



GOLDEN STATE RESOURCES LIMITED

QUARTERLY ACTIVITIES REPORT

For the Three Months ended 30 June 2008

HIGHLIGHTS

- **Golden Eagle Oil & Gas Prospect, USA**

Bureau of Land Management has completed review of Paradox Basin #2 permit application. The permit is subject to 2 week public comment period.

- **Key Personnel – New Appointment**

GOLDEN EAGLE PROSPECT - ONSHORE OIL & GAS, UTAH, USA

The Company is exploring 10,457 hectares (25,937 acres) of State and Federal Government oil and gas leases in south-eastern Utah, in the USA.

The wildcat Paradox Basin #1 gas discovery well has been developed for production and is now shut-in awaiting construction of gas gathering facilities and pipeline connector. The Company has elected to complete the next well, Paradox Basin #2, before moving to production.

Paradox Basin #2

Preparation continues for Paradox Basin #2, the Company's second earning well at Golden Eagle, to be drilled on a site one mile (1.6 km) from the previous successful Paradox Basin #1 well.

Paradox Basin #2 will test a similar section to that in Paradox Basin #1 in a shallower, more structurally advantageous position. Multiple targets will be tested over a 5,000 foot (1,500 m) thick section, from the Upper Ismay zone of the Pennsylvanian Paradox Formation, through to the Mississippian Leadville Formation.

The US Bureau of Land Management (BLM) has completed its engineering and environmental review for the new Paradox Basin #2 oil and gas well location. The permit has been opened to a two week period of public comment, to be concluded on 11 August.

Key Personnel – New Appointment

With the imminent conclusion of the permitting process, the Company is accelerating preparations for Paradox Basin #2, including sourcing personnel to manage the exploration and drilling effort.

Golden State is pleased to announce the appointment of Rick de Boer as Chief Geologist. Rick is a petroleum geologist with twenty years experience in the oil and gas industry, during which time he has worked for Mobil, Alberta Energy Company, Energy Equity Corporation and AED Oil Limited. Rick holds a BAppSc (Geology) and Grad.Dip. Natural Resources from Curtin University.

He will be based in the Golden State's Perth office and will be responsible for oversight and supervision of the Company's Utah exploration and development operations, identification of new exploration and joint venture opportunities and expansion of the Company's exploration activities in the US and internationally.

SUMMARY:

Issued Shares (GDN):	252.7 million
Market Capitalization:	\$25 million
12 month high:	34.5 cents
12 month low:	6.5 cents

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Initial 100% Ownership and Operator

Golden State holds an initial 100% interest in Paradox Basin #1 well, and operatorship through its 100%-owned US subsidiary, Golden Eagle Exploration LLC. Denver-based joint venture partner Eclipse Exploration Inc has the right to back in with a 16.67% working interest after the drilling of two wells by Golden State.

Glossary

Shut-in well A well that is capable of producing but is not presently producing. Reasons for a well being shut in may be lack of equipment, market conditions, or other.



Richard Sciano
Managing Director

31 July 2008

