

ENERGULF RESOURCES INC.

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ENERGULF TO ACQUIRE 2,000,000 OF ITS SHARES

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(HOUSTON) EnerGulf Resources, Inc. (TSXV: ENG) and its wholly-owned subsidiary, EnerGulf Colombiana de Petroleos, have entered into an agreement with Gulfsands Petroleum Ltd. and its subsidiary whereby EnerGulf will acquire 2,000,000 of its shares. These shares were originally issued to Gulfsands as part of the consideration for EnerGulf's participation in the Alborada oil project in Colombia. In consideration, EnerGulf has returned to Gulfsands its warrant to purchase shares of Gulfsands, and the agreement provides for mutual releases.

Commenting, Jim Askew, President of EnerGulf said, "After careful consideration by the Board of Directors, the Board approved this agreement as being in the best interests of EnerGulf and its shareholders. This agreement is important to EnerGulf for three primary reasons: It allows us to effectively manage our capital structure by reducing the dilutive effect of future transactions to our shareholders, it eliminates a potentially significant overhang of free trading stock in the open market trading of our shares and it substantially reduces the overall net investment made by EnerGulf in the Alborada project in Colombia. We anticipate building shareholder value by reallocating this capital to other exciting projects that may be considered by EnerGulf for the near future."

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

Jeff Greenblum, Chairman

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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.