

ENERGULF RESOURCES INC.

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CDN \$1.4M PRIVATE PLACEMENT CLOSED AND 2M SHARES RETURNED TO TREASURY

August 2, 2005

EnerGulf Resources Inc. (TSXV: ENG) announces it has now closed its private placement of 2,000,000 units at the price of \$0.70 per unit to raise proceeds of \$1,400,000. Each unit consists of one common share and one warrant, each warrant entitling the holder to purchase one additional share of EnerGulf at a price of \$1.15 per share until August 2, 2006.

In consideration of arranging a portion of the private placement, EnerGulf issued a total of 53,916 units to two finders. Each finder's unit has the same terms as a placee's unit.

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 December 3, 2005 except as permitted by the *Securities Act* (British Columbia) and the Rules made thereunder and the TSX Venture Exchange.

Concurrent with the closing of the private placement, EnerGulf cancelled 2 million of its issued and outstanding common shares held by it in the name of its wholly-owned subsidiary, Energulf Colombiana de Petroleos Ltd., and has returned those shares to treasury.

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

"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.