



## OPERATING HIGHLIGHTS

- ▶ June quarter production, excluding fuel gas, up 46.9% on the same period last year and 30.2% on the previous March quarter
- ▶ Sales volumes up 35.3% on the same period last year and 27.3% the previous March quarter
- ▶ Revenue to WestSide up 51.4% on the same period last year at \$1.95 million and 42.5% on the previous March quarter
- ▶ Meridian 27 becomes the second of seven new dual-lateral wells to achieve a production rate of more than 1,000,000 scf/d
- ▶ Confirmed reliability of lateral well development technology to underpin future business growth
- ▶ Subsequent to the end of the quarter:
  - Commenced new production drilling program at Meridian SeamGas
  - Signed agreements for new low-cost water treatment pilot program
  - Signed agreement for installation of mobile screw compressor unit to lower costs and improve gas recovery
  - Signed Memorandum of Understanding for supply and further development of gas lift technology

## OVERVIEW AND OUTLOOK

WestSide and Meridian SeamGas joint venture partner Mitsui E&P Australia Pty Ltd (Mitsui) remained focused during the quarter on increasing production through the progressive commissioning of the field's 10 new wells and work overs of existing wells.

As a result, Meridian SeamGas' gross June quarter production, excluding fuel gas, was up 30.2% on the March quarter at 1,041,657 Gigajoules (531,245 GJ net to WestSide) and 46.9% on the same period last year. Consequently, gross sales revenue to WestSide of \$1.95 million was up 42.5% on the previous quarter and 51.4% on the same period last year.

During the quarter, Meridian 27 joined Pretty Plains 10 to become the second of the new dual-lateral well sets to start steadily flowing gas at a choked rate of more than 1,000,000 standard cubic feet a day (scf/d).

Significantly, new wells drilled since WestSide assumed operatorship in July 2010, now account for approximately 35% of production.

The joint venturers are now preparing to drill three more new dual-lateral well-sets and an up-dip lateral well over coming months at Meridian, renovate 10 existing wells and refurbish and bring another eight old dormant wells back into production.

Results from a trial of new pumping technology at Meridian have also been sufficiently encouraging to support a decision to extend the trial to eight more Meridian wells and one well within the adjacent Paranui Pilot.

Plans are also in place for the installation of two booster compressors to reduce back pressure on some existing wells to increase production and longer term gas recovery.

Exploration and development activity within the Company's other Bowen Basin tenement interests will ramp up during the September quarter, subject to finalisation of joint venture approvals.

WestSide successfully completed a \$25.4 million capital raising in April. This placed the Company in a strong financial position to fund its planned future production and exploration work programs, irrespective of the outcome of the indicative takeover proposal received in late January 2012 from Liquefied Natural Gas Limited (LNG Limited).

The Board granted LNG Limited and associated parties non-exclusive access to conduct due diligence (which has been continuing) and advised that other interested parties may also be granted due diligence access.

As previously noted, no set timeframe was established for completion of this process and there is no guarantee that a binding takeover offer will subsequently be made. WestSide will keep shareholders informed of any material developments.

The Company had \$34.0 million in cash at 30 June 2012.

## OPERATIONS REVIEW

### MERIDIAN SEAMGAS CSG FIELDS

*(WestSide interest 51% – Mitsui 49%)*

*Reserves: 6.5 PJ (1P); 258 PJ (2P); 617 PJ (3P) net to WestSide<sup>(1)</sup>*

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 kilometres to the east.

Sales to customers were not interrupted during the quarter and reliability of supply and producing equipment has remained high following a concerted effort to overhaul major equipment.

During the quarter WestSide entered a comprehensive engineering consultancy service agreement on behalf of the joint venture to support delivery of a number of infrastructure projects and initiatives. They included the implementation of engineering change management procedures in compliance with applicable industry regulations and a compression efficiency monitoring program.

Work commenced on several projects including new well tie-ins, design construction and installation of a 200HP booster compressor and, design and engineering for a mobile 1,000HP booster compressor. The additional compressors will optimise gas flows from wells at the southern end of the fields and improve longer term gas recovery.

The 200HP screw compressor has been purchased while terms and conditions for leasing the larger compressor are now being finalised for delivery in September.

