



**RIU Good Oil Conference 2012**

4 September 2012

# WESTSIDE - MISSION STATEMENT

**Mission** WestSide identifies, commercialises and maximises the value of existing and new gas reserves to provide innovative energy outcomes in a sustainable manner for the benefit of all stakeholders.

**Vision** WestSide aims to be an Australian energy sector leader highly valued for its people, partnerships, innovation and performance

**Values** Integrity | Reliability | Sustainability | Innovation | Collaboration



# WESTSIDE – AT A GLANCE

## ASX-listed CSG Producer and Explorer

- Queensland CSG production & exploration
- Experienced Board and Management
- Market Cap \$135.2m @ at 38cps – 355.9m shares on issue
- Certified 1P, 2P and 3P reserves
- Rising revenues from 51% operatorship of Meridian SeamGas
- Growth track record
- \$34m in cash at 30 June 2012

## Strong Strategic JV Alliances

- Mitsui E&P Australia
- QGC – a BG Group Company

## Strong Diverse Portfolio of E&P

- **Production** – Meridian SeamGas PL94 & ML co-development
- **Exploration** - Bowen Basin ATP 688P & ATP 769P
- **Exploration** - Galilee Basin ATP 974P & ATP 978P

## Share Register

- Top 20 shareholders hold 70% of register
- Cornerstone investors:
  - New Hope Corporation 19.6%
  - Energy Infrastructure Trust 13.3%

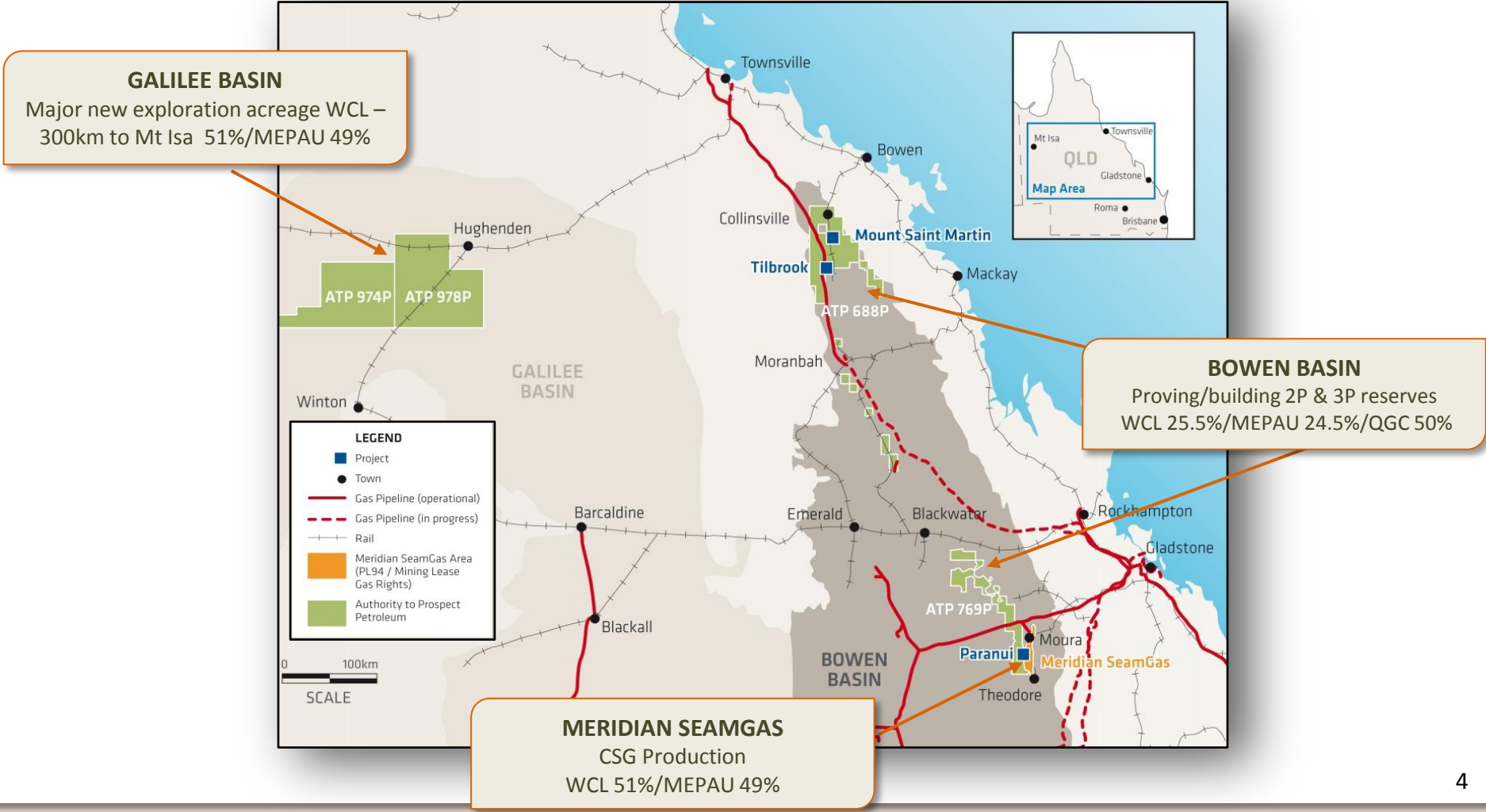
## Takeover approach

- LNG Ltd - indicative proposal @ 65cps (53cps on diluted basis post-rights issue)
- non-exclusive due diligence access granted

