

AN OPEN LETTER TO GULF SHAREHOLDERS – 16 APRIL 2012

Dear Gulf Shareholders,

This letter is to update you since my last letter of 20 November 2011.

A lot of time and effort has been put into trying to find a solution to relist Gulf on a Canadian Exchange. We have had lengthy discussions with the Canadian Regulators, our lawyers and accountants to find a way to remove the “Cease Trade Orders” in the four Provinces that have issued them and it has become clear that Gulf will need two years of unqualified accounts before the “Cease Trade Orders” will be considered for removal. The cost of trying to do this retrospectively is simply prohibitive for the Company.

Gulf has an outstanding loan to The Timeless Precious Metals Fund of Can\$1m which is secured against the shares that Gulf owns in Central Asian Minerals & Resources Plc (CAMAR) and in Romios Gold Resources Inc so Gulf is not in a position to sell either of these holdings to fund the accountancy requirements to get two years of historically unqualified audits.

Consequently the only feasible way forward is to produce an unqualified audit to December 2011 followed by a further unqualified audit to December 2012 since both these years are/should be “clean” and will not require the effort needed to attempt to do this exercise retrospectively.

The downside of course is time – but given how long the Gulf saga has been going on for I cannot see that another year is going to make a great deal of difference. To this end I have had discussions with the Timeless Precious Metals Fund and in principle the Fund has agreed to roll over its loan, which becomes due this June, for a further twelve month period.

Looking forward from here and assuming all goes to plan and that by the middle of 2013 the “Cease Trade Orders” have been lifted we will then be examining alternative ways of enabling Gulf shareholders to realise their holdings in Gulf. Our current thinking would be via a newly quoted company on the PLUS market (Newco) that would then make an offer to all existing Gulf shareholders to exchange their Gulf shareholding either for new shares in Newco or for a cash. Gulf’s assets and liabilities (Assets: CAMAR and Romios shares. Liabilities: The Timeless Precious Metals Fund loan note) would be transferred to Newco and Gulf would then be liquidated.

Those shareholders that felt there was upside in CAMAR and Romios Gold (the websites for these two companies are: www.camarplc.com and www.romios.com) would be able to continue with a holding in Newco and those that were heartily fed up with Gulf would have a cash alternative on the table.

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