# Investor update

23 April 2014

# Corporate summary

**ASX Listed gas producer & explorer (WCL)**

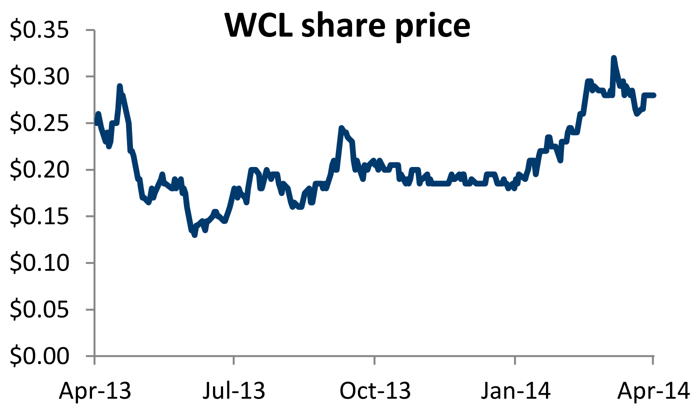
- Existing gas producer and operator
- Significant certified 1P, 2P and 3P reserves
- Strategically located in QLD's CSG to LNG corridor
- Significant gas supply agreement (GSA) executed with GLNG, linked to oil price
- Significant unutilised compression capacity
- Uncontracted reserves available to meet the booming east coast gas market
- Further appraisal and exploration upside

**The value equation**

- Material cash position
- Existing production facilities
- Material free cashflow once new GSA commences in 2016
- $^2/_3$ of 3P reserves remain uncontracted
- Pursuing debt funding options to enable maximum production rate

**Capital Structure**

- Key shareholders:
  - New Hope 17.6 %
  - Energy Infrastructure Trust 11.9 %
- 445.1M shares on issue
- Market capitalisation $124M @ 28.0 cps (22 Apr 2014)
- Cash at end March – $23.5M



# Key highlights

**Unique company with producing assets, a binding gas sale agreement and significant additional uncommitted reserves**

**GLNG Gas Sale Agreement**

- ✓ Clear path to commercialisation
- ✓ Supported by reliable producing asset with existing infrastructure base
- ✓ Provides flexibility and long term security

**Significant and uncommitted reserves from the Meridian SeamGas fields**

- ✓ Substantial quality reserve base for commercialisation beyond the GLNG Gas Sale Agreement
- ✓ Drilling and well improvement programs to increase productivity

**Paranui, Tilbrook and Mount Saint Martin – existing reserves and potential upside**

- ✓ Paranui – existing reserves, exploration potential and clear commercialisation options
- ✓ ATP688P – certified reserves - regional gas demand

**Further exploration upside**

- ✓ Track record in successful reserves growth

**Positive economics**

- ✓ GSA revenue linked to oil price; uncontracted gas exposed to rising wholesale gas prices
- ✓ Potential development scenarios indicate relatively modest funding for significant future cash flows

# Assets and reserves

WestSide

**Large and strategically located tenements**

- Tenements cover around 6,000 km$^2$
- Closest gas producer to Gladstone, with Meridian fields connected to the Queensland Gas Pipeline

