

Securities Act (British Columbia)
Material Change Report Under Section 85(1)

Securities Act (Alberta)
Material Change Report Under Section 146(1)

BC FORM 53-901F AND ASC FORM 27

Item 1. Reporting Issuer

Energulf Resources Inc. (the "Issuer")
675 West Hastings Street, Suite 200
Vancouver, BC V6B 1N2

Item 2. Date of Material Change

January 8, 2004

Item 3. Press Release

Issued January 8, 2004 and distributed through the facilities of the TSX Venture Exchange, Vancouver Stockwatch Magazine and Market News Publishing, Inc.

Item 4. Summary of Material Change

See attached News Release

Item 5. Full Description of Material Change

See attached News Release

**Item 6 Reliance on Section 85(2) of the *Securities Act* (British Columbia)
and Section 146(2) of the *Securities Act* (Alberta)**

This report is not being filed on a confidential basis.

Item 7. Omitted information

There are no significant facts required to be disclosed herein which have been omitted.

Item 8. Senior Officer

Contact: James Askew, President
Telephone: (888) 822-8441

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

"Brian C. Irwin"

Brian C. Irwin, Director

DATED at Vancouver, British Columbia this 13th day of January, 2004.

ENERGULF RESOURCES INC.

200 - 675 West Hastings Street, Vancouver, British Columbia V6B 1N2

N E W S R E L E A S E

ENERGULF CANCELS/GRANTS STOCK OPTIONS

Houston, Texas
January 8, 2004

EnerGulf Resources Inc. (the "Company") (TSXV:ENG) announces that, further to its news release dated November 4, 2003, the Company is not proceeding with the options set out therein.

The Company announces that it has granted incentive stock options under its Stock Option Plan to directors exercisable for 464,176 shares of the Company. The options are exercisable on or before January 8, 2009 at a price of \$0.28 per share.

On behalf of the Board of Directors,

"James Askew"

James Askew, President

Contact information: James Askew, President
Tel: (888) 822-8441 Fax: (604) 801-5499
website: www.energulf.com

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.