# WESTSIDE – ASSET LOCATION

## Developing CSG reserves and assets in two basins

Strategic location – Access to QGP 160km to Gladstone



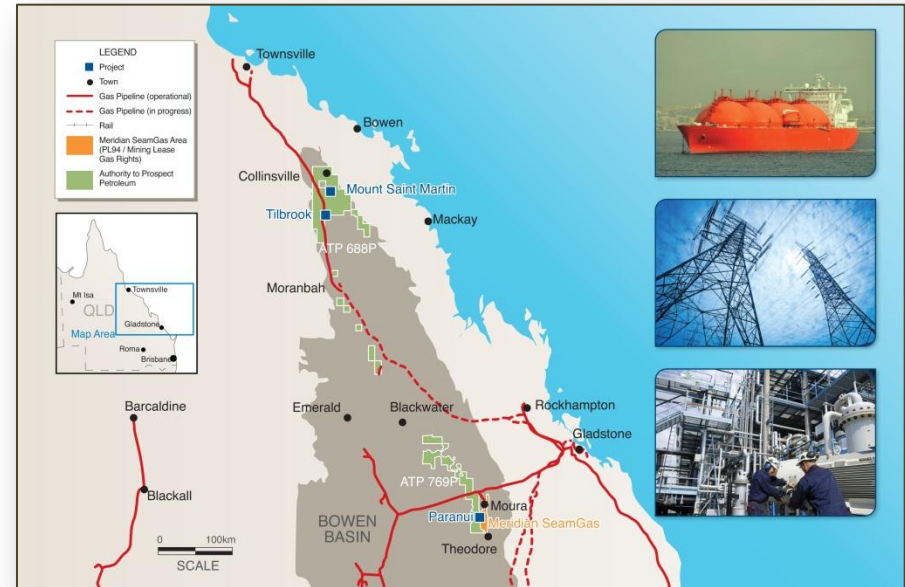
# MERIDIAN SEAMGAS – MARKET OUTLOOK

## Competitive Position

- Low cost development of 2P & 1P reserves due to existing infrastructure
- Connected to Queensland Gas Pipeline and closest producer to Gladstone
- Contracts run to 2014/15 for up to 25TJ/d
- More than 400 PJ of uncontracted 2P gas (100% basis)
- 2011 Queensland Gas Market Review foreshadows significant price rises from 2013 - \$6-8/GJ range
- EnergyQuest 2011 Report forecasts \$7/GJ
- Industrial gas users now motivated to secure long term supplies at higher prices

## Marketing Opportunities

- QLD market est. 5.3% growth (10 PJ/pa)
- Export LNG gas supply contracts
- Domestic industrial and gas-fired power



**“Domestic and LNG project gas customers are projected to be short gas in the near term”**

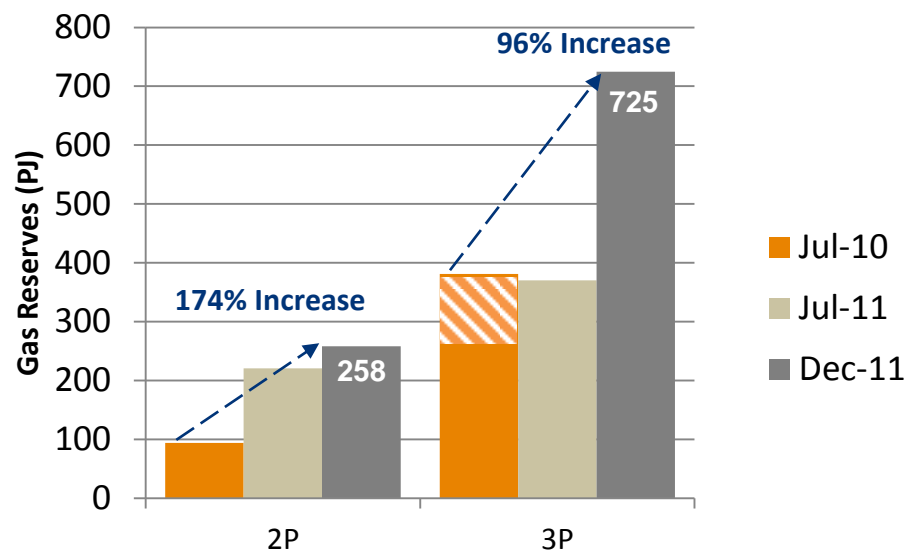
## Takeover Approach


- Received indicative, conditional, non-binding and confidential proposal from LNG Limited
- Announced 13 February 2012
- Indicative price of 65 cents cash per share - valuing WestSide at \$165.2m:
  - 53cps allowing for rights issue dilution
- Takeover approach prior to Entitlement Offer launch and significant Reserves Upgrade
- Proposal based on a number of assumptions, including share of reserves and gas flow rates
- Data room established and non-exclusive due diligence access granted
- WestSide working cooperatively with LNG Limited to progress the proposal
- Board is committed to maximising shareholder value and working with advisers to explore all available options.
- WestSide has previously advised that other parties may be granted due diligence access
- There is no guarantee that a binding takeover offer will be made

