

ENERGULF RESOURCES INC.

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NEWS RELEASE

EnerGulf Announces Financing to Raise up to \$8.8 Million

December 11, 2007

(HOUSTON) EnerGulf Resources Inc. (TSX-V: ENG): EnerGulf is pleased to announce a private placement of up to 8 million units at a price of \$1.10 per unit, to raise gross proceeds of up to \$8,800,000. Each unit will consist of one common share and one share purchase warrant entitling the holder to purchase an additional common share of EnerGulf at a price of \$1.35 per share for one year. The proceeds will be used to finance EnerGulf's 10% share of costs associated with the drilling of the Kunene #1, offshore Namibia; first year exploration program for the Lotshi Block project located in the Democratic Republic of Congo which is proposed to be commenced upon receipt of the anticipated Presidential decree; and for general working capital. EnerGulf may pay finders' fees, in accordance with policies of the TSX Venture Exchange, with respect to all, or a portion, of the private placement.

Drilling of the Kunene #1 is expected to start between January 11, 2008 and February 15, 2008, utilizing the drillship Deep Venture. Sintezneftegaz, the operator, has contracted on behalf of itself and the other co-venturers on Block 1711, EnerGulf, PetroSA and NAMCOR, with Esso Exploration Inc., a division of ExxonMobil, and Larsen Oil and Gas Ltd. (Venture Drilling) for use of the drillship as soon as it completes the drilling of ExxonMobil's current well offshore Angola. Based on current information, the drillship is expected to be available for mobilization to the Kunene #1 on or about January 8, 2008, however, this is subject to completion of ExxonMobil's well.

Block 1711 is situated in the Namibe basin off the northern coast of Namibia along the international boundary with Angola. The two separate exploration prospects, the Kunene and Hartmann, have been identified by extensive modern seismic data on the 893,100 hectare (2.2 million acre) block. Based on a Prospective Resource Assessment provided by Netherland Sewell & Associates, Inc. (see news release dated September 8, 2006), the co-venturers are targeting a potential multi-billion barrel oil and gas resource on Block 1711.

Commenting for EnerGulf, Chairman Jeff Greenblum said, “This financing is designed to provide funds for the upcoming drilling of the Kunene #1 and for other corporate opportunities and obligations. Our well managed capital structure allows us to pursue the enormous potential of Block 1711 while continuing to maintain minimum dilutive effect for our shareholders. We look forward with great anticipation to the drilling of the Kunene #1.”

None of the units, common shares, warrants or common shares issuable upon exercise of the warrants have been or will be registered under the Securities Act of 1933, as amended, or any state securities laws. The securities may not be offered or sold in the United States absent registration or an applicable exemption from such registration requirements. This press release does not constitute an offer or sale of securities.

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

"Jim Askew ", President

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Certain disclosure in this release, including the proposed private placement, use of proceeds, anticipated commencement date of on the Kunene #1, and 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 does not accept responsibility for the adequacy or accuracy of this news release.