

ASX ANNOUNCEMENT

12 May 2010

Gulf Resources enters into 10 year off take agreement

Gulf Resources ('Gulf' or 'the Company'), the East African focused industrial mineral developer announces that it has entered into a ten year exclusive sales and distribution contract ('the Contract') with leading UK based vermiculite distributor Dupré Minerals Limited ('Dupré'). Dupré is a long established UK company with its own manufacturing, storage and technical departments and is wholly owned by London listed Goodwin Plc (LON : GDWN).

The contract for vermiculite ore concentrates produced from the East African Vermiculite Project ('EAV') covers the European Union, the Baltic States, Russia, Turkey and Israel.

Under the terms of the contract, Gulf has agreed to supply Dupré with all commercial sizes of vermiculite products. All other terms of the off take agreement are commercially confidential.

For years one – three the minimum quantity supplied has been agreed at:

Year 1 – 8,000 tonnes
Year 2 – 10,000 tonnes
Year 3 – 15,000 tonnes

Chairman Scott Reid said, "This is an exceptional deal for Gulf to lock in with Dupré, which is one of the leading vermiculite processing and manufacturing companies in the UK with over 40 years experience and their established brand inspiring some of the world's most advanced vermiculite product formulations. This deal with Dupré ensures that we now have in place off take and distribution agreements covering the entire expected output from EAV moving forward."

Ends

FURTHER INFORMATION

Scott Reid, Executive Chairman
Wayne Kernaghan, Finance Director and Company Secretary
Victoria Thomas, Six Degrees Investor Communication

t | 02 8247 5333
t | 02 8247 5333
t | 03 9674 0347