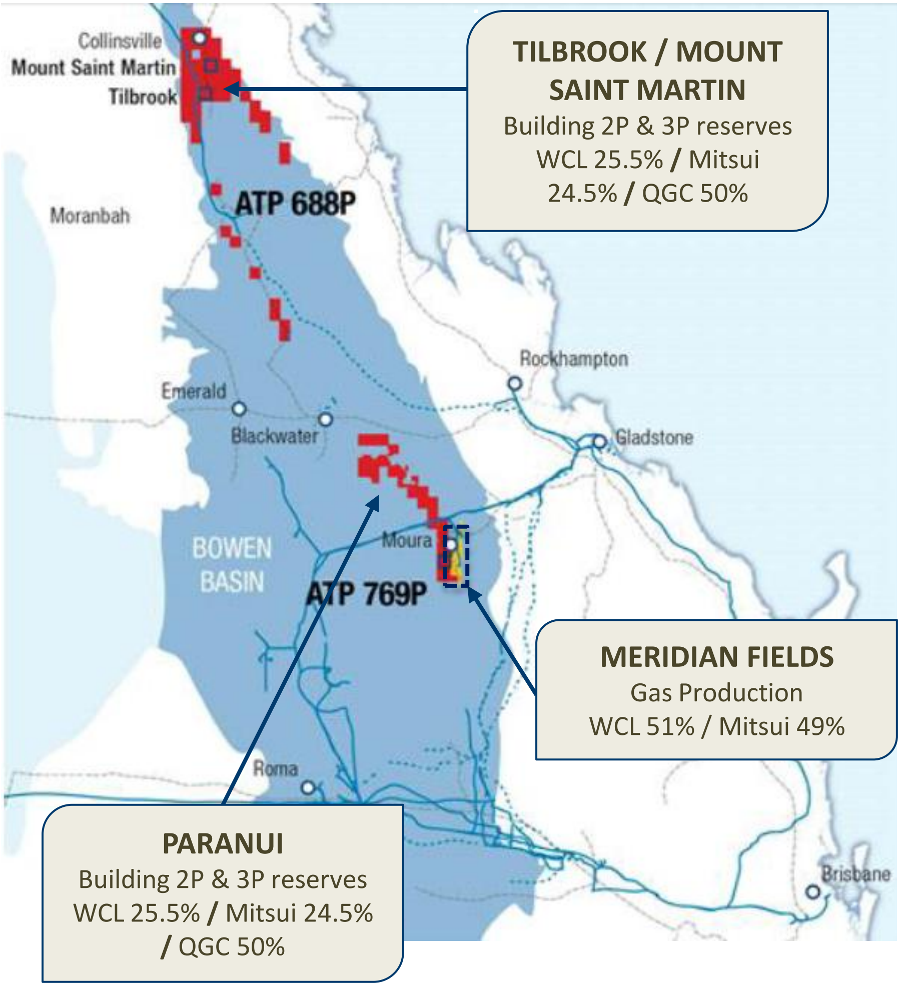
**Significant current reserves base**

- Current 1P reserves would only be exhausted at the current production rate after more than 20 years
- Current 2P reserves would be exhausted at 93 TJ/d field production over 20 years

## Reserves – Net to WestSide (PJ)

| Project | 1P (Proved) | P2 (Probable) | 2P (1P+P2) | P3 (Possible) | 3P (2P+P3) |
|---|---|---|---|---|---|
| Meridian | 47 | 300 | 347 | 430 | 777 |
| ATP 769P (Paranui) | | | | 69 | 69 |
| ATP 688P (Tilbrook, Mount Saint Martin) | | | | 39 | 39 |
| **Total** | **47** | **300** | **347** | **538** | **885** |

*Last new reserves update Dec-12*
*Meridian 2P reserves to 800m and 3P reserves to 1,350m*
*ATP 769P and ATP 688P 3P reserves to 1,000m*



# GLNG Gas Supply Agreement

WestSide

- Binding 20 year contract to supply gas to GLNG, a JV between Kogas, PETRONAS, Santos and Total
    - Demonstrates confidence in the Meridian field and WestSide's ability to operate
- WestSide determines rate at which project volumes ramp-up, avoiding the requirement for large upfront capital investment
- Supported by existing production and significant existing infrastructure
    - Field already producing at ~12 TJ/d
    - Up to ~30TJ/d utilises existing surplus compression capacity, at which point investment in additional compressors is required
    - In field pipelines have 60 TJ/d capacity with easy and low cost ability to expand pipeline capacity beyond 60 TJ/d

| Key features |
| --- |
| ✓ Binding 20 year contract |
| ✓ Up to 65TJ/d from the Meridian field to GLNG |
| ✓ Supplier driven: Allows staged ramp up in production with WestSide in control of gas supply commitment and capital spend profile |
| ✓ Revenue linked to oil prices |

