ASX ANNOUNCEMENT **9 October 2009**

GULF RESOURCES TO RAISE $1.8 MILLION

Gulf Resources Limited (“Gulf”) (ASX Code: GLF) wishes to advise that is has placed 60,000,000 shares at $0.03 per share to clients of SA Capital Pty Ltd, Bligh Capital Melbourne Pty Ltd, D J Carmichael Pty Ltd and sophisticated and professional investors to raise $1,800,000 (before expenses).

The placement is conditional upon approval by shareholders at the upcoming Annual General Meeting to be held in late November 2009.

The funds raised will be utilised on the development of the East African Vermiculite project and for working capital purposes.

ABOUT GULF

Gulf is a resource development company that creates value for shareholders through the identification, acquisition and valorisation of resource focused projects, with a particular emphasis on regions where Gulf maintains relationships that provide a strategic advantage.

With a team of experienced engineering, project management, legal, financial and resource specialists, Gulf fosters and seeks to develop projects of major significance to both the company and the countries in which Gulf operates.

Gulf’s current operations are focused in Eastern Africa.

FURTHER INFORMATION

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