

Quarter ending 31 December 2012
WESTSIDE CORPORATION LIMITED



OPERATING HIGHLIGHTS

- Received indicative takeover proposal in November for a cash offer of 52c a share, valuing WestSide at \$185m – discussions continuing
- Meridian revenues net to WestSide up 53.5% on the same period last year at \$1.95 million but down 3.5% on the previous September quarter
- Production volume net to WestSide of 469.5 TJ, excluding fuel gas, up 27.5% on the same period last year but down 6.9% on the previous guarter
- Sales volume of 493.3 TJ up 24.2% on the same period last year but down 6.5% on the previous quarter
- Drilling completed during quarter one brownfield exploration well, one vertical well suspended for future production and one lateral well to be completed as a blind lateral
- Dual-lateral well-set drilled in the last quarter was connected in preparation for completion and commissioning
- Installed and pre-commissioned the new 1,000 HP, trailer-mounted booster compressor

- Progressed construction of water treatment pilot plant
- Decommissioned and rehabilitated first Meridian legacy evaporation pond
- Subsequent to the end of the quarter:
 - Commenced commissioning of new trailer-mounted compressor
 - Commenced commissioning of new water treatment plant
 - Commenced a 10-well Advanced Treatment Trial

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 new wells, work-overs and refurbishment and remediation of existing wells to increase revenues and confidence in the field by future gas customers.

WestSide's net share of sales revenue from Meridian of \$1.95 million was up 53.5% on the previous corresponding December quarter, but down 3.5% from the \$2.02 million reported in the September quarter.

December quarter production did not match expectations due to slower than anticipated recovery of production from new wells following work-overs in the last quarter.

Five wells were also taken out of production in preparation for an Advanced Treatment Trial by Halliburton that was due to start in November 2012, but did not commence until late January 2013. These wells will be progressively commissioned and returned to production over coming months after treatment.

The program to refurbish dormant production wells will continue in 2013 and the completion and commissioning of the new dual-lateral production well MER 30, drilled in the last quarter, will commence.

With one exploration and two production wells drilled in the December quarter, no production drilling has been scheduled in the current quarter. This will allow a review of proposed future well sites based on interpretations from recently reprocessed seismic data to ensure well and field optimisation.

The engineering and operations teams will focus during the current quarter on commissioning the new trailer-mounted booster compressor, installation of the

second booster compressor following delivery to site and commissioning Meridian's new pilot water treatment plant to advance all aspects of the surface infrastructure required to support ramp up of production.

On 20 November 2012, WestSide announced that an indicative, conditional, non-binding and confidential proposal had been received from a party which has conducted extensive due diligence on the Company.

This proposal involves the acquisition of 100 per cent of the shares in WestSide for cash consideration of 52 cents a share.

WestSide is continuing to progress discussions with the party. However, uncertainty remains as to whether any binding proposal which might be acceptable to the WestSide Board will eventuate.

The Company had \$24.7 million in cash at 31 December 2012.

OPERATIONS REVIEW

Meridian SeamGas CSG field

(WestSide interest 51% – Mitsui 49%) Reserves: 6.5 PJ (1P); 258 PJ (2P); 617 PJ (3P) net to WestSide⁽¹⁾

Sales to customers were uninterrupted during the quarter and reliability of supply and producing equipment remained high.

During the quarter the operations and engineering teams completed installing the new 1,000 HP trailer-mounted booster compressor – believed to be the first unit of its type in Queensland – and commissioning of the unit has now commenced.

Work continued on site in preparation for installation of a second 200 HP booster compressor unit, which is currently in transit from overseas.

The new dual-lateral production well (MER 30), drilled in the September quarter, was connected in preparation for completion and commissioning during the current quarter.

The vertical section of the next planned dual-lateral production well MER 39 was successfully drilled.

However, the first lateral well did not intersect the vertical section due to geological faulting adjacent to the vertical section and roll-over of the coal seam. Consequently, the vertical section was cased and suspended as a future production well and the lateral section will be completed as a blind lateral.

Significant progress was made during the quarter on optimising a work-over treatment to enhance production from older wells by freeing them of blockages caused by mineral deposits in down-hole casing perforations. Investigations also determined that some earlier fracture-stimulated wells have become impeded by the production of the original sand that was used as a proppant.

Halliburton has been engaged to progress an Advanced Treatment Trial to treat mineral build up and arrest sand production in a number of older fracced wells, including five producing wells that were taken offline in November for preparatory upgrades of surface infrastructure.



The new 1,000 HP trailer-mounted booster compressor – believed to be the first unit of its type in Queensland.

