

4 March 2010

WESTSIDE POWERS INTO CSG PRODUCTION COMPANY- MAKING ACQUISITION AND JOINT VENTURE WITH MITSUI

Key points:

- **Agreements secured to pay \$26.8 million for 51% operating stake in new joint venture**
- **Acquisition transforms WestSide into one of Australia's leading, dedicated, coal seam gas (CSG) producers and operators with a substantial gas contract in place**
- **Assets contain gross 60 PJ (1P), 186 PJ (2P) and 334 PJ (3P) of producing certified reserves***
- **The acquisition equates to 28 cents per GJ of 2P reserves**
- **Provides path to LNG markets as WestSide teams with Mitsui** - Mitsui is participating in 9 LNG projects which deliver substantial volumes of LNG to the Asian market
- **Delivers revenues and potential access to a LNG export market**
- **Includes pipeline and compression infrastructure with significant excess capacity**
- **Facilitates development of WestSide's adjacent 50% share of the Paranui CSG project**
- **Focused field development plan to boost production**
- **Potential for expanded alliance between Mitsui and WestSide in other tenements**

WestSide Corporation Limited (ASX Code: WCL) will join with Mitsui E&P Australia Pty Ltd ("MEPAU") to acquire the Dawson Seamgas coal seam gas (CSG) assets in Queensland's Bowen Basin from existing owners Anglo American ("Anglo") and Mitsui Moura Investment Pty Ltd ("MMI").

Under the new joint venture arrangement, WestSide will be the operator and own 51 per cent of the Dawson Seamgas fields (Petroleum Lease 94 and Mining Lease gas rights).

WestSide Chairman and CEO Mr Angus Karoll said the acquisition would transform WestSide into a significant CSG producer and team the Company as operator in a joint venture with Japanese trading house Mitsui - one of the most experienced Liquefied Natural Gas (LNG) players in the world, with significant Australian presence.

"This joint venture opportunity opens the door for WestSide to become one of the most significant dedicated CSG producers in Australia while providing access to earnings, global LNG export markets and capital for future field development and associated infrastructure," Mr Karoll said.

Mr Karoll said WestSide had agreed to pay \$26.8 million for Anglo's interest in PL94 and the ML gas rights and planned to raise capital via a combination of placements, entitlement offer and other facilities to finance the acquisition and fund development costs to increase production.

The Dawson Seamgas fields have certified* Proved (1P) gas reserves of 60 petajoules (PJ), 186 PJ of Proved and Probable (2P) reserves and 334 PJ of Proved, Probable and Possible (3P) reserves.

"This means WestSide will rapidly emerge as Queensland's second largest dedicated ASX-listed CSG producer with tremendous growth potential and exciting marketing opportunities," Mr Karoll said.

The Dawson Seamgas fields near Moura are currently producing approximately 12 Terajoules of gas per day (TJ/day) and comprise a range of CSG assets including a petroleum lease, gas rights in mining leases and gas compression and pipeline infrastructure connected to Queensland's commercial gas network.

“WestSide and MEPAU will be targeting work programs to increase the field production to 25 TJ/day and further expansion thereafter, with an ultimate goal of exporting LNG and supplying new domestic contracts from 2015/2016 when the current supply contracts in place have finished,” he said.

WestSide conservatively estimates the replacement value of the transportation infrastructure alone at more than \$70 million – infrastructure in which the Company will have a 51% ownership interest.

Announcement of the new joint venture arrangement follows a decision by 49 per cent partner MMI, in concert with MEPAU, to waive its pre-emptive rights to acquire Anglo's stake in the producing CSG field and negotiate separate agreements with WestSide.

The agreements remain subject to WestSide securing finance on terms acceptable to the WestSide Board and satisfaction of other conditions precedent.

WestSide has not yet been formally advised whether its bid for Anglo's interests in the adjoining tenements (ATP 602P and ATP 564P), including a sub-leased portion of PL94 has been successful. These assets are currently owned via two separate joint venture agreements, each comprising Anglo (25.5%), MMI (24.5%) and Molopo Australia Limited (50%). WestSide's ability to participate in these areas is subject to resolution of pre-emptive rights held by MMI and Molopo, however, there are no pre-emption rights over the gas reserves stated in this release.

PricewaterhouseCoopers, RBS Morgans and Patersons Securities are advising on fundraising options and WestSide will be announcing details as soon as they have been finalised.

Mr Karoll said the joint venture agreement would:

- Transform WestSide from an explorer into a producer;
- Deliver a strategic partnership with Mitsui and potential access to LNG markets through export opportunities;
- Provide an attractively priced entry to a producing gas asset with significant infrastructure in place;
- Give WestSide a stake in a well-located gas field, adjacent to the proposed Surat-to-Gladstone gas pipelines to supply feedstock to Queensland's burgeoning LNG industry and domestic market;
- Deliver early production revenues;
- Provide WestSide with domestic marketing rights for gas, aligned with Mitsui's global marketing rights for potential future LNG; and
- Deliver a compelling means of adding value to WestSide's adjacent Paranui CSG project (ATP 769P) which is jointly held with LNG proponent, QGC (a BG group company).

