



GOLDEN STATE RESOURCES LIMITED

ANNOUNCEMENT

Golden State raises \$2.03 million in share placement to complete vendor payments for the Golden Eagle Oil & Gas Prospect, and for working capital

Golden State Resources is pleased to announce that funds of \$2.03 million have been raised by the placement of 29,000,000 shares at a price of 7 cents per share. Each share shall have one free attaching listed option exercisable at 20 cents and having an expiry date of 30 June 2009. The issue of the shares is within the company's 15% placement capacity. The issue of the options is subject to the approval of Golden State Resources shareholders which will be sought at an extraordinary general meeting of shareholders. A notice of meeting will be circulated to shareholders shortly.

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

The proceeds of the share placement will be applied to the final vendor payment of US\$624,912.59 due to Eclipse Exploration Inc on 15 February 2008, pursuant to the Company's farm-in agreement for the Golden Eagle Oil & Gas Prospect, Grand County, Utah. The balance will be used for working capital.

Richard Sciano
Director

24 January 2008