Halliburton was scheduled to arrive on site in early November 2012 to complete this work, but did not mobilise to site until 20 January 2013.

PRODUCTION REVIEW

Meridian SeamGas CSG field

(WestSide interest 51%)

Production during the quarter did not return to previous levels as expected due to a number of factors.

Several of Meridian's new high-performance dual-lateral wells, which had been taken off line during the previous quarter for work-overs, were placed back on pump. Production recovery from these wells has been disappointingly slow as water levels drop gradually, with some requiring additional work-overs. Nevertheless, long-term gas recovery expected from these wells remains unchanged.

Production was also impacted by the need to take five fracture-stimulated wells off line for refurbishment in preparation for the Advanced Treatment Trial to be carried out by Halliburton. Due to delay by Halliburton, a decision was taken to bring several of the wells back online to reduce the impact on production, which was approximately 1.5 TJ/day during November. The impact is shown in Chart 1.

Compensation is continuing for production curtailed earlier in the year from several legacy wells within part of the Co-Development Area into which the adjacent coal mine is expanding. The Meridian joint venture was compensated for resulting revenue loss from production of approximately 1.5 TJ/d throughout the quarter.

Production from the Meridian SeamGas CSG field (excluding fuel gas) was down 6.9% on the September quarter at 920,717 GJ (469,566 GJ net to WestSide), but up 27.5% on the previous corresponding December

quarter. Total sales volume (including third party gas) of 967,204 GJ (493,274 GJ net to WestSide) or 10.5 TJ/d, was down 6.5% on the September quarter, but up 24.2% on the previous corresponding December quarter.

Available third party gas sourced from the nearby Mungi field for resale during the December quarter totalled 46,487 GJ – up 2.4% from 45,391 GJ in the previous quarter, but down 17.6% from 56,419 GJ in the previous corresponding December quarter.

WestSide's net share of sales revenue from Meridian of \$1.95 million, including processing fees, compensation and price uplift to accommodate carbon tax costs, was up 53.5% on the previous corresponding December quarter, but down 3.5% from the \$2.02 million reported in the September quarter.

WestSide's share of revenue from Meridian of \$1.95m, was up 53.5% on the previous corresponding quarter, but down 3.5% on the September Quarter result.

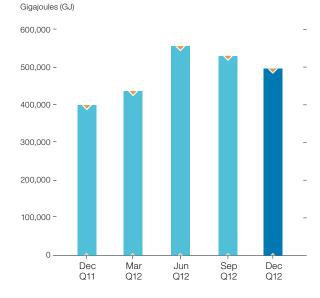
Table 1: Quarterly Gas Production & Sales Data (production is net of fuel gas used)

	30 SEPT 2012	31 DEC 2012	CHANGE %	30 SEPT 2011	CHANGE %
Gross Operated					
Production (GJ)	989,031	920,717	(6.9)	722,105	27.5
Gas Sales (GJ)	1,034,422	967,204	(6.5)	778,524	24.2
Net to WestSide (51%)					
Production (GJ)	504,406	469,566	(6.9)	368,273	27.5
Gas Sales (GJ)	527,555	493,274	(6.5)	397,047	24.2

Chart 1: Meridian Average Daily Gas Production



Chart 2: Quarterly Gas Sales Net to WestSide



EXPLORATION REVIEW

Bowen Basin

Meridian SeamGas CSG Field

(WestSide interest 51%)

The MER 07X exploration core well was completed during the quarter in a producing area of the field to determine any variation in gas content from modelled drainage under an ongoing reserves maturation and production program.

Approximately 16.8 metres of net coal were intersected in line with expectations and a full report will be completed during the current quarter. However, a preliminary analysis indicates gas content within these seams may be higher than anticipated.

During the quarter reinterpretations on the location, size and direction of faults from reprocessed 2008 Narweena 2D seismic survey data were incorporated into Meridian's geological model. This data will assist in planning future production wells.

A follow-up program of infill seismic lines and an extension of new lines towards the north is also being considered, however, access to existing seismic data has provided a significant cost benefit.

ATP 769P

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

Reserves: 69 PJ (3P) net to WestSide(1)

Paranui Project

Installation of a new AirWell gas lift pumping system on the Paranui 13 pilot well was delayed during the quarter due to rig availability. The key components for the work are now on site, enabling the work to be undertaken when rigs are available after the end of the wet season.

Regional Exploration

Planning for a 2D seismic program, by joint venture partner QGC, across the remainder of the tenement is progressing to define the structure and identify new exploration targets in the northern and deeper parts of the tenement. The focus for WestSide during the quarter remained on progressing landholder, Cultural Heritage and environmental approvals for an exploration well program, and finalising joint venture approvals.