# Meridian fields

**Ownership: 51% WestSide, 49% Mitsui**

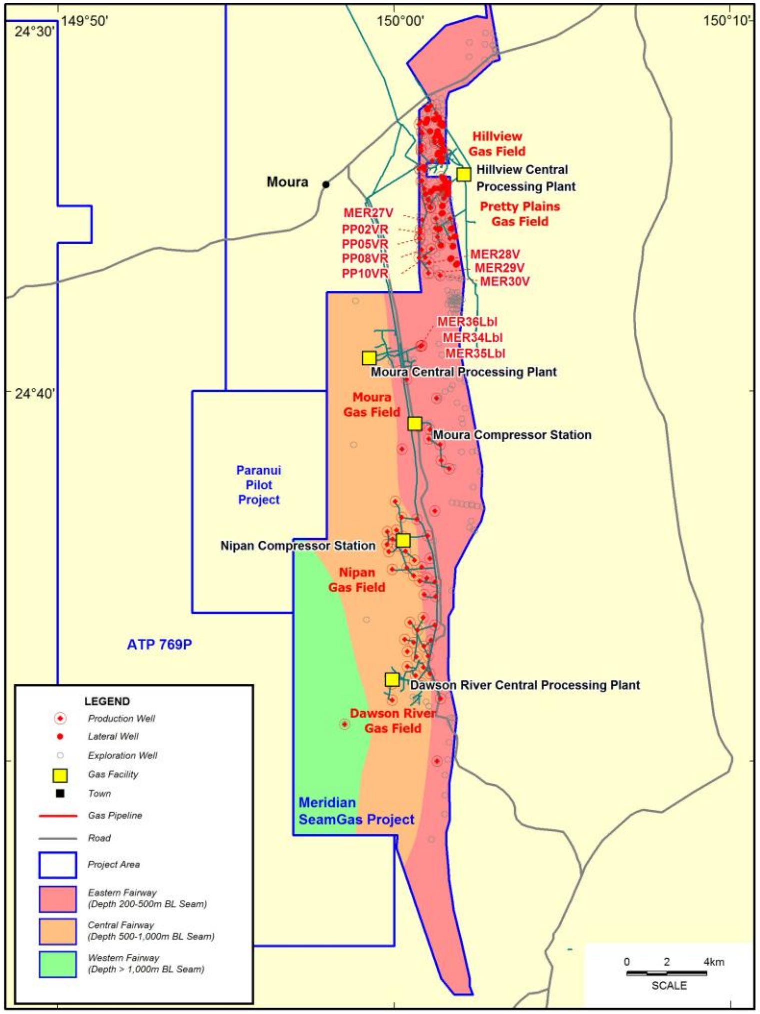
- Producing consistently at around 12 TJ/d
- Future wells expected to yield peak production rate of c.300-500mscf/d based on extensive data from past well performance
- Gas specification consistent with LNG plant requirements and only needs treatment for moisture

**Substantial quality reserve base for commercialisation beyond GSA**

- For example, a 60 TJ/d production rate over 20 years under GSA only uses $^{2}/_{3}$ of 2P reserves
- Leaves substantial 3P reserves remaining (~500 PJ net to WestSide)

**Drilling and well improvement programs to increase productivity**

- Drilling to commence May 2014
- Rejuvenation of existing wells to increase gas recovery



# Meridian field development plan

| Key Variable | Assumption |
|---|---|
| EUR / well | Close to 1bcf |
| Peak production / well | 300-500 mscf/d (within 9-12 months) |
| Well decline rate | 10-15% per annum |
| Well capex (drilling, complete & connect) | \$1.0 – 1.5 million per well |
| Operating costs | Reducing to A\$2/GJ (as volumes increase) |

**Development Plan**

- In field drilling, 5 key seams between 200m and 800m depth, lateral up-dip wells (simple single seam), later completions into under-exploited seams at lower cost (upside)

**Completed Well Costs**

- Drilling – 14 days to drill (1,300 – 1,500m total length); campaign drilling in dry season; competitive services market
- Completion – 3 days to complete; standard pump
- Connection – infrastructure in place, ~1km low pressure pipe per well, power supplied locally, low pressure skid, automation and control

**Expert Review**

- Assumptions endorsed by RISC as reasonable, robust and capable of delivery

**Further upside potentially available**

- Continued improvements to well design above baseline assumptions, and potential for peak production to exceed assumed rates (based on a number of existing producing wells exceeding target peak production rates)