# WESTSIDE - RESERVES POSITION

## Reserves have increased substantially

- 2P reserves up 174% since July 2010 to 258 PJ
- 3P reserves up 96% to 725PJ
- Potential to increase 2P & 3P reserves at Meridian, Paranui, Mount Saint Martin & Tilbrook in the Bowen Basin and 3C resources in ATP 974P & ATP 978P in the Galilee Basin
- Additional exploration and pilots planned in ATP 769P & ATP 688P



 July 2010 - 3P reserves unadjusted for impact of Mitsui Farm-in of 103PJ

Gas Reserves (PJ) (net to WestSide)	% Share	1P*(PJ)	2P*(PJ)	3P*(PJ)	GIP (PJ) <sup>(1)</sup>
Meridian <sup>(2)</sup>	51	6.5	258	617	
Meridian (to 1,500m)					1,552
ATP 769P (<1,000m)	25.5			69	1,420
ATP 688P (<1,000m)	25.5			39	1,215
Galilee Basin ATP974P & ATP978P	51				10,700
<b>Total Net WestSide Reserves</b>		<b>6.5</b>	<b>258</b>	<b>725</b>	<b>14,887</b>

(1) GIP internal estimate (2) Meridian 2P reserves to 800m, 3P reserves to 1,350m

# WESTSIDE - LEADERSHIP

## Board of Directors

### **Angus Karoll - Executive Chairman**

Founding Director with broad experience across a range of sectors.



### **John Clarke - Non-Executive Director**

Commercial experience and former CEO of Infratil and MD of HRL Morrison.



### **Robert Neale - Non-Executive Director**

Mining and exploration background with over 40 years' experience.



### **Tony Gall - Non-Executive Director**

Chartered Accountant worked with PriceWaterhouse for 39 years.



### **Nathan Mitchell - Non-Executive Director**

Extensive history with research and development of drilling techniques.



### **Trent Karoll - Non-Executive Director**

Commercial background with strong financial and operations experience.



## Management Team

### **Dr Julie Beeby - Chief Executive Officer**

Development and change management leader with 24 years' experience in resources sector.



### **Damian Galvin - CFO & Company Secretary**

Chartered Accountant with 18 years' experience in financial management.



### **Simon Mewing - Chief Operating Officer**

Chemical engineer with over 30 years' experience in oil and gas industry.



### **Ray Cowie - General Manager Production**

Drilling and petroleum engineer with 21 years' oil and gas industry experience - CSG specialist.



### **Andrew Knight - Exploration Manager**

32 years' diverse experience as a coal geologist in exploration and mining, with the past 4 in CSG.



### **Garth Borgelt - Commercial Manager**

30 years' in the gas pipeline /energy industry and held various executive positions.



### **Richard Owen - Investor & Community Relations Manager**

30 years' experience in business journalism, consulting, marketing and sales.





# WESTSIDE – INVESTMENT HIGHLIGHTS

## Corporate

- ✓ CSG junior with production, significant 2P reserves and strong exploration upside
- ✓ Major JV partners (Mitsui E&P and QGC) and cornerstone shareholders (New Hope Corporation & Energy Infrastructure Trust)
- ✓ \$34 million in cash at 30 June 2012

## Production & Location

- ✓ Operating established Meridian SeamGas business on QGP - 160km from Gladstone
- ✓ Averaged gross sales of 13.5 TJ/d in June 2012, commissioning 10 new wells – (5 have achieved production rates > 675Mscf/d, including PP10 & MER 27 @ >1,000 Mscf/d)
- ✓ Trialing innovative well designs & equipment to increase production efficiency
- ✓ Significant opportunity to ramp up production - supported by 258 PJ of 2P reserves (net to WCL)
- ✓ Cultural Heritage Investigation and Management Agreement in place at Meridian
- ✓ New Environmental Authority for Meridian SeamGas Petroleum Lease PL 94 granted

## Sales Contracts

- ✓ Existing contracts in place for up to 25 TJ/d to 2014-15 - \$5.9m revenue (net) FY2012
- ✓ Progressing commercial negotiations with various parties – targeting new GSAs at higher pricing

## Exploration Upside

- ✓ Bowen Basin - ATP 769P and ATP 688P (pilots + seismic to identify new targets)
- ✓ Galilee Basin – ATP 974P and ATP 978P (grassroots program)