ATP 688P

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

Reserves: 39 PJ (3P) net to WestSide(1)

Mount Saint Martin and Tilbrook

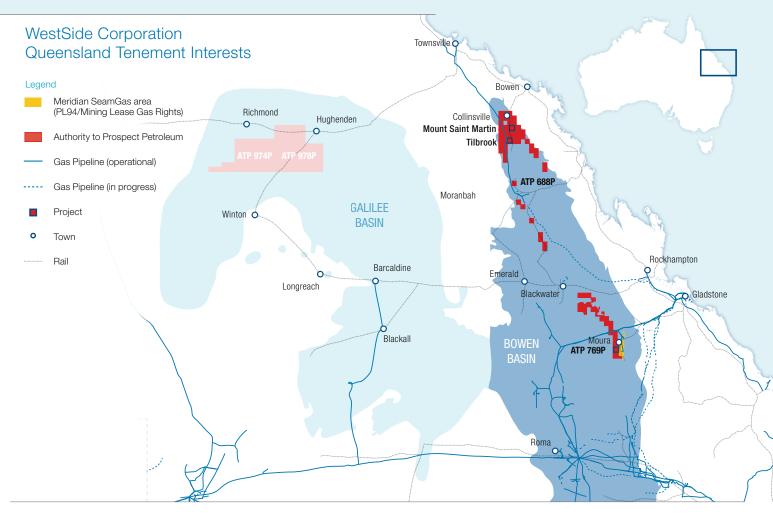
Remedial works were completed on a number of Tilbrook well sites during the quarter. The joint venture also undertook a review of the proposed future drilling program at Mount Saint Martin, including the design and orientation of the wells. Discussions are continuing with joint venture partners to finalise the exploration strategy that would aim to delineate the area and properly plan new exploration wells.

Galilee Basin

ATP 974P & ATP 978P

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

No significant exploration activities were undertaken during the quarter, however, the joint venturers continued to evaluate their options. A field review to assess lease conditions was completed as well as preliminary work in preparation for rehabilitation of the site at Glenlyon.







WestSide continued to promote the Company's activities to investors, including hosting a field visit to Meridian for institutional clients of RBS Morgans.

Substantial headway was made during the quarter to progress the Transitional Environmental Plan (TEP) work program, under s333 of the Environmental Protection Act, to bring legacy dams and water management for PL94 into compliance with upgraded policy standards.

Work undertaken included delivery to site and installation of a pilot water treatment plant (pictured above) which has the potential to treat water to a sufficient quality for beneficial use within the local area. Commissioning and testing will progress during the current quarter.

Discussions are now underway with several potential water end-users, including nearby landholders. In addition, preliminary soil testing was undertaken to determine the

suitability for long term beneficial re-use of the treated water.

Rehabilitation of the first decommissioned legacy evaporation dam site (pictured above right) was completed during the quarter and revegetation is well advanced.

Work commenced on an Underground Water Impact Reports for other project areas. There were two recordable injuries during the quarter. No environmental incidents or high hazard events occurred during the period.

In early December WestSide, in conjunction with peak industry body APPEA, hosted an educational field visit to Meridian for Queensland Government departmental staff involved in oversight of the State's Coal Seam Gas industry to assist their understanding of this type of development.

CORPORATE

Indicative Proposal

On 20 November 2012, WestSide announced that an indicative, conditional, non-binding and confidential proposal had been received from a party which has conducted extensive due diligence on the Company.

This proposal involves the acquisition of 100 per cent of the shares in WestSide for cash consideration of 52 cents a share.

WestSide is continuing to progress discussions with the party. However, uncertainty remains as to whether any binding proposal which might be acceptable to the WestSide Board will eventuate.

Capital issue

During the quarter no new shares were issued and 290,000 WestSide performance rights lapsed.

Financial Position

WestSide's cash position at 31 December 2012 was \$24.7 million.

Sales Revenue

WestSide's net share of sales revenue from Meridian of \$1.95 million, including processing fees, compensation and a price uplift to accommodate carbon tax costs, was up 53.5% on the previous corresponding

December quarter, but down 3.5% from the \$2.02 million reported in the September quarter.

Exploration and Development

WestSide's share of expenditure on development activities for the period was \$3.5 million and a further \$0.2 million (WestSide's share) was spent on exploration.

Shareholder Base

At 31 December 2012 WestSide Corporation had 2,428 shareholders and 356,121,380 shares on issue.

CORPORATE DIRECTORY

Contact information

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 Email: info@westsidecorporation.com

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

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

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 Email: info@westsidecorporation.com

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

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.

Competent persons statement

(1) 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.