Importantly, the larger compressor is being trailer-mounted for portability in order to reduce future field development costs and maximise overall asset utilisation, as the machine will be able to be moved within the gas fields and connected at the lowest possible cost.

Preparations also continued for commencement during the current quarter of the next Meridian drilling program involving three dual-lateral wells and one up-dip lateral well. The lateral wells will utilise WestSide's Schramm TXD rig, which has been refurbished and commissioned.

Under an agreement reached with the owners of the adjacent Dawson coal mine, the lateral ends of five legacy wells within a Co-development area of the mining lease were sealed during the quarter. Production was restored where possible and compensation for lost production is being received as provided for under the agreement.

# PRODUCTION REVIEW

## MERIDIAN SEAMGAS CSG FIELDS (WestSide interest 51%)

During the quarter Meridian 27 – one of the seven new dual-lateral wells now on pump – joined Pretty Plains 10 in achieving a sustained production rate of more than 1 million scf/d while remaining under choke control.

Another three of the wells – Pretty Plains 2, Meridian 28 and Meridian 29 – have achieved flow rates exceeding 675,000 scf/d. The new wells currently account for approximately 35% of total production and are continuing to ramp up.

These wells have been commissioned in a controlled manner to ensure that the commissioning and work over techniques can be reliably replicated on future wells.

During the quarter six well work overs were also successfully completed at Meridian to increase base production levels and improve equipment performance.

Additionally, the signing of a binding Memorandum of Understanding and trial of a new gas lift completion technique has proven to be a fundamental success and it is now planned

to extend this completion style across the field on a gradual basis.

The successful application of improved lateral drilling technology and completions has now greatly increased confidence in the joint venture's ability to reliably drill and commission new wells with a very high degree of success in delivering gas.

The joint venturers are now preparing to clean up and remediate 10 existing wells and bring another eight dormant wells back into production. Re-entering these wells will involve the application of technologies widely applied in the United States to restore production from old wells at costs below those for drilling new wells.

Gross production (excluding fuel gas) from the Meridian SeamGas CSG fields was up 30.2% on the March quarter at 1,041,657 Gigajoules (531,245 GJ net to WestSide), and 46.9% on the previous corresponding June quarter.

Production during the June quarter averaged 11.4 Terajoules a day (TJ/d) after excluding fuel gas of approximately 1.5 TJ/d. Gross sales volumes of 1,083,978 GJ or 11.9 TJ/d (552,829 GJ net to WestSide) were up 27.3% on the March

quarter and 35.3% on the previous corresponding June quarter.

Available third party gas sourced from the nearby Mungi field for resale totalled 42,321 GJ during the June quarter – down 17.4% from 51,224 GJ in the March quarter or down 54.1% from 92,232 GJ in the previous corresponding June quarter.

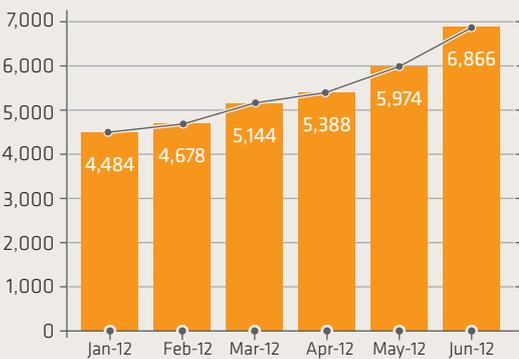
Gross sales revenue to WestSide of \$1.95 million (including processing revenue) was up 42.5% from \$1.37 million in the March quarter and 51.4% from \$1.29 million in the previous corresponding June quarter.

As Chart 1 shows WestSide's average net daily sales volumes continued to climb as the increasing contribution from new production wells more than offset a further decline in availability of third party gas.

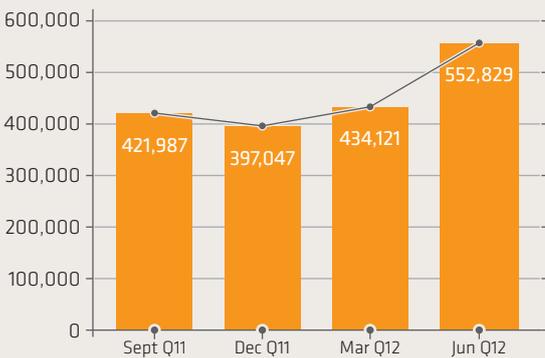
Chart 2 shows quarterly sales have maintained a strong upward trend since January 2012 despite a continued decline in available third party gas for resale.

