



## **GOLDEN STATE RESOURCES LIMITED**

### **ASX ANNOUNCEMENT 28TH JUNE 2010**

#### **ACTIVITY UPDATE: PARADOX BASIN #3**

##### **KEY POINTS:**

- **Production casing operations were successfully completed**
- **The current flow rate is being controlled as part of the clean-up operation**
- **The flow rate is being limited on a 34/64" choke to a rate of 600,000 cubic feet of gas per day**
- **Production test results of the lower stimulation zone will be available once the stimulation fluid is recovered**

US focussed oil and gas company Golden State Resources Limited (ASX: GDN) ("Golden State" or "the Company") has successfully set production casing in Paradox Basin #3. The operation was completed over the weekend, approximately 4 days behind schedule due to operational delays.

The well is currently producing at a controlled flow rate limited to approximately 600,000 cubic feet of gas per day via a 34/64" choke while recovering fracture fluids. Since the fracture stimulation a total of 1315 barrels of fluid has been recovered. A total of the 1565 barrels was used in the fracture stimulation.

The forward plan is to continue to clean-up and monitor the well in line with standard post-fracture procedures. A production test and build-up will be conducted on completion of the clean-up operations at which at which stage the flow rates will be determined.

<b>Petrophysical Results</b>				
<b>Testing intervals</b>	<b>Zone</b>	<b>Net Pay (ft)</b>	<b>Shows Units</b>	<b>Comments</b>
1	1	10'	548	
2	2	23'		Zone 2 shows permeability sweet spot on NMR
	3	3'	777	Zone 3 has major fracture present
	4	30'	270	High Permeability on NMR corresponds to the show
	4a	37'	none	Algal reef facies with two permeability sweet spots on NMR
3*	5	3'	416	Good Perm on NMR
	5a	10'	Minor	Thin bed pay
	6	2'+	3099	NMR indicates high permeability gas zone
	<b>Total</b>	<b>116'</b>		

*\*The current completion has only stimulated the lower three zones 5, 5a, & 6 in the well.*

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A handwritten signature in black ink, appearing to read 'Rick De Boer', with a stylized flourish at the end.

**Rick De Boer**  
**Executive Director**