



ASX ANNOUNCEMENT

15 April 2011

Increase in Namekara Mining Lease Planned Exploration & Drilling Programme

Gulf Industrials ('Gulf' or 'the Company') is pleased to announce that it has successfully increased the current mining lease held on the Namekara Vermiculite Mine ('Namekara') in Uganda, East Africa and have added additional exploration licences. The Company plans to commence an exploration programme covering its existing and new Ugandan exploration tenements in the current quarter.

Expanded Mining Lease

The expanded mining lease includes an old phosphate mine and extended vermiculite and phosphate showings as identified during Gulf's on-going exploration activities. The expanded mining lease now covers an area of 19.5 km².

Gulf CEO Vic Fitzmaurice said, "with the 55Mt JORC Inferred Resource, Namekara is one of the world's largest vermiculite resources. Production from the mine is of a coarser grade of mineral, which attracts a higher price. The expansion of the mining lease ensures that Gulf is strategically placed to become a leading vermiculite producer during the current market supply deficit."

Gulf's Exploration Program

Gulf's planned exploration program in Uganda which is scheduled to commence during this quarter includes a first phase diamond drilling program of 8,000 metres in 2011 with an additional 14,000 metres in 2012.

The exploration programme planned on the Namekara mining lease will underpin the Company's objective to increase output to 130 000 tons per annum over the next few years.

Also the planned exploration program will cover work on the Carbonatite complex and surrounding leases.

Vic Fitzmaurice continued, "The Company considers the area highly prospective for vermiculite, phosphate and other associated minerals in the Carbonatite complex."

With production expected to increase to 30,000 tpa during 2011, as well as the planned exploration program, we move one step closer to realising the full potential of Namekara.

Chairman, Sir Sam Jonah added that in addition to the vermiculite mine expansion, he is excited about the potential for vermiculite, copper, phosphate and other related minerals.