# WESTSIDE - OPERATIONS

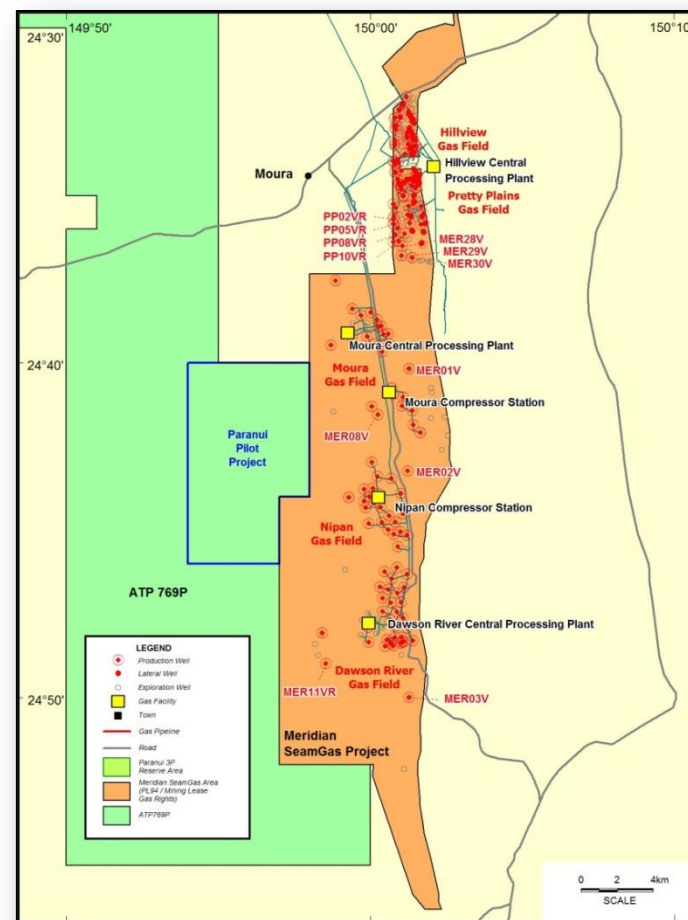


# ABOUT MERIDIAN SEAMGAS

## PL 94 & ML gas rights – Reliable supplier of gas

WCL - 51% : MEPAU - 49%

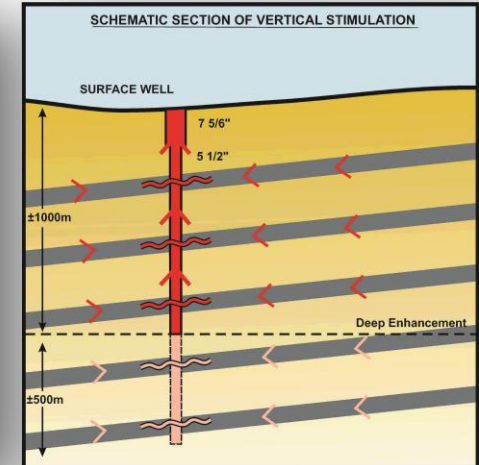
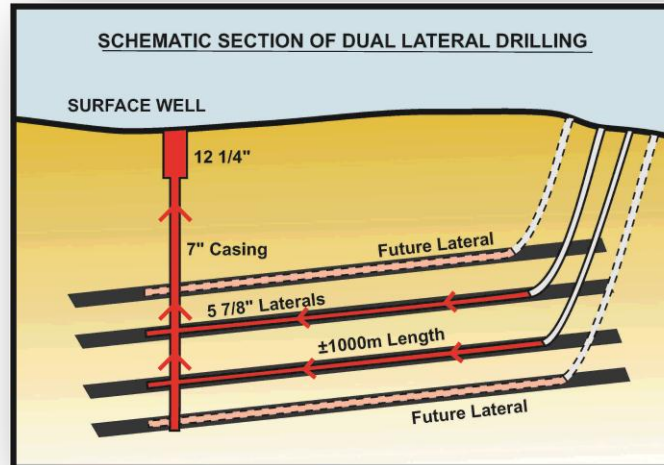
- Approximate area of 206 km<sup>2</sup>
- Average 18m net coal – 5 main seams in Baralaba Coal Measures and Kaloola Formation
- Two pipelines with 60 TJ/d capacity
- 12 compressors with 30 TJ/d capacity
- 160km of low and high pressure pipeline
- Natural pathway for WCL's adjacent Paranui (ATP 769P 25.5%) gas
- At 50 TJ/d could feed 8% of an LNG train
- At 72 TJ/d could feed 0.5 mtpa dedicated LNG plant
- Reserves (net to WestSide)
  - 6.5 PJ 1P
  - 258 PJ 2P
  - 617 PJ 3P