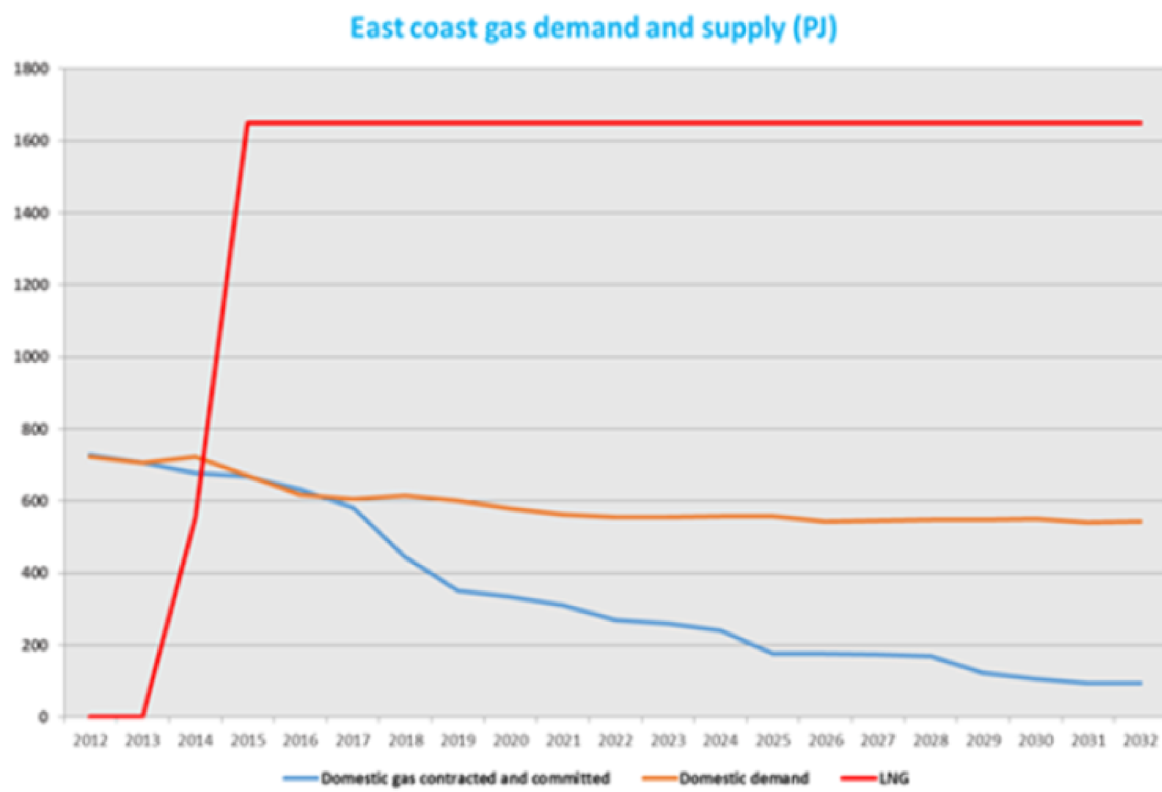
# Increasing gas demand and prices

**Increasing gas demand**

- Shortfall of gas supply for both new LNG projects and domestic demand in near term
- East coast gas demand from new LNG projects set to treble by 2017 (EnergyQuest)

**Wholesale prices driven by LNG netbacks**

- EnergyQuest forecasts gas prices “to increase to $8–$10/GJ, probably $10–12/GJ, in the short term, reflecting LNG netbacks and higher production costs”
- ACIL Tasman (2013) and Brattle (2014) estimated netback prices at Gladstone in excess of A$11/GJ




