QUARTERLY REPORT

QUARTER ENDING 31 DECEMBER 2011

HIGHLIGHTS

- Completed and connected remaining two of seven new dual-lateral well sets
- Drilled two new up-dip lateral wells and ready to pump the first
- Delivered 397,047 GJ of gas for gross revenue of $1.27m
- Pretty Plains 10 achieved production highs of 800,000 scf/day
- Executed innovative gas swap agreement to provide access to third party gas
- Commenced drilling the second Galilee Basin grass roots exploration well

WestSide

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Front cover picture: Inspecting a new Meridian production well at Pretty Plains.

OPERATING HIGHLIGHTS

- Completed and connected remaining two of seven new dual lateral well sets for dewatering and gas production
- Completed the drilling of two up-dip lateral wells and commenced drilling a third
- Completed the first up-dip lateral ready to pump
- New well Pretty Plains 10 achieved a pre-peak production rate of 800,000 scf/day
- Three of the new dual-lateral wells have produced at over 600,000 scf/day
- Delivered net 397,047 GJ of gas for the quarter, generating gross revenues of $1.27 million
- Executed Gas Swap Agreement to provide access to gas to assist in meeting Meridian's commitments to supply up to 25 TJ/day.
- Executed Gangulu Cultural Heritage and Management Agreement covering key areas of Meridian's operations
- Granted new Environmental Authority for PL 94
- Completed a major overhaul of the Hillview dehydration plant
- Commenced installing new production skids designed to automate wells and minimise greenhouse emissions
- Progressed Galilee Basin exploration drilling program with drilling started on the second well
- Subsequent to the end of the quarter:
  - Continued commercial negotiations with various parties for the potential long term supply of gas to new customers.
  - Commenced implementation of gas lift water pumping system trial to reduce the impact of fines on the commissioning of new production wells.

OVERVIEW AND OUTLOOK

WestSide and Meridian SeamGas joint venture partner Mitsui E&P Australia Pty Ltd (Mitsui) focused during the quarter on the drilling of two up-dip lateral wells and commissioning all the new dual-lateral wells. The production enhancement program continued, with new and existing wells targeted with work overs to increase production levels.

The joint venturers were particularly encouraged with pre-peak gas flows from the new dual-lateral wells, with three of the seven new wells now having produced at over 600,000 standard cubic feet a day (scf/d).

Pretty Plains 10 exceeded 800,000 scf/d in November, building on the earlier success with Pretty Plains 2 which has flowed at rates of 680,000 scf/d. Production from the new Meridian 29 dual-lateral well had also reached 633,000 scf/d at the date of this report and is expected to increase further.

The new dual-lateral wells are still in the commissioning phase. As anticipated, they required work overs in December and January, along with several other wells, to address a build-up of coal fines at a temporary expense to production which is now recovering as the wells continue to ramp production towards their peak.

All the new wells show similar performance potential to Pretty Plains 2 and 10. Plans are also well advanced to trial gas lift water pump technology to overcome the fines issue delaying consistent production which has been a feature of the start-up phase.

Importantly, all seven new dual-lateral wells are dewatering and producing early stage gas which has confirmed WestSide's ability to drill and bring new wells on line and increased the joint venture's confidence in the Meridian SeamGas gas fields' capacity to deliver strong production growth.

Production was also adversely impacted during the quarter by natural decline, necessary well work overs and a planned shutdown of Meridian's main Hillview dehydration unit in November for essential five-year compliance testing work. This took the facility offline for three days or 10 per cent of the month.

Meridian SeamGas' gross December quarter production of 743,926 GJ was down 3 per cent on the previous quarter while gross sales revenue to WestSide of $1.27 million was down 5.2 per cent, also reflecting reduced availability of third party gas from the Mungi gasfield.

During the quarter the Meridian SeamGas joint venturers executed a flexible Gas Swap Agreement with a leading market participant to provide access to gas (when available) to help meet contractual commitments to supply up to 25 TJ/d.

WestSide is yet to draw on any gas under the agreement and is working with the supplier to finalise logistical arrangements to secure the physical delivery of gas at the required delivery point.

