



GOLDEN STATE RESOURCES LIMITED

ANNOUNCEMENT

Golden State raises \$660,000 in share placement for working capital on the Golden Eagle Oil & Gas Prospect

Golden State Resources is pleased to announce that funds of \$660,000 have been raised by the placement of 20,000,000 shares at a price of 3.3 cents per share.

This represents an issue price of not less than 80% of the average market price of the Company's Shares over the last 5 days on which sales in the Company's Shares are recorded. The issue of the shares is within the Companies 15% placement capacity as approved by shareholders at Golden State Resources annual general meeting of shareholders in November.

The shares are to be issued to 708 clients of Cunningham Securities Pty Ltd ("Cunningham") of Perth. The Company will pay Cunningham a 6% commission of total funds raised.

The proceeds of the share placement will be for working capital on the Golden Eagle Gas Field Paradox Basin #3 well, Grand County Utah.

Planning and well design for Paradox Basin #3 has been completed with the permitting process well advanced and expected in mid December.

Richard Sciano
Director

7 December 2009