 million tons of annual coal production. The GALCA coal project comprises 132,000 hectares that Galway believes could host a new undiscovered coal basin that occurs close to surface. 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 that our joint venture partner Prodeco has begun the drilling program, which could be very exciting. 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, will be granted a 60% equity interest in the project. Prodeco will then earn the remaining 40% equity interest 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, up to US\$70 million.

### **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. [Click here for location and infrastructure map](#)

Extensive analysis of various seismic data and other geological studies derived from petroleum drilling carried out over the years, have been conducted. 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. [Click here to see the location of the 2 priority areas for drilling](#)

## **Colombian Coal Overview**

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.

## **Changes to the Board of Directors**

The Company also reports the resignation of Mr. Ron Guill as a member of the Board of Directors. The Company would like to thank Mr. Guill for his contribution as a Director, and wish him the best in the future. Galway Resources is pleased to announce that Mr. Robb Doub has agreed to join the Board of Directors

Mr. Doub has over 16 years of investing in high growth, international emerging businesses. He is currently a general partner of New Markets Venture Partners, and sits on the Board of several different companies. Prior to this position, Mr. Doub was a Managing Director of SEAF, an emerging market venture capital company managing over \$200 million in Central and Eastern Europe, Latin America, and Asia. He currently serves on the Board of K2 Alternative Strategies Offshore LTD, a hedge fund of funds managed by K2 Advisors, a leading multibillion dollar hedge fund of funds. Mr. Doub also serves on the Conflicts Advisory Board of the off-shore hedge funds managed by Deutsche Asset Management's Absolute Return Strategies Group. Mr. Doub graduated from the University of Vermont, with a major in History, and received a MBA with Honors from Georgetown University.

## **About the Company**

Galway Resources is a well capitalized company, primarily focused on the exploration of gold and coal in Colombia. The company holds a significant land package in California's Colombia Gold Trend, where drilling will begin in the second half of November 2009. The properties are located less than 1 kilometer south-west of Ventana's La Bodega project, and 3 kilometers from Greystar's Angostura project, and are along strike.

## **For further information contact:**

Galway Resources Ltd.  
Robert Hinchcliffe  
President and Director

1-800-475-2412

[www.galwayresources.com](http://www.galwayresources.com)

***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 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.