Under the swap agreement any gas borrowed during 2012 must be repaid by the end of calendar 2015.

Lifting production remains a key ingredient to the Company's success. To this end WestSide restructured this part of the business during the quarter and appointed Ray Cowie as General Manager Production.

WestSide is reviewing its overall gas reserves at Meridian based on a more detailed analysis of regional and newly interpreted data for all shallow and deeper coal seams within the entire petroleum licence area and the results of the joint venture's production drilling and work programs.

Subsequent to the end of the quarter WestSide continued commercial negotiations with various parties for the potential long term supply of gas to new customers in the export and domestic markets.

Well planning work will continue on the pilots at Paranui within ATP 769P and Mount Saint Martin within ATP 688P. As at Meridian, plans are in place at Paranui to trial the new gas lift system once the initial results are known.

The Galilee Basin exploration drilling program was suspended in mid-December due to the onset of the wet season. An expanded drilling program for ATP 974P and ATP 978P, involving a total of 14 wells, will commence in the second quarter of 2012.

The Company had $15.7 million in cash at 31 December 2011.

OPERATIONS REVIEW

Meridian SeamGas CSG fields

(WestSide interest 51% - Mitsui 49%)
Reserves: 3.5 PJ (1P); 221 PJ (2P); 261.5 PJ (3P) net to WestSide(1)

The Meridian SeamGas fields comprise a range of CSG assets including a petroleum lease (PL94), gas rights in mining leases, some 70 producing wells and gas compression and pipeline infrastructure connected to Queensland's commercial gas network and Gladstone, just 160 km to the east.

Various field development options and well completion technologies to lift both production and efficiency are being investigated and implemented.

One of the most promising technologies capable of addressing any fines problem and thereby expediting the commissioning process is a gas lift system. Gas lift systems have been successfully utilised in the United States for a number of years and this equipment is now in the process of being installed and tested in the field at Meridian on one dual-lateral well initially.

Production drilling continued at pace during the quarter, resulting in the conclusion of drilling work on two up-dip lateral wells Meridian 35 and Meridian 36. The latter was also completed and made ready to place on pump. Drilling commenced on the third well, Meridian 34 prior to the Christmas shut-down. The drilling of these wells follows a successful trial on an existing blind lateral well which was returned to production during the September quarter.

Planning for the 2012 drilling and work over campaign is well underway with drilling expected to commence in the second quarter after the wet season as well as the completion of the Meridian 34 and Meridian 35 up-dip lateral wells.

The engineering team focused during the quarter on the connection of new production skids and pipelines to the new wells coming on line. Work is well advanced on a field development plan to supply potential new customers.

Work also continued on optimising the efficiency of field compression and upgrading communications and telemetry systems.

The Schramm TXD rig has been repaired and will return ready for service in the current quarter.

PRODUCTION REVIEW

Meridian SeamGas CSG fields

(WestSide interest 51%)

During the quarter the remaining two of seven new dual-lateral wells were successfully completed and placed on pump for dewatering and gas production. New wells accounted for approximately 13 per cent of total production before the two highest producing new wells were taken off-line to address build ups of coal fines.

During the quarter 11 well work overs were successfully completed to increase base production levels. Individual wells have responded positively and average production is trending up with the increase in number of well workovers as expected.

While production from a number of the work over wells is recovering toward historical levels, some are still showing minimum production due to the significant water column being pumped off and so the full impact of these work overs is yet to be felt in production levels.

Gross production from the Meridian SeamGas CSG fields was down 3 per cent on the previous quarter at 743,926 Gigajoules (GJ) (379,402 net to WestSide). Production during the December quarter averaged 8.1 Terajoules a day before excluding fuel gas consumption. Gross sales volumes were down 5.9 per cent on the previous quarter at 778,524 GJ or 8.5 TJ/d (397,047 net to WestSide).

Available third party gas sourced from the nearby Mungi field for resale totalled 56,419 GJ during the December quarter – down 33 per cent from 84,163 GJ in the September quarter.

The Queensland Nitrate Plant (QNP), which is an ultimate user of gas supplied by Meridian SeamGas under contract, was shut down during late October and most of November for annual maintenance.