Chart 3 shows the increasing contribution from new wells (in red) to production and the success of the well work over programs in arresting field decline and recovering production.

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



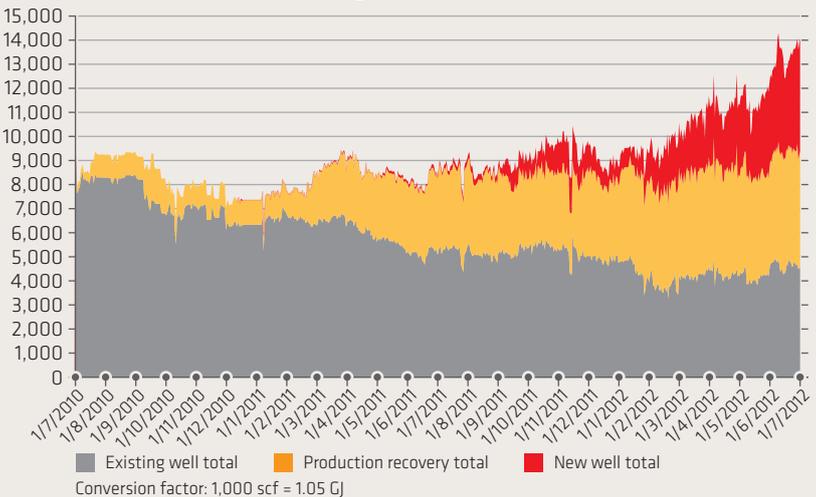
**Chart 2: Quarterly Gas Sales (GJ) Net to Westside**



**Table 1: Quarterly Gas Production & Sales Data (production excludes fuel gas)**

Quarterly Data	31 Mar 2012	30 Jun 2012	% change	30 Jun 2011	% change
Gross Operated					
Production GJ	799,993	1,041,657	30.2	708,900	46.9
Gas Sales GJ	851,217	1,083,978	27.3	801,133	35.3
Net to WestSide (51%)					
Production GJ	407,996	531,245	30.2	361,539	46.9
Gas Sales GJ	434,121	552,829	27.3	408,578	35.3

**Chart 3: Meridian SeamGas Field Progress (mcf/d)**



## EXPLORATION REVIEW

### BOWEN BASIN

#### MERIDIAN SEAMGAS CSG FIELDS

(WestSide interest 51%)

There was no new exploration drilling undertaken during this quarter. The focus has been on reserve maturation, reservoir modelling and production to demonstrate improved recoverability.

Construction of the new Petrel Reservoir Model has continued to progress satisfactorily. Once built and optimised, the model will be utilised to evaluate the field potential and target 'sweet spots' for ongoing field development. The field development plan will focus on the potential of all the Baralaba coal seams within PL94 to a depth of 1,350 metres.

A program of deeper exploration/production pilot wells is being prepared for the future to validate the structural model in the deeper parts of the PL and to increase the 3P reserve certification to 1,500 metres.

#### ATP 769P

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

Reserves: 69 PJ (3P) net to WestSide<sup>(1)</sup>

#### PARANUI PROJECT

Installation of enhanced completion technology on one of the Paranui pilot wells is planned for the September quarter following a successful initial trial of the gas lift pumping system at Meridian. The aim is to deliver long term sustainable gas flows at the lowest possible drilling and completion costs and work toward certification of 2P reserves to support a Petroleum Lease application.

#### REGIONAL EXPLORATION

During the quarter the exploration team continued to integrate existing well data from surrounding tenements into the MineScope structural geology model to improve the seam prognoses.

Planning for a four-well exploration program for the second half of 2012 continues. Discussions with landholders have resulted in the relocation of two of the wells to avoid any interference with the owners' planned activities. Discussions are also continuing with the remaining landholders as well as with the three different Aboriginal groups who have country claims in the area.

