

# QUARTERLY REPORT

## HIGHLIGHTS

- ▶ December quarter Meridian gas sales revenue net to WestSide of \$2.0 million was up 5% on the September quarter
- ▶ Gas sales volumes of 543 TJ net to WestSide from the Meridian field were up 5% on the September quarter and have now stabilised at approximately 12 TJ/d
- ▶ Successfully raised \$15.45 million via a Placement and Share Purchase Plan, leaving the Company well funded and resourced to pursue its business plans
- ▶ Leadership enhanced in preparation for new growth phase with the appointment of Rob Neale as Chairman and CEO Mike Hughes as Managing Director
- ▶ Negotiation of new Gas Sales Agreements are significantly advanced with contract execution expected to occur within the next three months
- ▶ Preparation underway for the next phase of development drilling which is scheduled to commence at Meridian during the June quarter
- ▶ Subsequent to the end of the quarter Bryan O'Donnell was appointed Development Manager to lead the Meridian field development



Management meeting – from left new Development Manager Bryan O'Donnell with Chief Operating Officer Simon Mewing, Chief Financial Officer Damian Galvin and Managing Director Mike Hughes.

## OVERVIEW AND OUTLOOK

During the quarter WestSide maintained its sharp operating focus on production. Sales from the Meridian field (excluding fuel gas) were up a further 5% on the prior September quarter at 1,064,468 GJ (542,879 GJ net to WestSide) or 11.6 TJ/d.

WestSide's net share of sales revenue from Meridian of \$2.0 million was up 5% from \$1.9 million in the prior September quarter.

With the completion of the \$15.45 million capital raise in November, WestSide started this pivotal year well funded for future development. The next phase of drilling is scheduled to get underway during the June quarter. Tendering and procurement is well underway for the drilling program.

The Company has continued to work on securing material new gas supply agreements from 2015 when existing contracts are set to expire and management now expects a new contract to be signed within the next three months, reflecting significantly higher forecast gas prices.

Subsequent to the end of the quarter WestSide also expanded the Company's skill base with the appointment of Bryan O'Donnell as Development Manager to lead the Meridian field development.

Bryan brings extensive upstream petroleum development expertise from over 28 years managing oil, conventional gas and Coal Seam Gas developments for ExxonMobil, Oil Search, BHP Petroleum and Arrow Energy.

The Company had \$26 million in cash at 31 December 2013.

WestSide's net share of sales revenue from Meridian of \$2.0 million was up 5% from \$1.9 million in the prior September quarter.



Operations continued to focus on well workovers during the quarter.

# OPERATIONS REVIEW

## Meridian SeamGas CSG field

WestSide (operator) 51% – Mitsui 49%

Gross Reserves: 92 PJ (1P); 680 PJ (2P); 1,524 PJ (3P)

Operations during the quarter continued to focus on well work-overs and remedial interventions to maintain production and demonstrate ongoing well stability resulting in increased sales.

December showed an increase in sales following slightly lower results during October and November due to some scheduled and unscheduled plant and infrastructure downtime due to power supply disruptions and extreme weather.

Production from the Meridian field (excluding fuel gas) was up 4.4% on the September quarter at 1,036,151 (528,437 GJ net to WestSide).

Total sales volume (including third party gas) for the quarter of 1,064,468 GJ (542,879 GJ net to WestSide), or 11.6 TJ/d, was up 5% on the September quarter and daily sales have remained steady at approximately 12 TJ/d since mid-December. Available third party gas sourced from the nearby Mungi field for resale during the December quarter totalled 28,317 GJ.

The Meridian joint venture is continuing to receive compensation for revenue from foregone production of approximately 1.5 TJ/d from wells impacted by an expansion of the adjacent coal mine in 2012.

WestSide's net share of sales revenue from Meridian of \$2.0 million, including compensation payments and processing fees, was also up 5% from \$1.9 million in the prior September quarter.

## Development

Fundamental well performance remains solid and continues to underpin the future development plans. The production rates being consistently achieved (as shown in Chart 3) have continued to support the independently-validated well production rates.

