



ASX ANNOUNCEMENT

18 SEPTEMBER 2012

OPERATIONS UPDATE

As previously disclosed, Gulf Industrials Limited ("Gulf" or "the Company") (ASX Code: GLF) has been operating the Namekara Vermiculite project in Uganda at an annualised basis of 22,000 tonnes per annum.

The Company has been advised by Dupré Minerals Limited, a leading UK based vermiculite distributor and the purchaser of 100% of the offtake at Namekara, that difficult economic conditions in Europe indicated purchases of approximately 18,000 tonnes on an annualised basis which is 20% less than Gulf's budgeted production this year.

The Company will therefore reduce its annual production to 18,000 tonnes per annum with immediate effect and will look to restructure and streamline operations to reduce costs at this lower production level. Gulf and Dupré would continue to work together to obtain new vermiculite customers both in Europe and worldwide to increase sales.

Further Information

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