*Source: Energy Quest*

# Substantial GSA cashflows over 20 years

WestSide

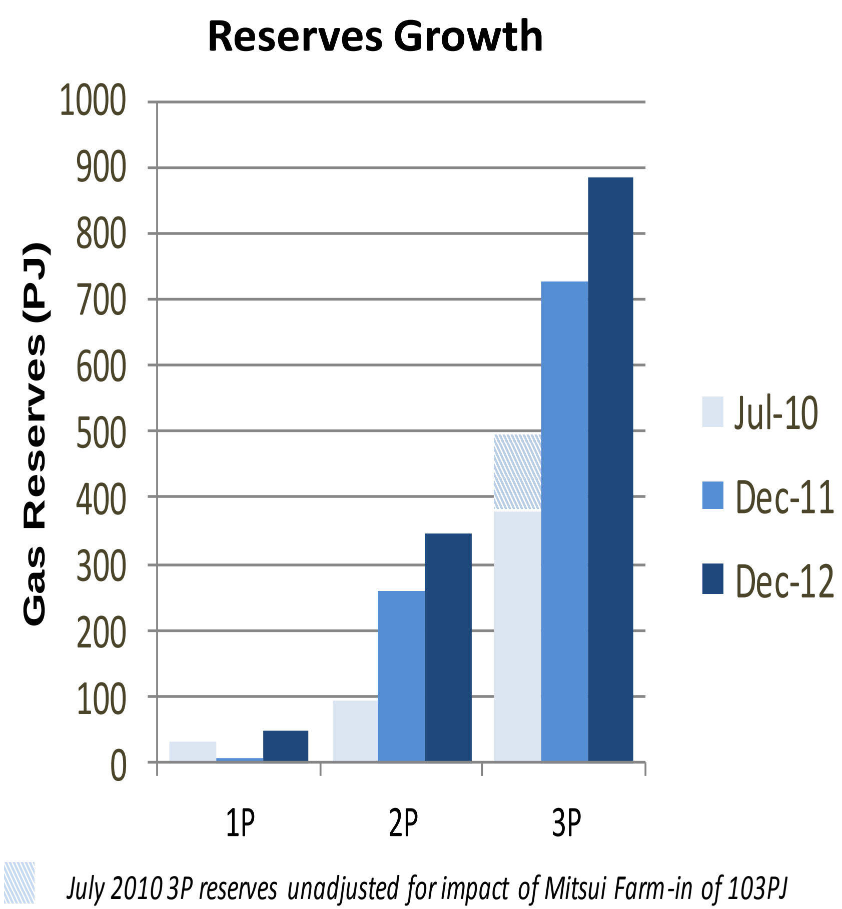
| Production Rate | 12 TJ/d | 30 TJ/d | 40 TJ/d | 65 TJ/d |
|---|---|---|---|---|
| Facility expansion CAPEX [1] (*WCL net share*) | - | - | $10-15m | $35-40m |
| Annual GSA revenue [2] at production rate (*WCL net share*) | >$18m | >$45m | >$60m | >$95m |
| Annual OPEX @$2/GJ (*WCL net share*) | $5m | $11m | $15m | $26m |

**Well costs** : each new well is expected to cost $1.0-1.5m to drill, complete and connect and is expected to produce approximately 0.3-0.5 TJ/d at its peak.

Note 1: Facility expansion CAPEX is WestSide's share of the estimated costs of additional compression infrastructure required for different levels of production.

Note 2: As the future gas sale price is oil-linked from 2016, it will change with fluctuations in the oil price and foreign currency exchange rate. Therefore, actual revenues may differ from those illustrated.

# Exploration upside




**Successful track record in growing reserves**

- 1P reserves up 57% since July 2010 (100% JV 1P: 92.6 PJ)
- 2P reserves up 269% since July 2010 from 94 PJ to 347 PJ (100% JV 2P: 680.3 PJ)
- 3P reserves up 138% from 371 PJ to 885 PJ

**Reserves expected to increase from development and exploration**

- Last reserve certification completed in Dec 2012
- Only 345 km$^2$ have been explored for 3P reserves, out of a total of tenement area of 12,000 km$^2$
- Solid reserves upside at Meridian:
  - Significant amount of 3P and 2P migrate to 2P and 1P as development occurs
  - Current 3P based on low recovery factor on large resource base
  - Demonstrated flow rates down to 1,300 metres
- Paranui, Tilbrook and Mount Saint Martin represent vast unexplored acreage

# Appendix - Leadership

23 April 2014

# WestSide leadership

## Board of Directors

***Robert Neale - Chairman***
Mining and exploration background with over 40 years' experience.

***Mike Hughes – Managing Director***
Former GLNG Gas Supply Director with 25 years' experience in international O & G sector.

