

ENERGULF RESOURCES INC.

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NEWS RELEASE

July 27, 2006

ENERGULF AMENDS WARRANTS AND REPRICES OPTIONS

(HOUSTON) EnerGulf Resources, Inc. (TSXV: ENG) announces that it has extended by four months the term of outstanding share purchase warrants issued pursuant to a private placement closed on August 2, 2005 and exercisable at \$1.15 per share. There is no amendment as to the exercise price. A total of 1,498,500 outstanding warrants will now expire on December 2, 2006.

EnerGulf further announces that in light of the market conditions, it will seek approval to amend the exercise price of share purchase warrants, issued pursuant to a private placement closed on December 28, 2005, exercisable to purchase, until December 28, 2006, up to 379,994 shares of EnerGulf, from \$5.50 per share to \$1.26 per share. The original exercise acceleration provision of these warrants has been removed. However, in accordance with the policies of the Exchange, the warrants amended as to exercise price will be subject to a provision requiring the warrants to be exercised, if at all, within 30 days of EnerGulf's shares trading on the Exchange for ten consecutive trading days shares at or above a price of \$1.58 per share during the term of the warrants.

Additionally, EnerGulf also advises that it has re-priced various previously granted unexercised incentive stock options of EnerGulf exercisable for up to 575,000 shares at exercise prices ranging from \$1.38 to \$5.10 per share to \$1.26 per share and options exercisable for up to 1,165,999 shares at exercise prices ranging from \$1.77 to \$4.33 per share to \$1.01 per share.

The extension of the term of warrants and re-pricing of the options and warrants are subject to regulatory approval.

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.