# MERIDIAN SEAMGAS – DRILLING TECHNOLOGY

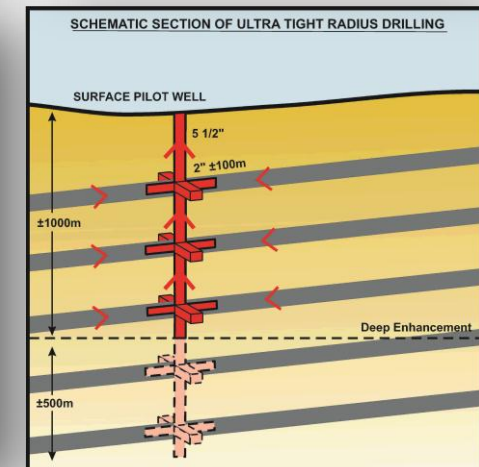
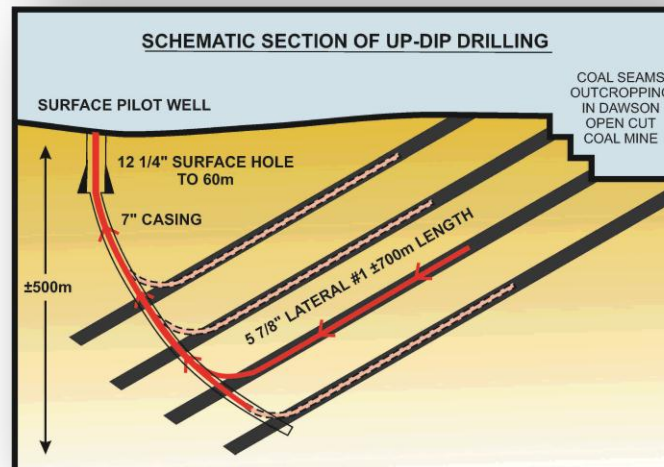
## Established technologies

- Vertically intersected laterals
- Stimulated vertical wells



## Emerging high efficiency wells

- Up-dip lateral wells
- Multi-seam ultra-tight radius wells



# MERIDIAN SEAMGAS - PRODUCTION

## Production ramp-up since acquisition in July 2010

- Natural decline of field arrested
- Extreme wet season impacted Oct'10 – Feb'11
- Work-overs on 22 wells delivered 2.7 TJ/d in FY2011
- 10 new production wells from 2011 (7 dual-laterals & 3 up-dip blind laterals) now ramping up
- PP10 & MER 27 flowed > 1,000 Mscf/d & stabilising
- PP02, MER 28 & MER 29 have flowed at > 675 Mscf/d - controlled via back pressure & still building towards peak
- New wells now more than 30% of total production