***John Clarke - Non-Executive Director***
Commercial experience and former CEO of Infratil and MD of HRL Morrison.

***Tony Gall - Non-Executive Director***
Chartered Accountant worked with PriceWaterhouse for 39 years.

***Trent Karoll - Non-Executive Director***
Commercial background with strong financial and operations experience.

## Management Team

***Damian Galvin - CFO & Company Secretary***
Chartered Accountant with 20 years' experience in financial management.

***Simon Mewing - Chief Operating Officer***
Chemical engineer with over 30 years' experience in oil and gas industry.

***Garth Borgelt - Commercial Manager***
32 years' in the gas pipeline/energy industry and held various executive positions.

***Bryan O'Donnell – Development Manager***
Civil engineer with 28 years' experience managing oil, gas and CSG developments.

# Appendix – Exploration and Reserves Growth

23 April 2014

# ATP769P (Paranui)

**Ownership: 25.5% WestSide, 24.5% Mitsui, 50% QGC**

### Existing reserves

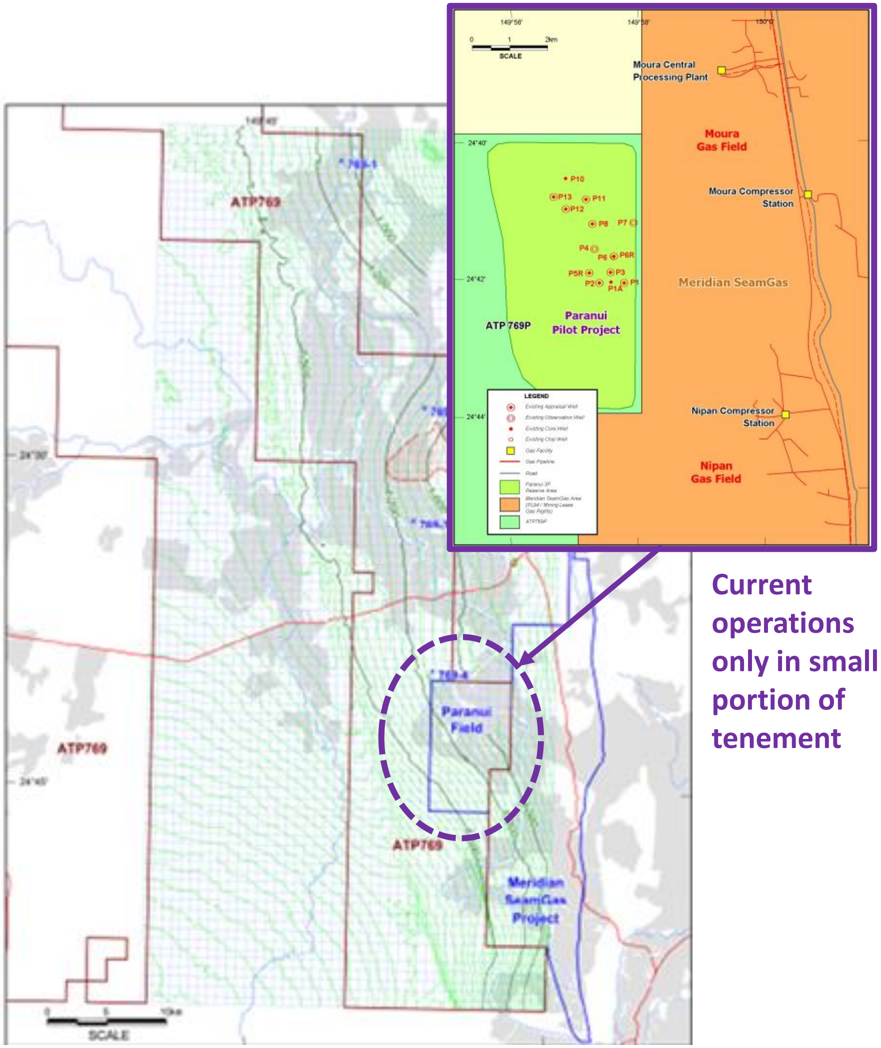
- Reserves net to WestSide: 69 PJ of 3P
- Working towards certification of 2P reserves

