

7 April 2011

Mitsui exercises WestSide's Bowen Basin tenement farm-in options

Key Points

- Mitsui E&P Australia (Mitsui) is exercising its options to acquire 49 per cent of WestSide's 50 per cent joint venture interests in Bowen Basin tenements ATP 688P and ATP 769P
- Under the terms of the farm-in options Mitsui will pay WestSide approximately \$11.5 million – a sum equivalent to 49 per cent of WestSide's exploration costs within the tenements to date
- The farm-in arrangements remain conditional on WestSide's existing joint venturer in ATP 688P and ATP 769P (QGC) waiving its pre-emptive rights over those areas
- Mitsui is WestSide's 49 per cent joint venture partner in the Meridian SeamGas Coal Seam Gas gasfields near Moura in Queensland and Galilee Basin exploration tenements ATP 974P and ATP 978P
- ATP 769P is contiguous to the Meridian SeamGas gasfields and contains the Paranui gasfield where WestSide is currently operating an expanded production pilot project
- Subject to receipt of QGC's waiver, the farm-ins significantly strengthen WestSide's joint venture relationship with Mitsui and credentials as an effective, low-cost operator, and validate the Meridian SeamGas joint venture's LNG strategy.

WestSide Corporation Limited (ASX Code: WCL) has received a notice of intention from Mitsui E&P Australia Pty Ltd (Mitsui) to exercise its options to acquire 49 per cent of the Company's 50 per cent interests in Bowen Basin tenements ATP 688P and ATP 769P.

Under the terms of the farm-in option Mitsui will pay WestSide approximately \$11.5 million – a sum equivalent to 49 per cent of WestSide's exploration costs within the tenements to date.

Mitsui would then have a 24.5 per cent interest in those tenements while WestSide's interest in each tenement would reduce from 50 per cent to 25.5 per cent, subject to receipt of a waiver of pre-emptive rights from QGC - WestSide's existing joint venture partner in those areas.

WestSide's Chief Executive Officer Dr Julie Beeby welcomed Mitsui's decision to expand the existing alliance to include the Company's other prospective Bowen Basin tenement interests via a three-way exploration joint venture with Liquefied Natural Gas (LNG) project developer, QGC.

"Subject to receipt of QGC's waiver, these farm-ins will significantly strengthen WestSide's joint venture relationship with Mitsui and credentials as an effective, low-cost operator, and validate the Meridian SeamGas joint venture's LNG strategy," Dr Beeby said.

"Significantly, ATP 769P is contiguous with the Meridian SeamGas gasfields and contains the Paranui gasfield where WestSide is currently operating an expanded production pilot project."

In addition to receipt of QGC's waiver, the farm-ins also remain subject to receipt of all relevant regulatory approvals, the execution of documentation joining Mitsui to the existing Joint Operating Agreements and receipt of payment.

Dr Beeby noted that WestSide had \$36.3 million in cash at 31 December 2010 and remained well funded to undertake planned work programs within its tenements into calendar 2012.

“The additional funds from the farm-ins will provide WestSide with greater financial flexibility to accelerate reserves expansion exploration and production programs at Meridian SeamGas,” Dr Beeby said.

In March 2010 WestSide and Mitsui announced they would jointly acquire the since renamed Meridian SeamGas CSG fields and that Mitsui would have an option to acquire 49 per cent of WestSide’s existing interests in the neighbouring Paranui prospect (ATP 769P) and its new Galilee Basin tenements (ATP 974P and ATP 978P).

The alliance was subsequently extended in June 2010 to potentially include WestSide’s CSG interests in ATP 688P. The exercise deadline was later extended until 31 March 2011 and then subsequently to 6 April 2011 to enable the parties to finalise terms.

Discussions with QGC regarding a waiver of its pre-emptive rights are continuing. A map showing the location of the Bowen Basin tenements is attached.

About Mitsui E&P Australia Pty Ltd

Mitsui E&P Australia Pty Ltd is a subsidiary of one of Japan’s biggest corporations, Mitsui & Co. Ltd. The Mitsui group has approximately 150 offices around the world, spanning 66 countries.

The Mitsui group has wide experience in equity investment, marketing, trading and finance covering all components in the Liquefied Natural Gas (LNG) value chain. It has been involved in the production of LNG globally since 1973 and is participating directly and indirectly in nine major LNG projects which deliver substantial volumes of LNG to the Asian market.

The Mitsui group is a participant in the North West Shelf (NWS LNG Project) through a 50 per cent share in Japan Australia LNG Pty Ltd (MIMI). Formed in 1985, MIMI is one of seven shareholders in the NWS LNG Project which has been supplying natural gas to the West Australian domestic market since 1984 and LNG to Japan since August 1989.

Apart from the NWS LNG Project business, the Mitsui group’s main upstream oil and gas investments through Mitsui E&P Australia Pty Ltd in the Australian and New Zealand energy sector are the Enfield/Vincent Area (WA) and Tui Area (NZ) as oil producing projects and Casino area (Victoria) and Kupe (NZ) as gas producing projects.

Mitsui E&P Australia Pty Ltd’s portfolio also extends to more than 20 exploration permits in the Exmouth/Browse Basin, Otway/Sorell Basin, Taranaki Basin and Great South Basin.

Together with its affiliate companies, Mitsui’s Energy group is committed to expanding its activities in the Australian and New Zealand oil and gas sector both through participation in upstream projects and trading of crude oil, gas, refined petroleum products and renewable fuels.

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 and Mount Saint Martin) 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 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.

For further information contact:

WestSide Corporation Ltd

Dr Julie Beeby
Chief Executive Officer
07 3020 0900

Investors and Media

Richard Owen
Investor & Community Relations Manager
07 3020 0900
0412 869 937
richard.owen@westsidecorporation.com

WestSide Corporation: Bowen Basin tenements ATP 688P and ATP 769P

