ASX ANNOUNCEMENT **28 March 2013**

FINANCING UPDATE

Gulf Industrials Limited ("Gulf") announces that its wholly owned subsidiary, GLF Holdings Limited ("GH") has amended the terms of 2 bridge loan facilities from entities controlled by 2 of its major shareholders, being Richmond Partners Masters Limited ("Richmond") and Jonah Capital (BVI) Limited ("Jonah") (together the "Lenders"). The amendments to the terms of the loans:

- extend the maturity date to 30 September 2013 ("Expiry Date")
- advance a further $2.135 million; and
- subject to shareholder approval being obtained, allow the Lenders to elect to be issued shares in Gulf at $0.002 per share as an alternative to being repaid under the terms of the Loans.

("Amended Loans").

Under the terms of the Amended Loans, provided that shareholder approval is obtained , at any time up to and including the Expiry Date, either or both of the Lenders may request to be issued shares in Gulf in satisfaction of the amount advanced or any part of it under the terms of the Amended Loans. Gulf will also enter into an agreement with each of the Lenders and GH under which Gulf will agree, subject to shareholder approval being obtained, to issue such shares if a request is made by the relevant Lender.

The funds from the Amended Loans are to be used for working capital purposes in the ordinary course of business of the Group. The existing security over Gulf's Ugandan assets, including the mining lease and the exploration licences, which was assigned to Jonah and Richmond in connection with the Bridge Loan, will continue.

The key terms of the Jonah Amended Loan are as follows:

Total Commitment	$1,801,000.
Arrangement and Commitment Fee	$73,570
Interest rate	15% per annum.
Maturity date	30 September 2013 or such other date as agreed between the parties.
Use of funds	To fund the operations of Gulf including GRUL including: • payments to creditors of any member of the Gulf Group, including but not limited to landlords, advisors and an independent expert. • payment of salaries of its employees; • working capital expenditure; • exploration and capital expenditures; and • expenditures required in connection with the Amended Loans.
Security	The existing fixed and floating charge which Richmond as trustee for Richmond and Jonah holds over the assets of GRUL and the existing pledge over the shares that GH holds in GRUL will continue. No additional security will be granted.
Default	The events of default include: • Failure to pay Jonah in accordance with GH's obligations under the transaction documents; • Failure to perform any of GH's material obligations under the transaction documents; • Material misrepresentation of any representation or warranty under the transaction documents;

	• Insolvency event; and • Cross default under GH's loan agreement with GRUL as described above.
Warranties	Warranties given include: • Corporations registered; • Power to enter into and perform its obligations under the transaction documents; • The transaction documents are valid and binding subject to any stamping and registration; • All information provided by GH was true and accurate in all material respects; • There has been no material adverse change in the business or financial condition of GH since the most recent financial information provided to Jonah; • It has no material assets other than shares in GRUL and its rights under the transaction documents; and • Other than disclosed to Jonah, GH has not incurred any financial indebtedness.
Default Fee	If an event of default occurs then a fee equal to 30% of the total commitment under the Jonah Amended Loan (including accrued interest and outstanding fees) is payable.
Change of Control Fee	If there is a Change of Control Event in Gulf then a fee equal to 30% of the total commitment under the Jonah Amended Loan (including accrued interest and outstanding fees) is payable. Change of Control Event means an event the occurrence of which has the effect that any person (other than Richmond or Jonah or their associates, affiliates or related entities) acquires a relevant interest in 30% or more of Gulf's issued share capital, other than as the result of a rights issue.
Early Repayment Fee	30% of the Total Commitment
No Approval Fee	30% of the Total Commitment if shareholder approval not received for issue of share pursuant to the terms of the Amended Loan
Mandatory Prepayment	The net proceeds from any equity financing is to be used to pay down the Amended Loan and associated costs.
Subscription for shares	At any time up to and including the Expiry Date, Jonah may request that all or part of the Principal Outstanding (including any capitalised interest or capitalised arrangement and commitment fee) under the Amended Loan be satisfied by the issue of shares in Gulf. The number of shares to be issued will be calculated on a price of $0.002 per share for the amount in respect of which Jonah makes a request. The amount payable under the Loan will be applied against the subscription price for the shares issued to Jonah. Jonah may at any time also elect to subscribe for shares in Gulf directly. Jonah may subscribe for an amount of shares equal to the value of any amount of the Total Commitment which remains undrawn at the time of the election.