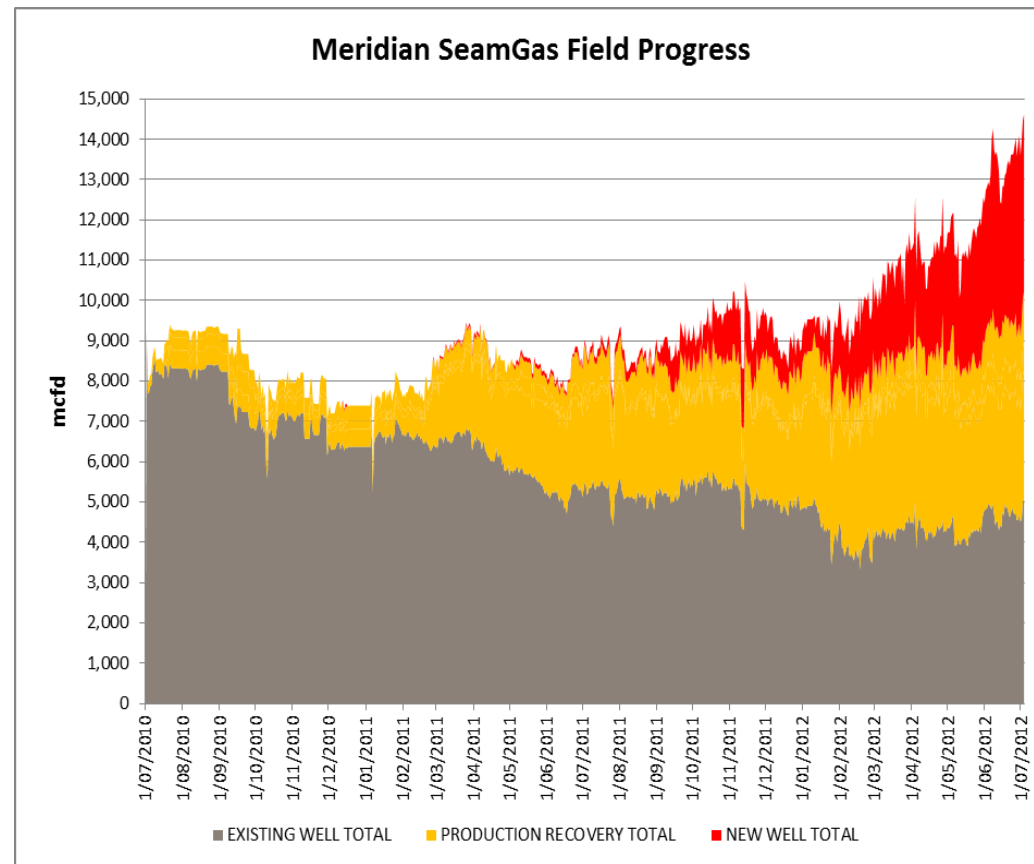


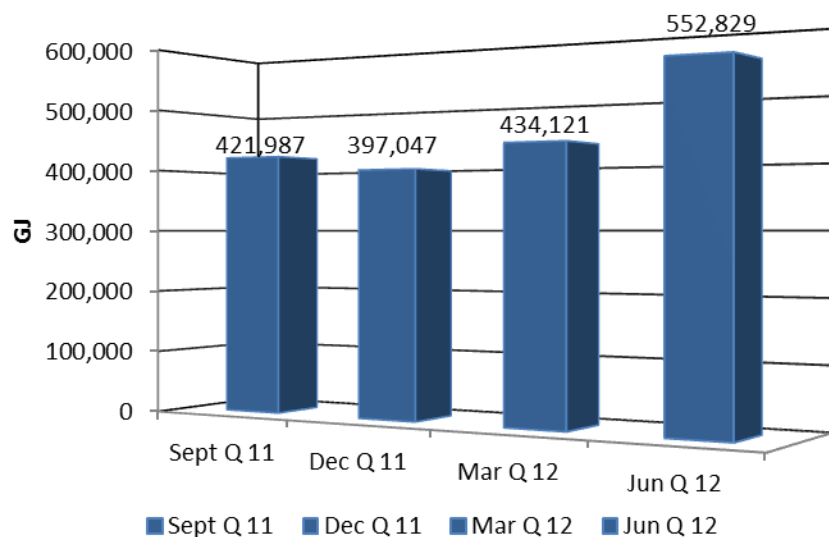
Chart data as at 30 June 2012

# MERIDIAN SEAMGAS - SALES

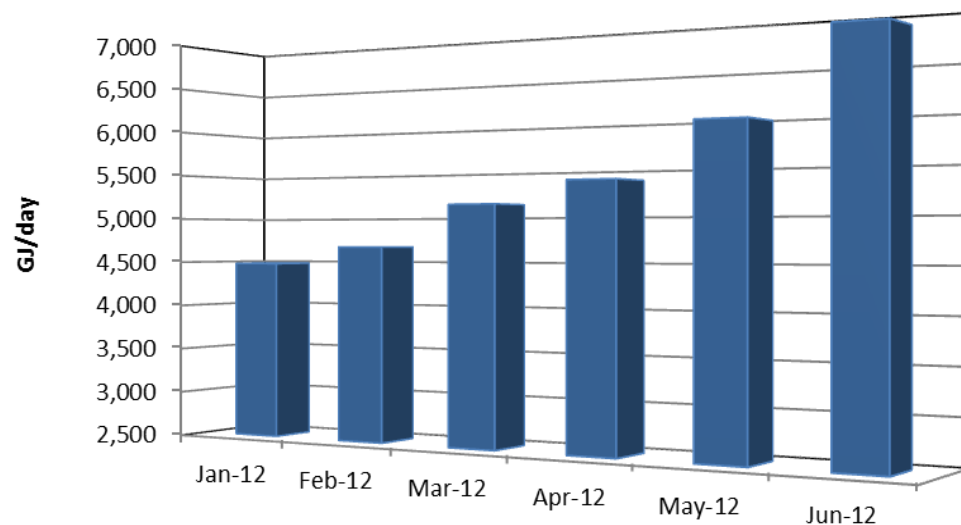
## Gas sales

Meridian's average daily sales in June were up 53.1% since January, reflecting a rising contribution from new wells, which now account for about 35% of production, and work overs of old wells.

Quarterly Gas Sales (GJ) Net to WestSide



Average Daily Gas Sales (GJ) Net to WestSide <sup>1</sup>



1: Chart data as at 30 June 2012

**“Five of seven new Meridian dual-lateral wells have achieved flow rates in excess of 675 Mscf/d, including PP10 & MER27 @ >1,000 Mscf/d”**

# MERIDIAN SEAMGAS – STRATEGIES FOR GROWTH

## Meridian SeamGas – Near term focus

### *Reserves Strategy*

- Low cost development of 2P reserves
- Certify deep seams below 1,350m
- Combine with adjacent ATP 769P reserves

### *Production Strategy*

- Demonstrate capability to ramp production
- Innovative well design & stimulation
- Develop processing facilities

### *Commercial Strategy*

- Supply existing AGL contract
- Establish gas sales contracts for post 2014
- Optimise gas sales price

### *Targets*

- additional 2P
- additional 3P sub 1,350m

### *Target*

- toward 25 TJ/day by end of 2012 calendar year

### *Target*

- new export LNG and DomGas sales contracts

**“Optimising value through low cost reserves certification, increasing gas sales and ensuring long term future by seeking higher price GSA’s”**

