



## **GOLDEN STATE RESOURCES LIMITED**

**ASX ANNOUNCEMENT 30 MARCH 2010**

**DRILLING UPDATE FOR PARADOX BASIN # 3 ON THE GOLDEN EAGLE GAS FIELD, UTAH.**

**CURRENT OPERATION: DRILLING AHEAD AT 11,785'**

**KEY POINTS:**

- **Paradox Basin #3 has encountered significant gas shows**
- **Gas Show 6 of 3098 Units is present from 11,765' to 11,785' in the Ismay Formation**
- **The well is currently at 11,785'**
- **Paradox Basin #3 is expected to reach its total depth of 12,000' later today**
- **Logging is expected to commence on Wednesday**

US focussed oil and gas company Golden State Resources Limited (ASX: GDN) ("Golden State" or "the Company") is pleased to announce the progress of the drilling operations at the Paradox Basin # 3 (PB#3) production well, the third well on the Golden Eagle Gas field in the highly productive Paradox Basin region of Utah.

Paradox Basin #3 has encountered significant gas shows over the interval 11,765 to 11,785' in the Pennsylvanian Ismay Formation. Gas levels reached 3098 units from a background of approximately 50 units. The show zone may extend further as drilling was stopped in the show at 11,784.88' to circulate bottoms-up and condition the gas cut mud. The mud weight decreased from 8.7ppg to 8.6ppg as a result of high gas cut. The well has just recommenced drilling and further samples are not expected for over an hour.

Logging is expected to commence on Wednesday and should take approximately 1 day. Logs will be sent to RPS Energy for preliminary petrophysical evaluation to confirm the presence of gas. Paradox Basin #3 will be then completed with 5" casing. Rig 234 will be disassembled and data from the well will be more comprehensively evaluated by RPS Energy to assist in the design of the completion, testing and stimulation programme. A specialised test rig will be mobilised for the completion following the studies.

**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).