The key terms of the Richmond Amended Loan are as follows:

Total Commitment	$2,334,000.
Arrangement and Commitment Fee	$75,880
Interest rate	15% per annum.
Maturity date	30 September 2013 or such other date as agreed between the parties.
Use of funds	To fund the operations of Gulf including GRUL including: • payments to creditors of any member of the Gulf Group, including but not limited to landlords, advisors and an independent expert. • payment of salaries of its employees; • working capital expenditure; • exploration and capital expenditures; and • expenditures required in connection with the Amended Loans.
Security	The existing fixed and floating charge Richmond as trustee for Richmond and Jonah holds over the assets of GRUL and the existing pledge over the shares that GH holds in GRUL will continue. No additional security will be granted.
Default	The events of default include: • Failure to pay Richmond in accordance with GH's obligations under the transaction documents; • Failure to perform any of GH's material obligations under the transaction documents; • Material misrepresentation of any representation or warranty under the transaction documents; • Insolvency event; and • Cross default under GH's loan agreement with GRUL as described above.

Warranties	Warranties given include: • Corporations registered; • Power to enter into and perform its obligations under the transaction documents; • The transaction documents are valid and binding subject to any stamping and registration; • All information provided by GLF Holdings was true and accurate in all material respects; • There has been no material adverse change in the business or financial condition of GH since the most recent financial information provided to Richmond; • It has no material assets other than shares in GRUL and its rights under the transaction documents; and • Other than disclosed to Richmond, GH has not incurred any financial indebtedness.
Default Fee	If a default occurs then a fee equal to 30% of the total commitment under the Richmond Bridge Loan (including accrued interest and outstanding fees) is payable.
Change of Control Fee	If there be a Change of Control Event in Gulf then a fee equal to 30% of the total commitment under the Richmond Bridge Loan (including accrued interest and outstanding fees) is payable. Change of Control Event means an event the occurrence of which has the effect that any person (other than Richmond or Jonah or their associates, affiliates or related entities) acquires a relevant interest in 30% or more of Gulf's issued share capital, other than as the result of a rights issue.
Early Repayment Fee	30% of the Total Commitment
No Approval Fee	30% of the Total Commitment if shareholder approval not received for issue of share pursuant to the terms of the Amended Loan
Mandatory Prepayment	The net proceeds from any equity financing must be used to pay down the Amended Loan and associated costs.
Subscription for Shares	At any time up to and including the Expiry Date, Richmond may request that all or part of the Principal Outstanding (including any capitalised interest or capitalised arrangement and commitment fee) under the Amended Loan be satisfied by the issue of shares in Gulf. The number of shares to be issued will be calculated on a price of $0.002 per share for the amount in respect of which Richmond makes a request. The amount payable under the Loan will be applied against the subscription price for the shares issued to Richmond. Richmond may at any time also elect to subscribe for shares in Gulf directly. Richmond may subscribe for an amount of shares equal to the value of any amount of the Total Commitment which remains undrawn at the time of the election.

The shareholders' meeting to approve the issue of shares to Richmond and Jonah under the terms of the Amended Loan will be called as soon as possible. This notice of meeting will also contain an Independent Expert's Report in respect of the approval under item 7 of section 611 of the Corporations Act.

As set out above, the Amended Loans carry fees which are payable by GH if the resolutions regarding the issue of shares pursuant to the Amended Loan terms at the Extraordinary General Meeting are not passed by shareholders; if there is an event of default; if there is an early repayment or there is a change of control of the company. These fees, which are cumulative, are a maximum of 120% of the total commitment under the Amended Loans (which could amount to fees totalling $4,962,000 in addition to the principal outstanding being payable). A failure to pass the resolutions could therefore affect the ability to raise additional funds and could affect the financial viability of the Company.

The Company will continue to look for other refinancing opportunities to repay the Amended Loans and to provide working capital to advance the company's projects and for exploration in Uganda where recent drilling results have been encouraging. It should be noted that there is a risk that the refinancing may not be achieved by the maturity date of 30 September 2013 in these difficult markets.

FURTHER INFORMATION

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