



## **GOLDEN STATE RESOURCES LIMITED**

### **ASX ANNOUNCEMENT 27TH APRIL 2010**

#### **UPDATE FOR PARADOX BASIN # 3 ON THE GOLDEN EAGLE GAS FIELD, UTAH. CURRENT OPERATION: PREPARING TO TEST**

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

- A work-over rig is onsite and preparing Paradox Basin #3 for testing
- Testing and stimulation operations will commence early May
- The work-over rig is currently cleaning- up the casing before running bond logs and setting production tubing
- Rig 234 has been demobilised
- The testing programme is being finalised to select completion intervals within the confirmed net gas pay
- The gas occurs in seven intervals with over 116' of net pay

US focussed oil and gas company Golden State Resources Limited (ASX: GDN) ("Golden State" or "the Company") is pleased to announce that operations have commenced in preparation for the testing programme. Rig 234 was demobilised on April 8<sup>th</sup> and was removed from site last week.

A work-over rig presently is preparing the well for the testing and is firstly cleaning the casing in readiness for running the cement bond logs. Casing and cementing was completed by Rig 234 immediately after the logging operations. All indications are the cementing was successful.

Production tests will be conducted on several gas zones within the 118' of net pay that was previously reported. Testing is scheduled to commence in early May. The final testing programme is expected to be completed this week pending a review of the processed borehole image log (FMI) and final magnetic resonance logs.

The main gas bearing zones are:

<b>Zone</b>	<b>Net Pay</b>	<b>Shows Units</b>	<b>Comments</b>
1	10	548	
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
5	3"	416	Good Perm on NMR
5a	10'	Minor	Thin bed pay
6	2'+	3099	NMR indicates high permeability gas zone Corresponds to show. Lacks full log coverage
<b>Total</b>	<b>116'</b>		

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The directors of Golden State are very pleased with the progress of the preparatory work on the testing programme in particular the procurement of materials and services. We look forward to the upcoming tests as an important milestone for the company.



Completion rig on Paradox Basin #3 with Paradox Basin #1 (caged)

  
**Rick De Boer**  
Executive Director

## About Golden State Resources

Golden State Resources Limited is an ASX-listed public company with headquarters in Perth, Western Australia. Floated in 1996, the Company is primarily focused on oil and natural gas exploration in the USA and mineral projects in the Eastern Goldfields region of Western Australia.

Website: [www.goldenstate.com.au](http://www.goldenstate.com.au)

## About the Paradox Basin

The Paradox Basin is richly productive. Currently home to 171 oil and gas fields containing estimated recoverable reserves of one billion barrels of oil, or six trillion cubic feet of gas. The potential for more hydrocarbon reserves is thus enormous. Over its history, the Paradox Basin has produced 500 million barrels of oil and 3.5 trillion cubic feet of gas. Even at current prices that equates to approximately US\$57 billion that the area has already produced, with a similar amount again estimated still to be recoverable.

The producing fields in Paradox Basin run along the same northern/southern producing trend plain, notably, the Lisbon Field (which is 64 km to the projects south and has produced 50 million barrels of oil and 780 billion cubic feet of gas), the Greater Aneth Field (150 km south with production of 385 million barrels of oil).