WestSide coordinated a three-day shutdown of Meridian's main Hillview compressor station for essential compliance testing on the dehydration unit to coincide with the QNP plant closure. WestSide estimates the compressor station shutdown reduced its share of gas sales by approximately 6,100 GJ.

Quarterly Data		31 March 2011	30 Jun 2011	30 Sept 2011	31 Dec 2011
Gross Operated					
Production	GJ	683,235	733,774	767,030	743,926
Gas Sales	GJ	777,766	801,133	827,425	778,524
Net to WestSide (51%)					
Production	GJ	348,450	374,225	391,185	379,402
Gas Sales	GJ	396,661	408,578	421,987	397,047

Table 1: Quarterly Gas Production & Sales Data

Gross sales revenue to WestSide of $1.27million (including processing revenue) was down 5.2 per cent from the previous quarter.

As Chart 1 below shows, WestSide's average net daily sales volumes by month were impacted by a combination of factors including reduced availability of third party gas, the planned maintenance shutdown of QNP and the Hillview compressor station and a temporary loss of production from wells including two top performing new wells (Pretty Plains 2 and 10).

These wells are now being brought back on line, along with a third new well – Meridian 29 – the commissioning of which has been progressing in line with the other two wells. Average daily sales started to recover in December and continued to do so during January. WestSide expects this upward trend to continue.

Chart 2 shows quarterly sales, which had gradually been improving since the rain-affected March quarter of 2011, but have been impacted by a decline in third party gas from Mungi.

Chart 1: Average Daily Gas Sales (GJ) Net to WestSide

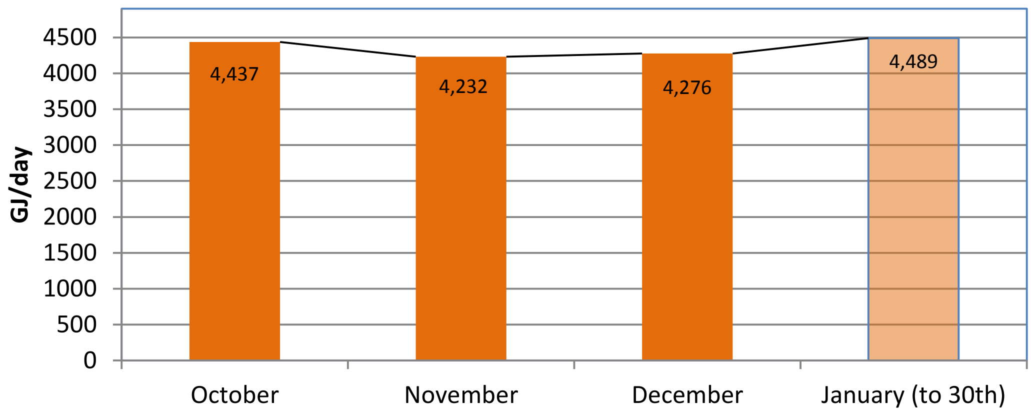
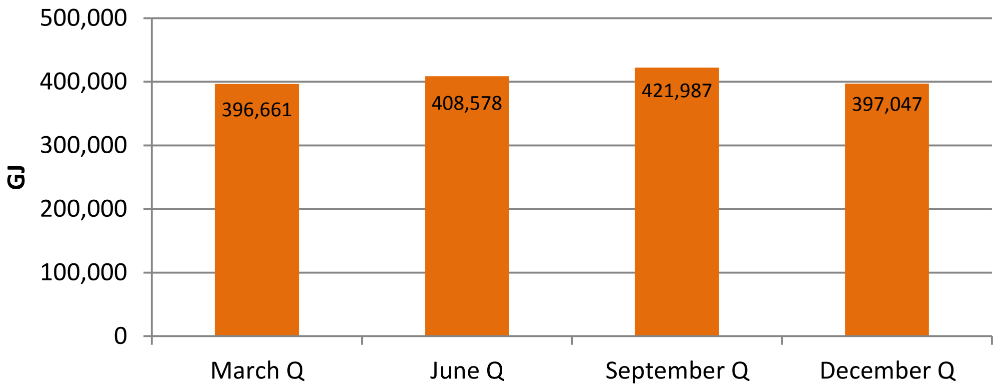


