

ENERGULF RESOURCES INC.

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TSX Trading Symbol: ENG

NEWS RELEASE

January 9, 2006

ENERGULF CLOSES \$1,329,979 OF PRIVATE PLACEMENT

PRIVATE PLACEMENT

(HOUSTON) EnerGulf Resources Inc. (TSXV: ENG) (the "Company") is pleased to announce that it has now closed the first tranche of a private placement consisting of 379,994 units of the Company at the price of \$3.50 per unit to raise proceeds of \$1,329,979. Each unit consists of one common share and one common share purchase warrant with each warrant entitling the holder to purchase one additional common share of the Company at a price of \$5.50 per share until December 28, 2006. If in any consecutive 20 trading day period, the average closing price of the Company's shares is CDN\$8.50 or higher, warrant holders will be granted a further period of 30 days from the date of notice to exercise their warrants, failing which they will expire.

A finder's fee of 9,450 units, each unit having the same terms as the Placees' units, has been paid to National Bank Financial with respect to this closing.

The shares, warrants and any shares issued upon exercise of the warrants are subject to a hold period and may not be traded in British Columbia until April 29, 2006 except as permitted by the *Securities Act* and the Rules made thereunder and the TSX Venture Exchange.

On Behalf of the Board of Directors of
ENERGULF RESOURCES INC.

"*Jim Askew* ", President

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Certain disclosure in this release, including management's assessment of EnerGulf's plans and projects, constitute forward-looking statements that are subject to numerous risks, uncertainties and other factors relating to EnerGulf's operations as an oil and gas exploration company that may cause future results to differ materially from those expressed or implied by those forward-looking statements and readers are cautioned not to place undue reliance on these statements.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy of this news release.