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Funding proposals increase likelihood of accelerated Meridian expansion

WestSide Corporation Limited (ASX code: WCL) is assessing funding proposals and indicative term sheets received from several potential lenders to finance an expansion of the Meridian gas field near Moura in central Queensland.

WestSide's Managing Director Mike Hughes said several Australian-based and international financiers have proposed debt facilities sufficient to fund WestSide's 51 per cent share of the expected cost of expanding the Meridian gas field to produce up to 65 Terajoules per day (TJ/d).

"The responses from a variety of prospective financiers have increased the Board's confidence that an attractive credit facility can be secured to fully fund WestSide's share of the field development," Mr Hughes said.

"Our aim is to fund an accelerated expansion of the Meridian gas field without diluting existing shareholders through additional equity capital raisings."

The Meridian joint venture has a binding 20-year Gas Sale Agreement (GSA) to supply up to 65 TJ/d to the participants of the GLNG project at Gladstone. The GSA with GLNG provides WestSide with flexibility for a staged ramp up in supply volume from 2015.

This flexibility enables WestSide to plan a field development which it can fund from available financial resources. While WestSide can fund its share of the expansion to 65 TJ/d without sourcing any additional funding by utilising its existing cash balances and projected cash flows, gas delivery can be accelerated if additional capital is secured.

WestSide expects to receive several more debt funding proposals in coming days, in addition to those currently being assessed and plans to reach financial close on a funding facility with a preferred financier in the fourth quarter of this year.

About WestSide Corporation Ltd

WestSide Corporation Limited is an ASX-listed gas producer (ASX code: WCL) based in Brisbane with significant gas production infrastructure, gas reserves and exploration interests in Queensland.

WestSide operates the Meridian gas field at Moura 160km west of Gladstone in Queensland's Bowen Basin and holds a 51% joint venture interest with Mitsui E&P Australia Pty Ltd holding the remaining 49%.

The Meridian gas field comprises a range of assets including a petroleum lease, gas rights in mining leases and gas compression and pipeline infrastructure connected to Queensland's commercial gas network. The field currently supplies approximately 12 Terajoules of gas per day (TJ/d).

In March 2014 the Meridian joint venture executed a binding 20-year gas sale agreement to supply up to 65 TJ/d of gas to GLNG from 2015 at prices based on an oil-linked formula from 2016.

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 the tenements with Mitsui E&P Australia Pty Ltd (24.5%) and QGC (50%).

Additional information is available on WestSide's website: www.westsidecorporation.com.

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