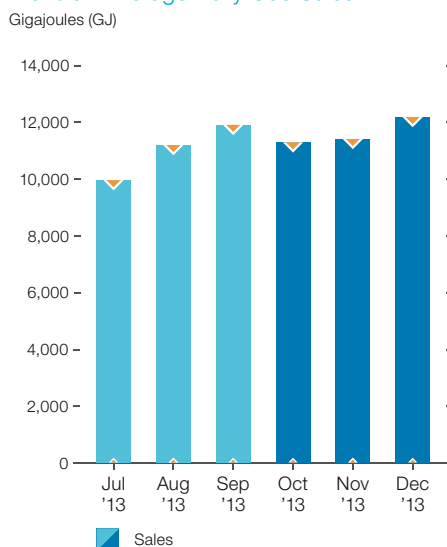
WestSide remains confident of being able to deliver planned production performance from future wells. The Meridian field development plan has been designed to target identified sweet spots and incorporates extensive recommended improvements in drilling procedures and practices to mitigate production delivery issues.

Tendering and procurement has commenced in preparation for the next phase of development drilling which is expected to commence at Meridian during the June quarter of this year and underpin an increase in production and further expansions of the field.

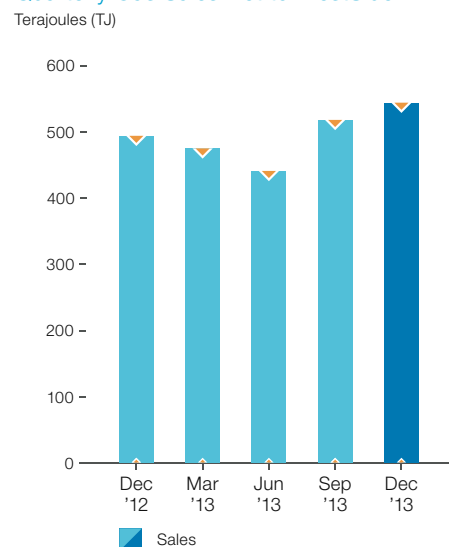
**Table 1:**  
Quarterly Gas Production & Sales Data (production is net of fuel gas used)

	30 SEPTEMBER 2013	30 DECEMBER 2013	CHANGE %
<b>Gross Operated</b>			
Production (GJ)	992,277	1,036,151	4.4
Gas Sales (GJ)	1,013,102	1,064,468	5.0
<b>Net to WestSide (51%)</b>			
Production (GJ)	506,061	528,437	4.4
Gas Sales (GJ)	516,682	542,879	5.0

**Chart 1:**  
Meridian Average Daily Gas Sales

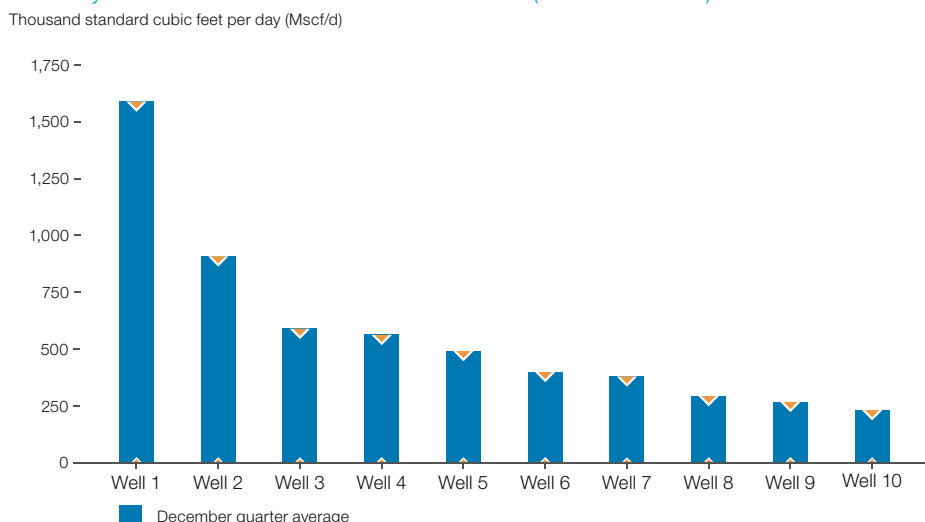


**Chart 2:**  
Quarterly Gas Sales Net to WestSide



Total sales volume for the quarter of 1,064,468 GJ (542,879 GJ net to WestSide), or 11.6 TJ/d, was up 5% on the September quarter and daily sales have remained steady at approximately 12 TJ/d since mid-December.