The Joint Venture arrangements announced today follow WestSide's earlier entry into a conditional agreement to acquire up to 100 per cent of the Dawson Seamgas project and 50 per cent of the adjoining exploration tenements. Details of the conditional agreement were contained in the Company's announcement on 30 December, 2009: *WestSide Announces Proposed Acquisition of Moura Coal Seam Gas Assets*.

Other features of the arrangements

Marketing rights

MEPAU will have marketing rights for export LNG and WestSide will be the marketer of domestic gas, with priority given to export LNG marketed by Mitsui unless domestic supply will generate a superior commercial outcome.

MEPAU put option

MEPAU may, within 24 months, sell its interests back to WestSide at cost plus reimbursement of net funds invested in the assets since completion. This option can only be exercised where WestSide's performance as operator or joint venturer in developing the resource is not in accordance with the terms of the Joint Development and Marketing Agreement. Settlement of the put option would be subject to WestSide obtaining finance.

Potential for expanded alliance with MEPAU

MEPAU will have six months from completion to consider acquiring 49% of WestSide's existing interests in the neighbouring Paranui prospect (ATP 769P) and its new Galilee Basin tenements (ATP 974P and ATP 978P).

The acquisition price would be a proportionate reimbursement of acquisition, administration and exploration costs incurred to date by WestSide, subject where relevant, to the waiver of pre-emptive rights held by WestSide's existing joint venturers.

This is in line with WestSide's strategy of attracting a suitable joint venture partner for its new permits in the Galilee Basin.

Conditionality

Material conditions precedent:

- Indicative approval under relevant legislation and regulations of the transfer of the interests in the leases, tenements and pipeline licences to the new owners;
- Assignment of gas sales agreements to WestSide;
- Finance being obtained to the satisfaction of the WestSide Board (a break fee of \$500,000 is payable by WestSide if this condition is not satisfied); and
- Approval from the Foreign Investment Review Board, if required.

About Mitsui E&P Australia Pty Ltd

Mitsui E&P Australia Pty Ltd ("MEPAU") and Mitsui Moura Investment Pty Ltd ("MMI") are 100 per cent affiliated companies of one of Japan's biggest corporations, Mitsui & Co. Ltd (Mitsui). Mitsui has approximately 150 offices around the world, spanning 66 countries.

Mitsui has a wide experience in equity investment, marketing, trading and finance covering all components in the LNG value chain. It has been involved in the production of LNG globally since 1973 and is participating in nine major LNG projects which deliver substantial volumes of LNG to the Asian market.

Mitsui is a participant in the North West Shelf ("NWS LNG Project") through a 50 per cent share in Japan Australia LNG (MIMI) Pty. Ltd ("MIMI"). Formed in 1985, MIMI is one of seven shareholders in the NWS LNG Project which has been supplying natural gas to the West Australian domestic market since 1984 and LNG to Japan since August 1989.

Apart from the NWS LNG Project business, Mitsui's main upstream oil and gas investments through MEPAU in the Australian and New Zealand energy sector are the Enfield/Vincent Area (WA) and Tui Area (NZ) as oil producing projects and Casino area (Vic) and Kupe (NZ) as gas producing projects, which currently produces approximately 35,000 barrels of oil equivalent per day.

MEPAU's portfolio also extends to more than 20 exploration permits in the Exmouth/Browse Basin, Otway/Sorell Basin, Taranaki Basin and Great South Basin.

Together with its affiliate companies, Mitsui's Energy group is committed to expanding its activities in the Australian and New Zealand oil and gas sector both through participation in upstream projects and trading of crude oil, gas, refined petroleum products and renewable fuels.

About WestSide Corporation Limited

WestSide Corporation Limited is an ASX-listed company (ASX code: WCL) with interests in coal seam gas (CSG) projects in Queensland and Indonesia.

WestSide is currently operating an exploration and appraisal program at the ATP 769P (Paranui) and ATP 688P (Tilbrook, Mount Saint Martin and Bald Hill) sites in Queensland's Bowen Basin. WestSide holds a 50% interest in each area with QGC (a BG Group company) holding the other 50% in each case.

WestSide also has a position in the Galilee Basin with two tenements, ATP 974 and ATP 978 covering an area of over 14,000 sq kms. The Company expects to commence exploration activities in the Galilee Basin later this year, and is also assessing the CSG potential of certain coal deposits in Indonesia through its relationship with PT Bumi Resources TBK, one of Indonesia's largest coal miners.

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*The reserves estimates appearing in this statement are as at 31 December 2008 and were compiled by Mr Bruce Gunn, an employee of Resource Investment Strategy Consultants P/L (RISC), from information provided by Anglo to WestSide. RISC is independent with respect to Westside. RISC has no pecuniary interest, other than to the extent of the professional fees receivable for the preparation of its report, or other interest in the assets evaluated, that could reasonably be regarded as affecting its ability to give an unbiased view of these assets. Mr Gunn, who is a practising petroleum engineer with over 25 year's experience, has consented to the inclusion of the reserve information in the form and context in which it appears in this announcement. WestSide has a 51% interest in the reserve numbers listed. Reserve figures in this statement exclude reserves attributable to ATP 602P and ATP 564P / PL94 sublease which are subject to pre-emptive rights which have not yet been settled.

Map of Dawson CSG Fields (PL94 / Mining Lease gas rights) and WestSide's adjoining Paranui pilot (ATP 769P)

