

16 February 2012

Frances Finucan
Senior Adviser, Listings (Brisbane)
By Email: frances.finucan@asx.com.au

Dear Frances,

Re: ASX Query

With reference to your letter dated 14 February 2012 and with specific reference to your queries contained therein, we advise as follows:

1. Does the Company consider that the Proposal is material to the Company ?

Yes, but the proposal is also indicative, non-binding and highly conditional. There is no guarantee that a binding proposal will be received from the potential acquirer.

WestSide has at all times been diligent in relation to complying with its continuous disclosure obligations. WestSide's decision not to disclose information about the proposal prior to 13 February 2012 was made with regard to what the Board of WestSide believed to be the best interests of the Company and in the belief that WestSide was not required to disclose information about the proposal under listing rule 3.1.

2. If the answer to question 1 is "no", please provide a detailed explanation of the basis on which the Company does not consider the Proposal to be material.

Not applicable.

3. If the answer to question 1 is "yes", when did the Company first become aware of the Proposal ?

The potential acquirer first wrote to WestSide to express its interest in a potential transaction involving the acquisition of 100% of WestSide on 20 January 2012. The potential acquirer supplied very little information about the potential transaction to WestSide in its initial approach to the Company. The initial approach did not refer to the price being considered by the potential acquirer.

Following receipt of the initial approach on 20 January 2012, WestSide sought further information from the potential acquirer regarding its proposal. Amongst other things, WestSide requested details of the price being considered by the potential acquirer, the assumptions underlying that price, the nature and scope of the due diligence access desired by the potential acquirer and any relevant conditions attaching to the potential acquirer's proposal.

Between 20 January 2012 and 2 February 2012, WestSide engaged in discussions with the potential acquirer regarding the above matters. On 30 January 2012, the potential acquirer provided an updated proposal to WestSide including an indicative price range for the potential transaction which the potential acquirer described as preliminary and subject to change. On 2 February 2012, the potential acquirer provided a further updated proposal to WestSide containing the price referred to in WestSide's announcement of 13 February 2012.

The potential acquirer has advised WestSide that it requires due diligence access in order, amongst other things, to verify certain assumptions underpinning its indicative price. WestSide does not believe the proposal will progress any further unless due diligence access is provided to the potential acquirer.

Since 2 February 2012, WestSide has been involved in discussions with the potential acquirer regarding the terms upon which WestSide would be willing to grant due diligence access. On 6 February 2012, WestSide sought the consent of a joint venture partner to the disclosure of confidential joint venture information to a potential purchaser of WestSide shares or assets. The terms of the confidentiality agreement to be executed by the potential acquirer were finally agreed with WestSide's joint venture partner and the potential acquirer yesterday.

The proposal has at all times been indicative, non-binding, highly conditional and confidential. In its initial approach, the potential acquirer requested that WestSide not make any announcements or disclosure concerning its interest in WestSide to any person and advised WestSide that any such announcement or disclosure could prejudice its willingness to proceed with the proposal.

4. If the Company first became aware of the Proposal prior to the release of the Announcement, please identify an earlier announcement from the Company which disclosed the Proposal.

No earlier announcement of the Proposal was made for the reasons set out below in the Company's answer to question 5.

5. If there was no earlier announcement and the Company became aware of the Proposal prior to the Announcement, why was the information not released to the market at an earlier time? Please comment specifically on the application of listing rule 3.1 and the exceptions to the rule in listing rule 3.1A.

WestSide did not disclose information about the proposal to the market immediately upon becoming aware of that information because WestSide believed that such disclosure was not in the best interests of the Company and that it was not required to make disclosure under listing rule 3.1 as a result of listing rule 3.1A. Specifically, at all times prior to the announcement made on 13 February 2012, WestSide believed that:

1. A reasonable person would not have expected information about the proposal to be disclosed in circumstances where that disclosure might:
 - prejudice the ability of WestSide to work with the potential acquirer to develop a proposal which might be in the best interests of WestSide's shareholders; and

- impact on the other strategic initiatives currently being considered by WestSide (including WestSide's negotiations with third parties regarding expansion of the Company's business, gas monetisation opportunities and the funding of WestSide's current work program).
2. Information about the proposal was confidential. WestSide had no reason to believe that the proposal ceased to be confidential prior to WestSide's announcement on 13 February 2012 or that the proposal explained the trading activity which occurred in the days prior to WestSide's announcement on 13 February 2012.

Relevantly, WestSide did not receive any queries from analysts or others regarding the existence of the proposal prior to 13 February 2012. There was also no media speculation regarding the proposal prior to this time. On 10 February 2012, WestSide asked a broking firm with whom it has a relationship whether there were any market rumours regarding the reason for the unusual trading activity in its securities and was advised by that firm that they were not aware of any rumours. WestSide also confirmed with the potential acquirer that the proposed acquirer was not aware of any loss of confidentiality regarding the proposal.