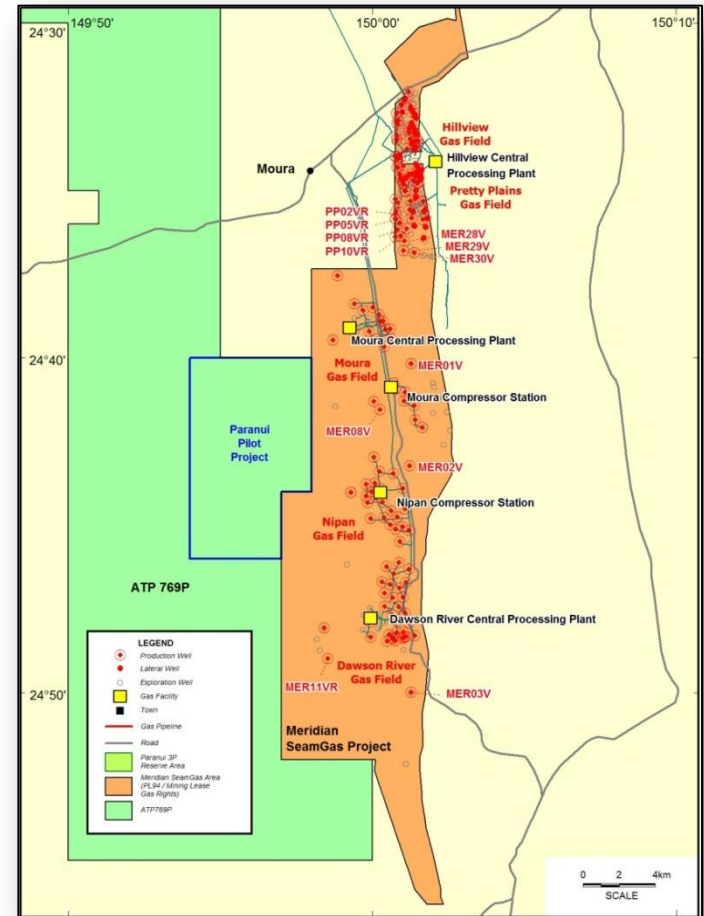
# MERIDIAN SEAMGAS – STRATEGIES FOR GROWTH

## Meridian SeamGas – Near term focus

### 2012-13 Drilling & Infrastructure Program

- 3 dual-lateral production wells and one up-dip lateral
- Refurbishment of up to 8 old wells in Moura area
- Remediation of up to 10 other existing wells
- Zero Radius drilling trial
- Water clarification and reuse trial
- Installation of 2 new booster compressors

**“WestSide is now well resourced to fund current Meridian programs following the recent rights issue”**





# BOWEN BASIN - EXPLORATION

## Develop reserves for the future

### Bowen Basin Exploration

ATP 688P & ATP 769P – Mid-term focus

WCL - 25.5% : MEPAU - 24.5% : QGC - 50%

#### ATP 688P

- Mount St Martin Pilot extension with 2 lateral wells into existing verticals
- Seismic program in 2013 +
- Tilbrook - Pilot suspended pending results from Mount St Martin

#### ATP 769P

- Paranui (adjacent to Meridian) – Airwell pump trial in Paranui pilot wells
- New deep exploration wells in planning
- Seismic program in 2013

#### Targets

- 2P & 3P reserves certification
- PL applications
- Identify new CSG exploration targets



**“WestSide is progressing other projects at Paranui, Mount St Martin & Tilbrook”**

# GALILEE BASIN - EXPLORATION

## Develop reserves for the future

### Galilee Basin Exploration

ATP 974P & ATP 978P - Longer term focus

WCL - 51% : MEPAU - 49%

### Stage 1

- 2011 exploration – 2 wells (1 P&A, 1 cased & suspended)
- Targeted Permian-age Betts Creek and Aramac Coal Measures
- Logged Toolebuc Shale Formation in well
- Glenlyon 2 suspended for wet season, plan to core target Aramac Coal in next program

### Stage 2

- Identify CSG prospects for exploration and non-prospective areas for relinquishment
- 3C resources targeted



### Farm-in

- Galilee JV has been seeking farm-in partners to participate in exploration

### Prospectivity

- Galilee Basin similar area to Surat Basin where over 20,000 PJ of 2P reserves were developed in 4 years
- Exploration in Galilee could uncover extensive CSG resources

# WESTSIDE - COMMUNITY

## Community Support

- Restoration of Theodore Kindy playground
- Sponsorship of Moura Coal n Country Festival
- Sponsorship of Dawson River Festival
- Sponsorship of fireworks to mark the Moura Primary School 75th anniversary
- Sponsorship of Stamford Community Races
- Sponsorship of Richmond Fossil Festival