Figure 1: Namekara Mine - Uganda

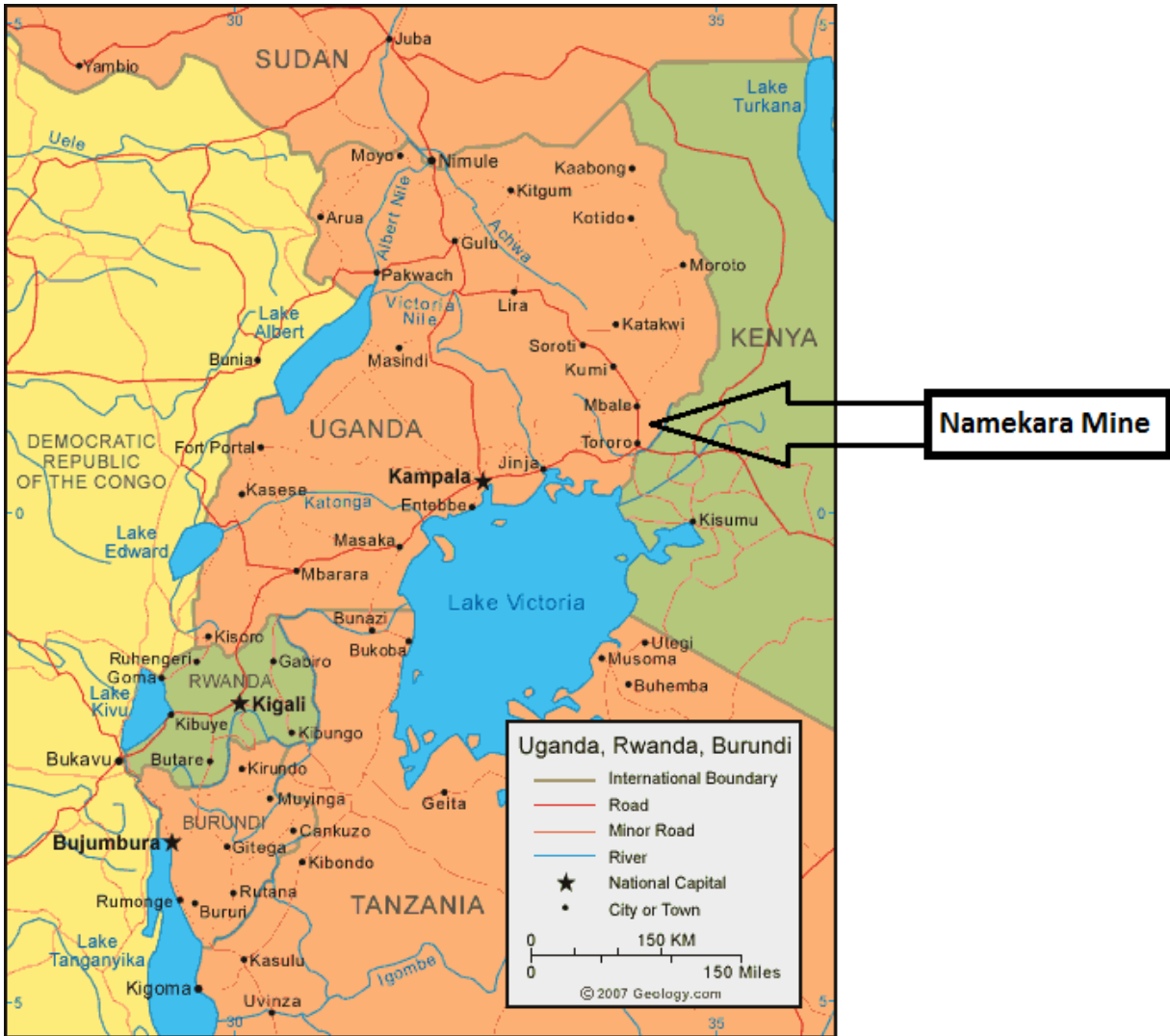
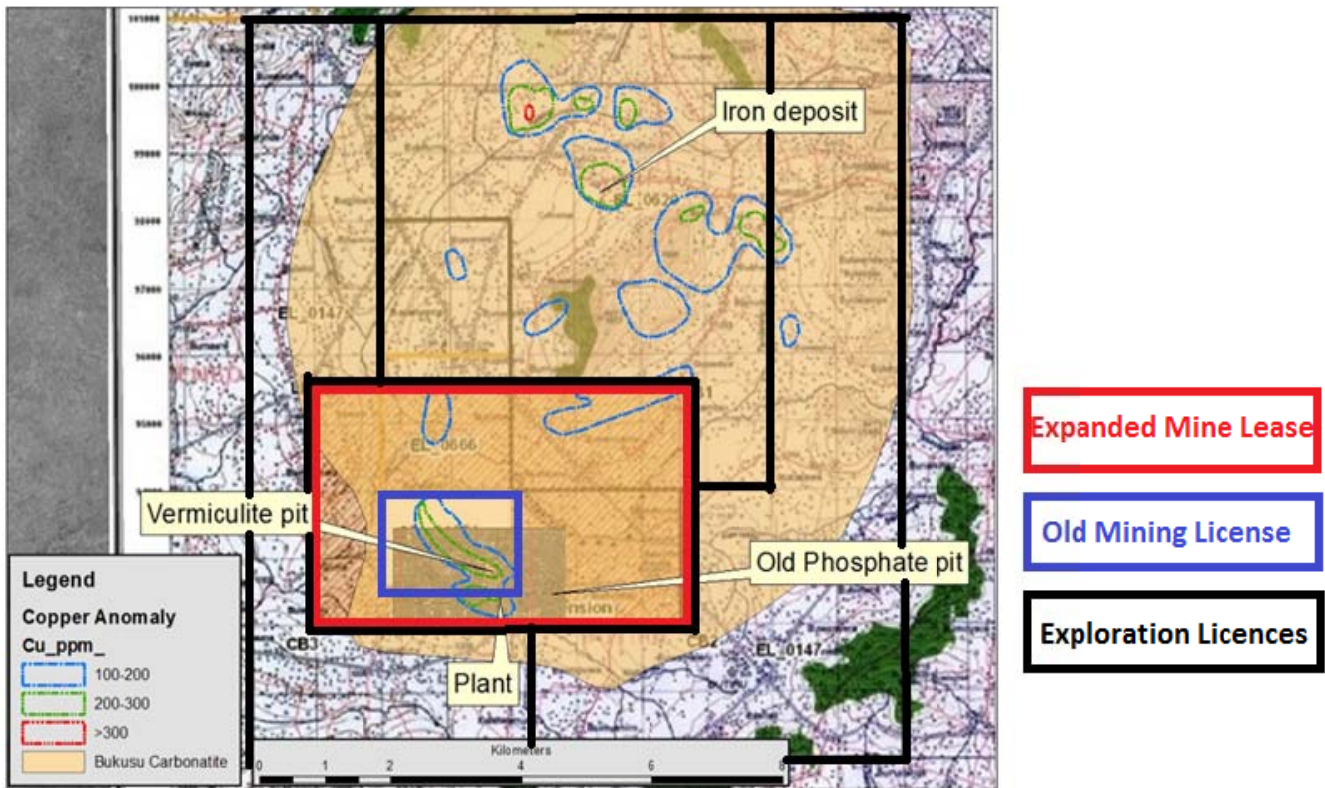


Figure 2: Gulf's Mining and Exploration Leases



FURTHER INFORMATION

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COMPETENT PERSONS STATEMENT

The information in this report that relates to Mineral Resources is based on information compiled by Hennie Theart, BSc (Hons), MSc, PhD, Pr. Sci. Nat (SACNASP 400069/88), FSEG, FGSSA, FAAG; Shaun Crisp, BSc (Hons), Pr.Sci.Nat. (SACNASP 400076/09); and Brent Barber, BSc (Hons), MPhil, AusIMM (222559), AAPG (59319-8).

Hennie Theart and Shaun Crisp are registered with the South African Council for Natural Scientific Professions (SACNASP), a JORC Recognised Overseas Professional Organisation "ROPO" and Brent Barber is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). They are full-time employees of SRK Consulting and have experience which is relevant to the style of mineralisation, type of deposits under consideration and to the activity which they have undertaken, to qualify them as a Competent Persons, as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves'.

Hennie Theart, Shaun Crisp and Brent Barber consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this release that relates to the Exploration Process is based on information compiled by A Johnstone who is a member of the Australian Institute of Geoscientists (AIG). Andrew Johnstone provides exploration management consulting services to Gulf Industrials Ltd and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which Andrew Johnstone has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Andrew Johnstone consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.