

17 November 2010

WestSide launches \$17 million Meridian reserves expansion program

Key Points

- WestSide and Meridian SeamGas joint venture partner Mitsui E&P Australia will today commence drilling the MER01X exploration well - the first under a \$17m reserves expansion exploration program
- The 16-well program, including nine exploration wells and seven pilot wells, aims to deliver more than 200 petajoules (PJ) of gross proved and probable (2P) reserves
- A work-over rig is now completing Pretty Plains #5 – the first of a series of dual-lateral production well sets – which will then be brought on pump for dewatering and production
- The Schramm TXD 180 rig is scheduled to spud the second lateral well of the Pretty Plains #8 dual-lateral production well set next week
- The vertical well of the Pretty Plains #10 dual-lateral production well set is scheduled to spud late next week.

WestSide Corporation Ltd (ASX: WCL) and Meridian SeamGas joint venture partner Mitsui E&P Australia Pty Ltd (MEPAU) will today commence drilling the MER01X exploration well - the first under a \$17 million reserves expansion program.

The 16-well exploration program, including nine exploration wells and seven pilot wells identified on the attached map, has been designed to increase the joint venture's gross proved and probable (2P) reserves by more than 200 petajoules (PJ).

The reserves expansion exploration drilling program, which has potential to more than double WestSide's net 2P reserves of 94PJ, builds on the previously announced campaign to increase production from the Meridian SeamGas Coal Seam Gas (CSG) fields.

Dominion Drilling's DR02 rig is due to spud the MER01X core hole today, 17 November 2010 and take approximately 10 days to drill the well to a depth of 520 metres, targeting the Baralaba Coal Measures and Kaloola Formation.

Chief Executive Officer Dr Julie Beeby said the Meridian SeamGas joint venture, in which WestSide has a 51 per cent operating interest, aimed to prove up additional 2P gas reserves while simultaneously ramping up field production toward 25 terajoules a day.

"We are fully committed to demonstrating the untapped value of the Meridian SeamGas CSG fields in terms of latent reserves, production capability, strategic location and connectivity to Gladstone and other east coast markets via the Queensland Gas Pipeline," Dr Beeby said.

Dr Beeby said the MER01X exploration well was being drilled in an undeveloped part of PL94 as a core hole and would be followed by an adjacent pilot well, MER01V.

"Core samples taken from this first well will be sent for analysis to determine the most appropriate completion techniques for the pilot," Dr Beeby said.

"The strategy involves drilling either a core hole or chip hole ahead of each of the pilot wells as a means of de-risking the program, verifying permeability and confirming connectivity.

“Our aim is to complete this reserves expansion exploration program and capture sufficient production data from the pilots to achieve a reserves upgrade for Meridian before the end of this financial year.”

WestSide will issue regular updates as and when appropriate as the reserves expansion exploration program progresses.

Meridian Production Drilling Update

Dr Beeby said the Meridian SeamGas fields had become a hive of activity in recent weeks as work also intensified on the production front.

“A work-over rig is now completing Pretty Plains #5 – the first of a series of our planned dual-lateral production well sets – with a view to commencing dewatering and ramping up production as quickly as possible,” Dr Beeby said.

“The work-over rig will then start working through the remaining 15 of 22 existing production wells which we have targeted for rejuvenation to increase field production.”

Meanwhile, the Schramm TXD 180 rig is scheduled to spud the second lateral well of the Pretty Plains #8 dual-lateral well set next week after the first lateral well has intersected the vertical well.

“To expedite the program we are also contracting an additional rig to drill the vertical component of the Pretty Plains #10 dual-lateral production well set which is due to spud late next week,” Dr Beeby said.

“We have been very busy upgrading key roads and drill pads to provide all-weather access to enable us to continue to work on enhancing field reserves, production and reliability throughout the wet season.”

The joint venture took control of the Meridian SeamGas CSG fields (formerly the Dawson Seamgas fields) in Queensland’s Bowen Basin on 1 July 2010 from Anglo American.

The Meridian SeamGas CSG fields have certified⁽¹⁾ Proved (1P) gas reserves of 30 petajoules (Pj), 94 Pj of Proved and Probable (2P) reserves and 170 Pj of Proved, Probable and Possible (3P) reserves (net to WestSide).

Meridian’s inclusion increased WestSide’s certified 3P reserves from 211 Pj to 381 Pj – including 135 Pj⁽²⁾ at Paranui in ATP 769P and 76 Pj⁽²⁾ at Tilbrook in ATP 688P.

About WestSide Corporation Ltd

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

WestSide operates the Meridian SeamGas CSG fields west of Gladstone in Queensland’s Bowen Basin. The Meridian fields 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 holds a 51% interest in the fields with Mitsui E&P Australia Pty Ltd holding the remaining 49%.

Elsewhere in the Bowen Basin, 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. WestSide holds a 50% interest in each area with QGC holding the other 50% in each case.

WestSide also has a position in the Galilee Basin (Queensland) with two new tenements (ATP 974P and ATP 978P) covering an area of over 14,000 sq kms. The Company expects to commence exploration activities in these tenements later this financial 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.

Additional information is available on WestSide's website: www.westsidecorporation.com.

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(1)The Meridian 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.

(2)The certified reserves figures used in this report are based on information compiled by John P. Seidle, Ph.D., P.E., Vice President of MHA Petroleum Consultants LLC. Mr Seidle is not an employee of WestSide Corporation Ltd and consents to the inclusion in this report of these reserves figures in the form and context in which they appear.

Meridian SeamGas: Reserves expansion exploration drilling program