Chart 2: CY2011 Quarterly Gas Sales (GJ) Net to WestSide



EXPLORATION REVIEW

BOWEN BASIN

Meridian SeamGas CSG Fields

(WestSide interest 51%)

There was no further exploration drilling during this quarter. All work is currently focusing on an update of the fields' gas reserves utilising the analysis of the results of the joint venture's recent work programs including new production wells, production completions in 2011, and a revised field development plan to fully exploit the total gas in place.

The analysis covers all of the Baralaba coal seams within PL94 including newly interpreted data from shallow and deeper coal seams to a depth of 1,500 metres.

Paranui (ATP 769P)

(WestSide interest 25.5% - Mitsui E&P Australia 24.5% - QGC 50%)

Reserves: 69 PJ (3P) net to WestSide[(2)]

During the quarter the exploration team extended the structural geology model from Meridian SeamGas and the Paranui project area into the broader tenement acreage and complemented it with available well and seismic data.

Planning for a four-well production pilot program in 2012 commenced during the quarter involving an initial review of suitable well locations. A schedule for site inspections, landholder notifications, Cultural Heritage assessments and environmental approvals has also been prepared.

Installation of a gas lift system on the Paranui pilot wells is planned for the second quarter following a trial at Meridian.

Planning is underway for further exploration drilling in the northern areas of the tenement targeting reserves additions. The joint venture is proposing to drill two additional wells and will be conducting a seismic program within the tenement to identify new exploration targets.

Mount Saint Martin and Tilbrook (ATP 688P)

(WestSide interest 25.5% - Mitsui E&P Australia 24.5% - QGC 50%)

Reserves: 39 PJ (3P) net to WestSide[(2)]

Production testing at the Mount Saint Martin three-well pilot project was suspended during the wet season. The pilot is comprised of MSM 2, MSM 3 and MSM 4 – three of six wells drilled to test the extent of the resource previously identified in the Moranbah Coal Measures at Mount Saint Martin.

Cultural Heritage and environmental assessments of two lease sites for lateral wells which are planned to be drilled during 2012 into MSM 2 and MSM 4 were conducted during the quarter. A lateral well test is planned to demonstrate production and move toward an initial reserve certification to add to the Tilbrook reserves.

WestSide has taken over operatorship of the tenement area previously operated by QGC and is in the process of aligning forward planning with QGC and Mitsui E&P. Planning is now underway for a regional seismic program.

GALILEE BASIN

ATP 974P and ATP 978P

(WestSide interest 51% - Mitsui 49%)

The Glenlyon 1 exploration well in ATP 974P, about 70km south of Richmond, spudded on 22 September 2011 and was cased, cemented and successfully drilled to a depth of 1,101 metres. However, an obstruction in the well prevented drilling below this depth.

Glenlyon 1 was subsequently plugged and abandoned and data collected was used to assist drilling of the Glenlyon 2 well on the same lease.

Glenlyon 2 was successfully drilled to 1,222 metres and intersected the Betts Creek Formation, which is the first of the two drilling targets. The well intersected approximately 80 metres of the Upper Permian sequence, but had not intersected the primary target, being the Aramac Coal Measures, before operations were suspended due to the onset of the wet season.

The second target, the Aramac Coal Measures, will be cored on recommencement of drilling of this well. Glenlyon 2 intersected in excess of 10.8 metres of gross coal within the Betts Creek Formation.

The initial results from the coal samples taken indicate the presence of low concentrations of heavy hydrocarbons, the origin of which are under investigation.

Completion of coring at Glenlyon 2, along with the drilling of the remaining 14 exploration wells is planned to recommence in the second quarter of 2012.

Preparation work is ongoing to identify drilling sites, gain landholder approval, complete Cultural Heritage and environmental assessments and secure suitable contractors to recommence drilling operations.

WestSide believes the tenement area could contain up to 21 trillion cubic feet of gas in place and during the December quarter continued reprocessing and reinterpreting the limited historical seismic data available.