WestSide has recently executed Terms of Reference and a Memorandum of

Understanding with the Nghally, Ghungalu, Thoonieda and Ghungalou Aboriginal Corporations for future Cultural Heritage work in the northern portion of ATP 769.

The purpose of the program across the northern areas of the tenement will be to target reserves additions along strike from the Paranui project area and down-dip of the recently recertified Meridian field.

The joint venture is proposing to conduct a series of 2D seismic lines across the tenement to accurately define the structure and hopefully identify new exploration targets in the deeper parts of the tenement.

The program of landholder approvals appears to be progressing well, with data acquisition scheduled for early in 2013.

#### ATP 688P

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

Reserves: 39 PJ (3P) net to WestSide<sup>(1)</sup>

#### MOUNT SAINT MARTIN AND TILBROOK

Planning is continuing on the surface to in-seam (SIS) wells which have been designed to intersect the existing MSM2 and MSM4

vertical wells. It is expected that the first lateral well (MSM2 L1) will spud during the next two quarters (subject to joint venture approvals) and target the Lower Goonyella A coal seam. The second lateral (MSM4 L2) will target the Lower Goonyella B seam.

Testing of these lateral wells will aim to demonstrate production and an initial reserve certification to add to the Tilbrook reserves already certified in the tenement and support an application for a Petroleum Lease.

### GALILEE BASIN

#### ATP 974P & ATP 978P

(WestSide interest 51% - Mitsui E&P 49%)

No exploration activities were undertaken during the quarter. WestSide continues to be part of the Galilee Basin Operators Forum (GBOF) and received the final draft hydrological report commissioned from RPS - the public release of which is imminent.

GBOF members have also agreed to commission a basin-wide water isotope study to identify water associated with regional aquifers. The goal is to produce a realistic hydrogeological model that will enable a holistic understanding of Galilee and Eromanga Basins' properties.

### OPERATIONS AND PROJECT AREAS

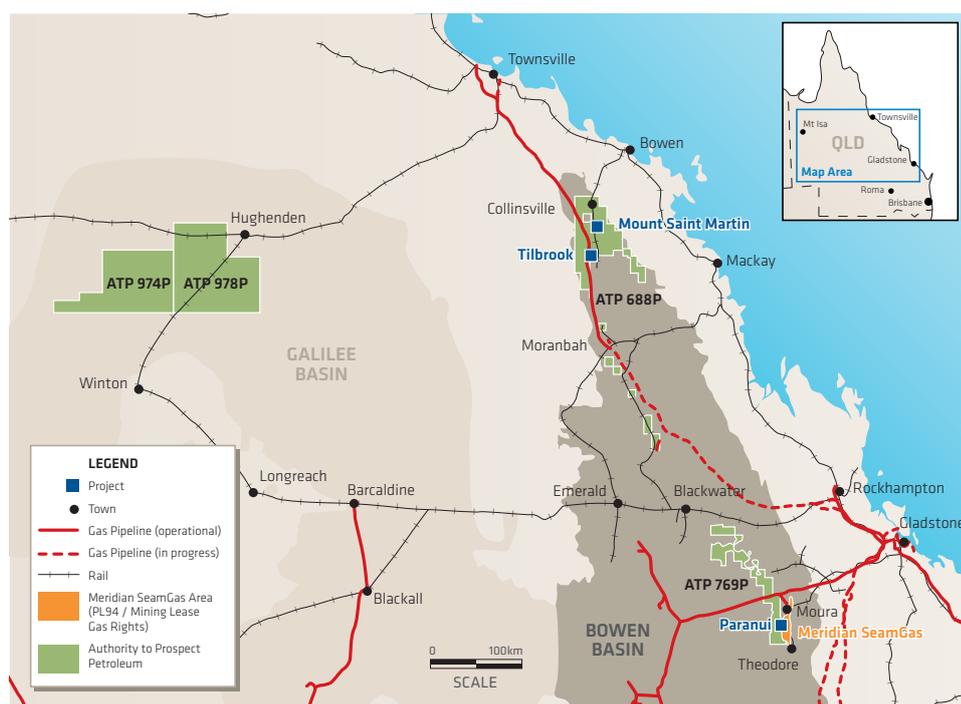


Figure 1: WestSide Corporation Queensland Tenement Interests

## SUSTAINABILITY



*Opportunities for the beneficial reuse of water from WestSide's planned new pilot water treatment plant at Meridian SeamGas are being investigated.*

During the quarter WestSide's approved Transitional Environmental Plan, which aims to bring pond construction standards for Petroleum Lease PL94 into compliance with new State Policy standards, was progressed with the completion of the detailed engineering design of planned CSG water storage and transport infrastructure.