While the volume of WestSide shares traded on each of 8, 9 and 10 January 2012 was higher than average, the number of shares traded represented a very small percentage of the total WestSide shares on issue – namely, 0.3% on 8 February, 0.4% on 9 February and 0.5% on 10 February. However, the increased trading activity and the increase in WestSide's share price was noted by management. During the period 8 to 13 February 2012, WestSide management had a number of discussions regarding the trading activity and the following was noted:

- There was increased trading activity, and higher share prices observed in respect of some of WestSide's peers during the week starting 6 February 2012, indicating positive sentiment towards the sector generally.
- WestSide's quarterly report issued on 31 January 2012, and circulated in newsletter format on 8 February 2012, highlighted a number of matters which might have been the source of increased optimism about WestSide.
- One of WestSide's major shareholders is in administration. WestSide believed that the administrator may have been selling-down their investment which might explain some of the increased trading volume.

WestSide management believed, after careful consideration, that a combination of the above factors was the most likely cause of the trading activity.

3. The information concerned a proposal which was incomplete. As noted above, the proposal is indicative, non-binding and highly conditional. There is no guarantee that a binding proposal will be received from the potential acquirer.
- 6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.**

The Company confirms that it is in compliance with the listing rules and, in particular, listing rule 3.1.

Yours faithfully,



Damian Galvin
Company Secretary



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14 February 2012

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Dear Mr Galvin

WestSide Corporation Ltd (the "Company")

ASX Limited ("ASX") refers to the following.

1. The increase in the Company's share price from a closing price of 28.5 cents on Wednesday, 8 February 2012 to an intraday high of 35 cents on Friday, 10 February 2012, together with an increase in the volume of securities traded.
2. ASX's price query letter dated 10 February 2012 ("ASX Query") and the Company's response to the ASX Query dated 13 February 2012 ("Query Response").
3. The Company's announcement entitled, "*Notification of Approach*" released to the market at 3:24 pm AEDT on Monday, 13 February 2012 ("Announcement"). The Announcement advised that the Company has received an indicative, conditional, non-binding proposal from an unrelated party ("Proposal").
4. The increase in the Company's share price from a closing price of 34 cents on Friday, 10 February 2012 to an intraday high of 54 cents together with an increase in the volume of securities, today Tuesday, 14 February 2012, at the time of writing.

As you are aware, listing rule 3.1 requires an entity, once it becomes *aware* of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, to immediately tell ASX that information. The exceptions to this requirement are set out in listing rule 3.1A.

I would like to draw your attention to the definition of "aware" in Chapter 19 of the listing rules. This definition states that:

"an entity becomes aware of information if a director or executive director (in the case of a trust, director or executive officer of the responsible entity or management company) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity."

Furthermore, paragraph 17 of Guidance Note 8 states:

"Once a director or executive officer becomes aware of information, he or she must immediately consider whether that information should be given to ASX. An entity cannot delay giving information to ASX pending formal sign-off or adoption by the board, for example."

Listing rule 3.1A sets out an exception from the requirement to make immediate disclosure, provided that each of the following are satisfied.

- 3.1A.1 A reasonable person would not expect the information to be disclosed.*
- 3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential.*
- 3.1A.3 One or more of the following applies.*
- It would be a breach of a law to disclose the information.*
 - The information concerns an incomplete proposal or negotiation.*
 - The information comprises matters of supposition or is insufficiently definite to warrant disclosure.*
 - The information is generated for the internal management purposes of the entity.*
 - The information is a trade secret."*

Finally, I would like to draw your attention to ASX's policy position on the concept of "confidentiality" which is detailed in paragraphs 33 to 39 of Guidance Note 8. In particular, paragraphs 34 and 35 of the Guidance Note state that:

"'Confidential' in this context has the sense of 'secret'..." and "Loss of confidentiality may be indicated by otherwise unexplained changes to the price of the entity's securities, or by reference to the information in the media or analysts reports".

Having regard to the above definitions, listing rule 3.1 and Guidance Note 8 - Continuous Disclosure, ASX asks that you answer each of the following questions in a format suitable for release to the market, in accordance with listing rule 18.7A.

1. Does the Company consider that the Proposal is material to the Company?
2. If the answer to question 1 is "no", please provide a detailed explanation of the basis on which the Company does not consider the Proposal to be material.
3. If the answer to question 1 is "yes", when did the Company first become aware of the Proposal?
4. If the Company first became aware of the Proposal prior to the release of the Announcement, please identify an earlier announcement from the Company which disclosed the Proposal.

5. If there was no earlier announcement and the Company became aware of the Proposal prior to the Announcement, why was the information not released to the market at an earlier time? Please comment specifically on the application of listing rule 3.1 and the exceptions to the rule in listing rule 3.1A.
6. Please confirm that the Company is in compliance with the listing rules and in particular, listing rule 3.1.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter. If the information requested by this letter is information required to be given to ASX under listing rule 3.1, your obligation is to disclose the information immediately.

If you are unable to respond by the time requested, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 - Trading Halts, we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell ASX each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we may ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the expiry of the trading halt at the commencement of trading on Tuesday, 21 February 2012, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

Your response should be sent by email to frances.finucan@asx.com.au. It should **not** be sent to the Market Announcements Office. Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible, and in any event, not later than **9:30 am AEDT (8:30am Brisbane time) on Friday, 17 February 2012**.

Please note that ASX reserves the right, under listing rule 18.7A, to release this letter and the Company's response to the market if it considers it necessary for an informed market. Accordingly, it would be appreciated if you would prepare your response in a format suitable for release to the market and separately address each of the questions asked.

If you have any concerns about release of your response, or any queries in relation to this matter, please contact me immediately.

Yours sincerely

[sent electronically without signature]

Frances Finucan
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