**Chart 3:**  
Quarterly Performance of Individual Meridian Wells (December 2013)



# OPERATIONS AND TENEMENT INTERESTS

## Bowen Basin

### ATP 769P & ATP 688P

(WestSide 25.5% – Mitsui E&P Australia 24.5 – QCG 50%)

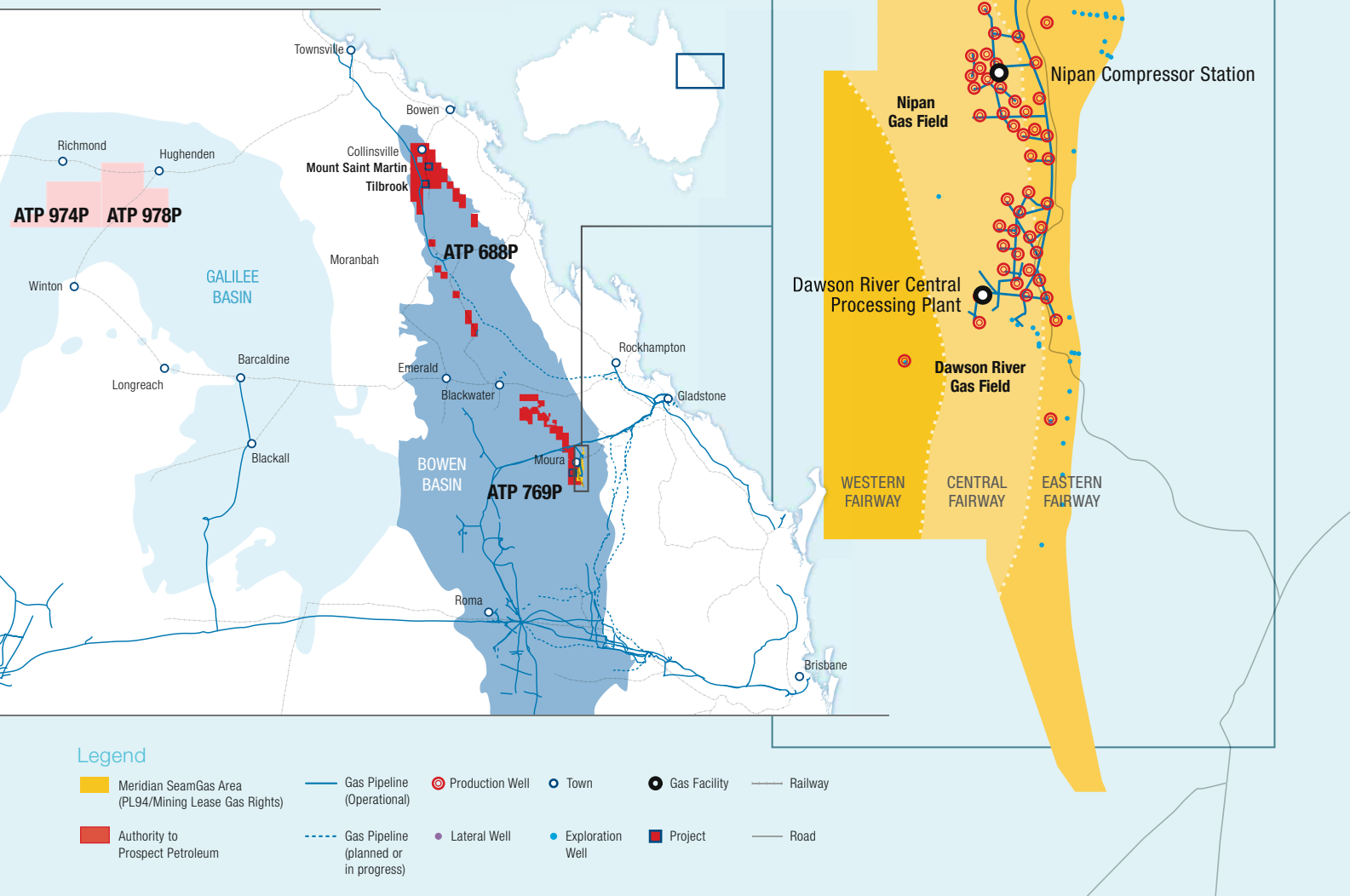
Reserves: 108 PJ (3P) net to WestSide

## Galilee Basin

### ATP 974P & ATP 978P

(WestSide interest 51% – Mitsui E&P Australia 49%)

No significant further exploration work was undertaken during the period. WestSide is currently finalising its 2014 exploration and appraisal plans with its joint venture partners.