### Exploration potential

- Further potential for gas at depths between 1,000-1,500 m along the eastern margins of tenement
- Same coal sequence as Meridian

### Clear commercialisation options

- Potential for commercialisation either via a standalone project or through the Meridian fields
- Strategically located 7 km west of the Meridian fields and <10 km from existing gas supply infrastructure



# ATP688P (Tilbrook and Mount Saint Martin)

**Ownership: 25.5% WestSide, 24.5% Mitsui, 50% QGC**

**Existing reserves**

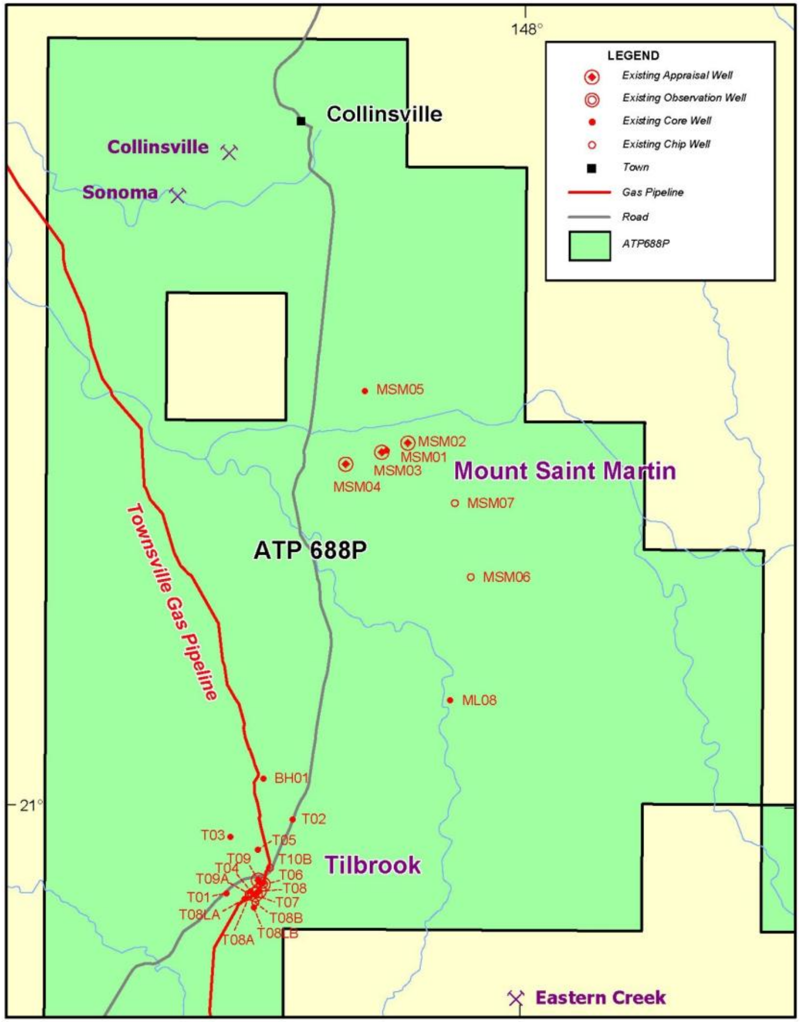
- Reserves net to WestSide: 39 PJ of 3P (at Tilbrook)

**Exploration program**

- Exploration drilling program at Mount Saint Martin to commence in 2014
- Targeting the Moranbah Coal Measures at depths between 300-600 m
- Future exploration programs to examine the Rangal and Fort Cooper Coal Measures in the northern area

**Commercialisation plans**

- Production pilot plans at Mount Saint Martin
- Potential to combine Mount Saint Martin and Tilbrook reserves to form a marketable resource
- Pursuing local commercialisation options as tenement near Moranbah-to-Townsville gas pipeline



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**Reserve estimates**

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.

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