WestSide also finalised an Underground Water Impact Report (UWIR) for its CSG operations within PL94 pursuant to the

requirements of Chapter 3 (Sections 381 and 382) of the *Queensland Water Act 2000*.

The UWIR is a routine requirement under state legislation and after public consultation it was submitted to the Department of Environment and Heritage Protection (EHP) on 29 June 2012. Additionally, WestSide completed a CSG water re-injection feasibility study at Meridian, in line with the Queensland Government's preferred hierarchy for CSG water disposal.

WestSide also signed an agreement for the installation of a pilot water treatment system which is expected to cost significantly less than reverse osmosis alternatives. Opportunities for beneficial reuse of the treated water within the surrounding region are being investigated.

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

## CORPORATE

### CAPITAL ISSUE

WestSide issued an additional 101,676,540 new shares on 17 April 2012 following completion of its 2-for-5 rights issue. During the quarter 70,000 incentive options expired.

### FINANCIAL POSITION

WestSide's cash position at 30 June 2012 was \$34.0 million following successful completion of the Company's recent entitlement offer.

### SALES REVENUE

WestSide's share of sales revenue for the June quarter was \$1.95 million, including processing revenues – up 42.5% on the \$1.37 million reported for the previous quarter and 51.4% on the \$1.29 million reported for the same period last year.

### EXPLORATION AND DEVELOPMENT

WestSide's share of expenditure on development activities for the period was \$1.8 million and a further \$0.40 million (WestSide's share) was spent on exploration.

### SHAREHOLDER BASE

At 30 June 2012 WestSide Corporation had 2,302 shareholders and 355,867,890 shares on issue.

## CONTACTS

### Chief Executive Officer

Dr Julie Beeby  
Phone: +61 (0)7 3020 0931

### Investor & Community Relations Manager

Richard Owen  
Phone: +61 (0)7 3020 0933  
Mobile: +61 (0)412 869 937

Web: [www.westsidecorporation.com](http://www.westsidecorporation.com)  
Email: [info@westsidecorporation.com](mailto:info@westsidecorporation.com)

## CORPORATE DIRECTORY

### Chief Executive Officer

Dr Julie Beeby

### Directors

Angus Karoll – Executive Chairman  
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

### Business Office

Level 8, 300 Queen Street  
Brisbane QLD 4000  
Phone: +61 (0)7 3020 0900  
Fax: +61 (0)7 3020 0999

### Postal address

GPO Box 1121  
Brisbane QLD 4000

Web: [www.westsidecorporation.com](http://www.westsidecorporation.com)  
Email: [info@westsidecorporation.com](mailto:info@westsidecorporation.com)

### Company Secretary and Chief Financial Officer

Damian Galvin

### Australian Securities Exchange Listing

Australian Securities Exchange Ltd  
ASX Code: WCL Ordinary Shares

### WestSide Corporation Limited

ABN 74 117 145 516  
ACN 117 145 516

### Registered Office

Level 8, 300 Queen Street  
Brisbane QLD 4000

### Auditors

PricewaterhouseCoopers  
Riverside Centre  
123 Eagle Street  
Brisbane QLD 4000

### Share Registry

Boardroom Pty Limited  
Level 7, 207 Kent Street  
Sydney, NSW, 2000  
Phone: 1300 737 760  
Fax: 1300 653 459

## 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 13,280 sq kms, with Mitsui E&P Australia Pty Ltd holding the remaining 49% in each tenement.

<sup>(1)</sup>The updated reserves figures for WestSide's 51% interest in the Meridian SeamGas Project as at 31 December 2011 referred to in this report and the certified reserves figures 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.