## Stakeholder Engagement

- Member of Moura Chamber of Commerce
- Participant in Banana Shire Economic Summit
- Educative briefings – Local Members of Parliament, Banana, Richmond and Flinders Shire Councils, and peak rural industry body AgForce
- Member of Galilee Basin Operators' Forum
- Establishing Voluntary Cultural Heritage Management Plans (CHMP's) with local Indigenous Groups



# OUTLOOK & SUMMARY

## Outlook for Growth

- Longer term reserve targets - 400 PJ 2P, 1,000 PJ 3P
- Expansion of Meridian production to 60 TJ/day to match pipeline infrastructure
- Potential for doubling of gas prices to \$6-8/GJ from 2014/2015

## Summary

- ASX-listed CSG producer and explorer with strong, diverse portfolio
- Low cost production growth potential with material infrastructure capacity for expansion
- Large resource base and strong upside potential from exploration activity
- Experienced management team with strong support from major cornerstone investors and strategic partners
- Well funded for exploration and production programs with \$34m in cash at 30 June 2012
- Indicative, conditional, non-binding and confidential takeover proposal of 65c a share received from LNG Limited prior to announcement of rights issue (53cps on diluted basis) & reserves upgrade – non-exclusive access to data room granted
- Westside has previously advised that other parties may be granted due diligence access
- Domestic and Export LNG customers projected to be short of gas near term

# CONTACTS AND DISCLAIMER

## WESTSIDE CONTACTS

### Chief Executive Officer

Dr Julie Beeby 07 3020 0931

### Investor Relations Manager

Richard Owen 07 3020 0933 Mob: 0412 869 937

### Chief Financial Officer

Damian Galvin 07 3020 0904

**Website** [www.westsidecorporation.com](http://www.westsidecorporation.com)

This Presentation is not a prospectus, disclosure document or offering document under Australian law or under any other law. This Presentation does not, and does not purport to, contain all the information that a prospective investor and its advisers would desire or require in evaluating or reaching decisions concerning a possible investment in WestSide nor does it contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act 2001 (Cth). This Presentation has been provided for information purposes only.

Nothing contained in the Presentation constitutes investment, legal, tax or other advice. The Presentation does not take into account the investment objectives, financial situation or particular needs of any recipient. Before making an investment decision, each recipient of the Presentation should make its own assessment and take independent professional advice in relation to the Presentation and any action taken on the basis of the Presentation. Further, WestSide advises that it is not licensed to provide financial product advice.

#### No warranties or liability

Neither WestSide nor any of its directors, officers, employees, advisers, consultants, contractors or agents, make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information referred to or contained in this Presentation.

Subject to any law to the contrary and to the maximum extent permitted by law, WestSide and its directors, officers, employees, advisers, consultants, contractors and agents disclaim and exclude all liability for any loss, claim, demand, damages, costs, expenses of whatsoever nature (whether or not foreseeable):

- suffered or incurred by any person relying or acting on any information provided in, or omitted from, this Presentation;

- arising as a result of or in connection with information in this Presentation being inaccurate or incomplete information in any way including by reason of any negligence, default or lack of care, or by reason of any reliance thereon by any person.

#### Forecasts

This Presentation may contain certain forward looking statements with respect to the financial condition, results of operations and business of WestSide and certain plans and objectives of the management of WestSide. Forward looking statements include, but are not limited to, those statements containing words such as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' and other similar expressions. All such forward looking statements involve known and unknown risks, significant uncertainties, assumptions, contingencies and other factors, many of which are outside the control of WestSide, which may cause the actual results or performance of WestSide to be materially different from any future results or performance expressed or implied by such forward looking statements. There can be no assurance that actual outcomes will not differ materially from these statements. Factors that could cause actual results or performance to differ materially include the risks disclosed in the Presentation. You are cautioned not to place undue reliance on forward looking statements.

#### Assumptions and sources

Certain statistical and numerical information referred to or contained in the Presentation is based on a number of economic and other assumptions and must be interpreted in the context of those assumptions. This Presentation includes information derived from third party sources that have not been independently verified. Where information referred to or contained in the Presentation includes reference to another source, that information should be interpreted in the context of its source. Where any information about a subject is attributed to a source, the information may be only a summary of or extract from information from that source, and may not be complete information about that subject.

To the full extent permitted by law, WestSide disclaims any obligation or undertaking to release any updates or revisions to the information contained in this Presentation to reflect any change in expectations to assumptions.

#### Reserve estimates

The updated reserves figures for WestSide's 51% interest in the Meridian SeamGas Project as at 31 December 2011 used in this presentation 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.

The certified reserves figures for ATP 688P and ATP 769P used in this presentation are based on information compiled by John P. Seidle, Ph.D., and P.E., Vice President of MHA Petroleum Consultants LLC. Mr Seidle is not an employee of WestSide Corporation Ltd and consents to the inclusion of these reserves figures in the form and context in which they appear.

#### Acceptance of conditions

By accepting, accessing or reviewing this Presentation, or attending any associated presentation or briefing, you agree to be bound by the above conditions.