The joint venture is currently assessing various options for the optimal funding of the work program.

CORPORATE

Capital issue

During the quarter 579,400 performance rights were issued to the CEO in accordance with the CEO's service agreement under the Company's Performance Rights Plan which is designed to help attract and retain skilled staff through the provision of appropriate short and long term incentives. The number that ultimately vest will be determined by reference to Company and personal performance for the period ending 30 June 2012 at the discretion of the Board.

Financial Position

WestSide's cash position at 31 December 2011 was $15.7 million.

Sales Revenue

WestSide's share of sales revenue for the December quarter was $1.27 million, including processing revenues – down 5.2 per cent on the $1.34 million reported for the previous quarter.

Exploration and Development

WestSide's share of expenditure on development activities for the period was $4.6 million and a further $1.9 million (WestSide's share) was spent on exploration.

Shareholder Base

At 31 December 2011 WestSide Corporation had 1,956 shareholders and 254,191,350 shares on issue.

Sustainability

During the December quarter Queensland's Department of Environment and Resource Management (DERM) granted WestSide a new Environmental Authority covering operations within PL94.

The new Environmental Authority also accommodates WestSide's proposed Transitional Environmental Plan (TEP) under s333 of the Environmental Protection Act to address transitional arrangements to bring dam construction standards for PL94 into compliance with new policy standards.

WestSide also completed a program to ready all CSG water dams in preparation for the predicted high rainfall summer period.

Cultural Heritage Investigation and Management Agreement

Following completion of negotiations WestSide executed a new Cultural Heritage Investigation and Management Agreement (CHIMA) with the Gangulu People over land within PL94 on 30 October 2011. The CHIMA has received DERM's approval under the Aboriginal Cultural Heritage Act 2003 and replaces an agreement between the Gangulu People and the former operator Anglo Coal.

There were no lost time injuries, medical treatment injuries or high hazard events during the December quarter, nor were there any environmental incidents.

The Galilee Basin Operators' Forum (GBOF) is a group of 10 petroleum and coal seam gas companies which are jointly funding a detailed baseline water study for the Galilee Basin, prior to any commercial gas production from the area.

During the quarter expert hydrogeological consultancy RPS, which has been undertaking the work on behalf of the GBOF, progressed their report which is now undergoing technical review.

The study will be presented to the Queensland Water Commission (QWC) and the Central Western Queensland Remote Area Planning and Development Board (RAPAD), based in Longreach. The RPS study will provide the QWC with a detailed and important historical reference for the Galilee Basin.

