ASX ANNOUNCEMENT **30 SEPTEMBER 2011**

COMPANY UPDATE

Gulf Industrials Limited ("Gulf" or "the Company") (ASX Code: GLF), is pleased to provide shareholders with a Company update.

HIGHLIGHTS

- Successful $10.1 million (before expenses) raising to sophisticated, professional and institutional investors as approved by shareholders.
- New major shareholder Richmond Capital LLP from the placement.
- Share Purchase Plan documentation sent to shareholders which closes on 4 October 2011.
- Plant upgrade to approximately 30,000tpa of vermiculite completed in September 2011 with ramp up to this level to be achieved by the end of the year.
- The company is in the process of completing technical and feasibility studies to increase production from approximately 30,000tpa to 80,000tpa and then to 130,000tpa at the vermiculite operations in Uganda.
- Drilling contractor has been mobilised to commence a 4,000m diamond drilling program commencing in October . The drilling is primarily aimed at extending and converting zones of the existing JORC resource into ore reserves to underpin an increased level of vermiculite production.

NAMEKARA VERMICULITE MINE

Operation Update

The new drier has been delivered and installed and the plant upgrade to approximately 30,000tpa has been completed. The Company is in the process of commissioning the upgraded plant with production being ramped up to 2,500 tonnes per month from October 2011.

Resource Drilling

A drilling contractor has been mobilized to commence the resource drilling program within the mining lease. The diamond drilling program will commence in the October 2011 with a budget of 4,000m. This drilling program, as part of Namekara technical and feasibility studies, will target both increased confidence in the existing JORC resource and delineation of ore reserves to underpin increased production scenarios beyond 30,000tpa of vermiculite.

Technical and Feasibility Studies

The Company has continued its technical and feasibility studies to increase production from approximately 30,000tpa to either 80,000tpa or 130,000tpa. It is anticipated that these studies should be completed early in 2012 and if positive should see work commencing on the upgrade in 2012.

CORPORATE

Placement of 404m Shares with attaching Options Raises $10.1 Million

The Company successfully placed 404m shares at $0.025 per share together with a free attaching option to raise a total of $10.1 million (before expenses).

At the completion of this placement the Company has a new major shareholder, Richmond Capital LLP, holding a relevant interest in approximately 18% of the issued capital of the Company.

Share Purchase Plan

The Company is currently conducting a Share Purchase Plan to raise approximately $3.7m from existing shareholders on the same terms as the placement above.

The share purchase plan closes on 4 October 2011.

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.