ASX ANNOUNCEMENT **31 July 2013**

FOURTH QUARTER ACTIVITIES REVIEW

Gulf Industrials Limited ("Gulf" or "the Company") (ASX Code: GLF), is pleased to provide shareholders with the Activities Review for the quarter ending 30 June 2013.

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The operations have been on "care and maintenance" since 25 October 2012. During the quarter while there is no mining activity overburden has been removed from the pit.

VERMICULITE SALES & PRODUCTION SUMMARY

Quarterly	June Qtr 2013	June Qtr 2012	% Increase/ Decrease	Year to 30 June 2013	Year to 30 June 2012
Sales (tonnes)	-	3,082	-100%	3,426	8,823
Production (tonnes)	-	3,798	-100%	4,165	11,047

EXPLORATION – OTHER

The Company continues to review the Bukusu tenements.

CORPORATE

Gulf announced on 7 March 2013 that its wholly owned subsidiary, GLF Holdings Limited ("GH") had extended the repayment date, increased the amount of and amended the terms of the 2 bridge loan facilities (the "Bridge Loans") from entities controlled by 2 of its major shareholders, being Richmond Partners Masters Limited ("Richmond") and Jonah Capital (BVI) Limited ("Jonah"). The loans are now repayable on 30 September 2013 and have been increased to $4.135 million. The Bridge Loans are secured over Gulf's Ugandan assets, including the mining lease and the exploration licences as approved by shareholders at an extraordinary general meeting held on 4 January 2013. The key amendments to the Bridge Loans are as follows:

- Payment of an Arrangement and Commitment fee being 7% of the new loan;
- Interest rate is 15% per annum;
- Maturity date is 30 September 2013 or such later date agreed between the parties; and

- The lenders can require that Gulf issue Equity securities in satisfaction of the outstanding loan amounts at $0.002 per share.

Gulf also announced on the 7 March 2013 that agreement had been reached with Dupre Minerals in respect to the termination of the Distribution Agreement between the parties, the terms of which require the Gulf or its subsidiary to pay Dupre Minerals US$900,000 in a combination of finished goods and cash. In addition, as part of the termination, Gulf or its subsidiary will repay Dupre Minerals its interest free loan of US$300,000. There are a number of conditions precedent before the Distribution Agreement is terminated and these are expected to be satisfied by the end of August 2013. Once the termination is effective, the Company will be free to market its vermiculite independently rather than exclusively through Dupre.

FURTHER INFORMATION

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Anne Adaley, Company Secretary t | +61 2 8206 1740

Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by A J Scogings and RN Barnett. Dr Scogings is a Member of the Australian Institute of Geoscientists and a Member of the Australasian Institute of Mining and Metallurgy. Mr Barnett is a Fellow of the Geological Society of South Africa and registered as a Professional Natural Scientist (SACNASP Registration Number 400106/06).

Dr Scogings and Mr Barnett have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Scogings and Mr Barnett are consultants to Gulf and consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.