OPERATIONS AND PROJECT AREAS

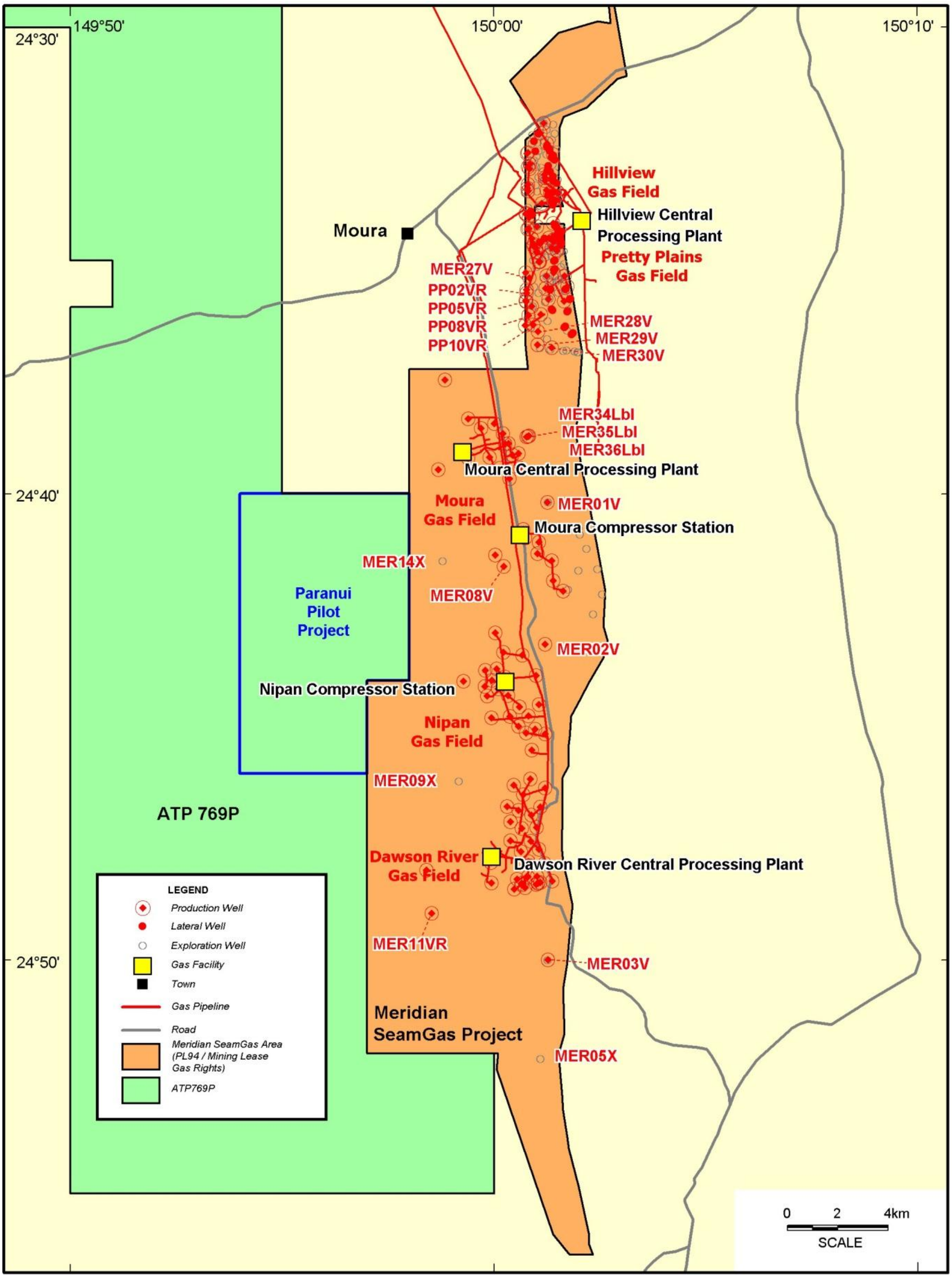


Figure 1: Meridian SeamGas: Area of Operations

Figure 2: WestSide Corporation Queensland Tenement Interests

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. WestSide operates the Meridian SeamGas CSG fields west of Gladstone in Queensland's Bowen Basin.

The Meridian gas 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 and Mount Saint Martin) sites. WestSide holds a 25.5% interest in each tenement with Mitsui E&P Australia Pty Ltd holding 24.5 % in each tenement and QGC the remaining 50% in each case.

WestSide also has 51% operating interests in two Galilee Basin (Queensland) tenements (ATP 974P and ATP 978P) covering an area of over 14,480 sq kms, with Mitsui E&P Australia Pty Ltd holding the remaining 49% in each tenement.

(1) The reserves estimates for the Meridian SeamGas Project located in the Bowen Basin, Queensland Australia, contained in Netherland Sewell & Associates Inc's (NSAI) report dated 27 July 2011, were compiled by Mr John G. Hattner of NSAI and are consistent with the definitions of reserves that appear in the Australian Stock Exchange (ASX) Listing Rules. Mr Hattner consents to the use of the reserves estimates for general release by WestSide Corporation Ltd for use in Quarterly Reports, Annual Reports, Announcements or Broker requests.

(2)The certified reserves figures used in this report for ATP 688P and ATP 769P are based on information compiled by John P. Seidle, Ph.D., P.E., and 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.

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Dr Julie Beeby

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John Clarke – Non-executive Director
Tony Gall – Non-executive Director
Trent Karoll – Non-executive Director
Nathan Mitchell – Non-executive Director
Robert Neale – Non-executive Director

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