# SUSTAINABILITY

WestSide continued to progress the Transitional Environmental Plan (TEP) work program, under s333 of the Environmental Protection Act, to bring legacy dams and water management practices for PL94 (Meridian SeamGas) into compliance with upgraded policy standards.

During the quarter a field test was undertaken with the aim of establishing the most cost-

effective and sustainable process for the rehabilitation of the existing evaporation ponds. The full analysis of the field trial results will be undertaken during the current March quarter.

Water gathered from Meridian's production wells is being treated to a quality acceptable for stock consumption in accordance with Department of Environment and Heritage Protection (DEHP) guidelines.

WestSide is currently in negotiation with local landholders with the aim of establishing an ongoing supply of stock water to the benefit of the local agricultural industry.

During the quarter there were no environmental incidents and there was one recordable medical treatment injury.

## CORPORATE

### Board

WestSide's leadership was further enhanced in preparation for the Company's exciting new growth phase with the appointment of Mr Rob Neale (pictured) as Chairman to succeed founder Angus Karoll, who remains on the Board, and CEO Mike Hughes as Managing Director.

Mr Neale, who is the President of the Queensland Resources Council and the Managing Director of WestSide's major shareholder New Hope Corporation Limited, joined the Board in 2010.

With more than 40 years' experience in the resources sector, Rob's main areas of expertise lie in the exploration and mining industry, gained from working in several countries covering gold, base metals, conventional and synthetic fuels, coal, bulk materials and shipping as well as power generation projects.

He is also the Chairman of Dart Energy Limited and a non-executive director of Planet Gas Limited.

### Capital Issue

During the quarter WestSide successfully completed a Placement of shares to institutions and sophisticated investors and an associated Share Purchase Plan which raised \$15.45 million through the issue of 85,843,561 new shares at A\$0.18 each. Due to the lapsing and release of performance rights held by former employees 195,000 unlisted performance rights lapsed and 49,200 unlisted shares were released from their holding lock.



### Financial Position

WestSide's cash position at 31 December 2013 was \$26 million.

### Sales Revenue

WestSide's net share of sales revenue from Meridian of \$2.0 million, including compensation payments and processing fees, was up 5% from \$1.9 million in the September quarter.

The Company received \$1.7 million as a Research and Development incentive in respect of eligible activities undertaken in the 2013 financial year.

### Exploration and Development

WestSide's share of expenditure on development activities for the period was \$0.9 million and a further \$0.6 million (WestSide's share) was spent on exploration.

### Shareholder Base

At 31 December 2013 WestSide Corporation Limited had 2,638 shareholders and 445,102,941 shares on issue.

# CORPORATE DIRECTORY

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## WestSide Corporation Limited

ABN 74 117 145 516  
ACN 117 145 516

## Australian Securities Exchange Listing

Australian Securities Exchange Ltd  
ASX Code: WCL Ordinary Shares

## Share Registry

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## Contact information

### Managing Director and Chief Executive Officer

Mike Hughes  
Phone: +61 (0)7 3020 0931

### Company Secretary and Chief Financial Officer

Damian Galvin  
Phone: +61 (0)7 3020 0904

## About WestSide

WestSide Corporation Limited is an ASX-listed company (ASX code: WCL) with gas production, significant uncontracted reserves and exploration interests 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.

## Competent person's statement

The reserves figures for Meridian SeamGas as at 31 December 2012 are based on information compiled by John P. Seidle, Ph.D., P.E., and Vice President of MHA Petroleum Consultants LLC in accordance with the definitions and guidelines set forth in the 2011 Petroleum Resources Management System approved by the Society of Petroleum Engineers (SPE PRMS). The certified reserves figures for ATP 769P and ATP 688P are also based on information compiled by MHA, co-signed by Mr Seidle (Reserves Reports dated June 2009 and April 2010 respectively). Mr Seidle, who has more than 30 years' experience, is not an employee of WestSide Corporation Ltd and consents to the presentation of these reserves figures in the form and context in which they appear.