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Energulf Amends Stock Option Plan, Re-prices and Grants Stock Options

July 16, 2004

(HOUSTON) Energulf Resources Inc. (TSXV: ENG) announces that it has amended its Stock Option Plan to increase the number of shares reserved for issuance under the Plan to a total of 3,972,722 common shares. The amendment to the Plan is subject to regulatory and shareholder approval.

Energulf also advises that it has re-priced previously granted incentive stock options exercisable until October 14, 2008 for up to 200,000 shares of Energulf at \$0.48 per share to \$0.12 per share and previously granted incentive stock options exercisable until January 28, 2009 for up to 464,176 shares of Energulf at \$0.28 per share to \$0.12 per share. The re-pricing of the options are subject to regulatory approval.

Energulf further announces that it has granted additional incentive stock options under its Stock Option Plan to certain directors and consultants exercisable for 1,347,186 shares of Energulf at a price of \$0.12 per share and to certain directors and officers exercisable for 125,000 shares of Energulf at a price of \$0.15 per share. The new options are exercisable until July 16, 2009.

On Behalf of the Board of Directors

"James Askew"

James 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.