Annual Report 2012–2013

WESTSIDE CORPORATION LIMITED

SECURING GROWTH

WestSide

Contents

SECURING GROWTH

FY2013 was a year during which WestSide focused on securing a foundation for production growth amid a protracted period of takeover uncertainty.

24%

Increased sales revenue

Meridian sales revenue net to WestSide up 24% on previous year to $7.3 million

7.2%

Increased gas sales volumes

Meridian gas sales volumes net to WestSide of 1,935 TJ up 7.2% on previous year

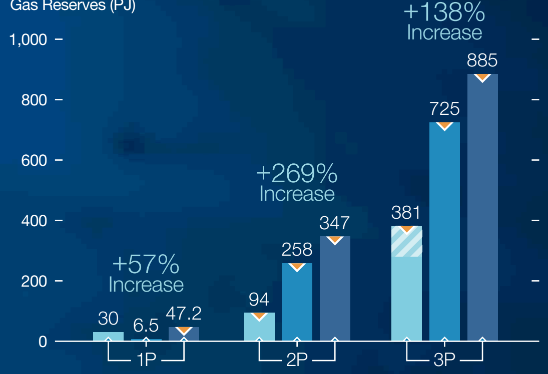
35%

Increased 2P certified reserves

Increased WestSide's net certified reserves across all categories with 3P reserves up 22% to 885 PJ, 2P reserves up 35% to 347 PJ and 1P reserves up 626% to 47.2 PJ

Net Gas Reserves

Gas Reserves (PJ)

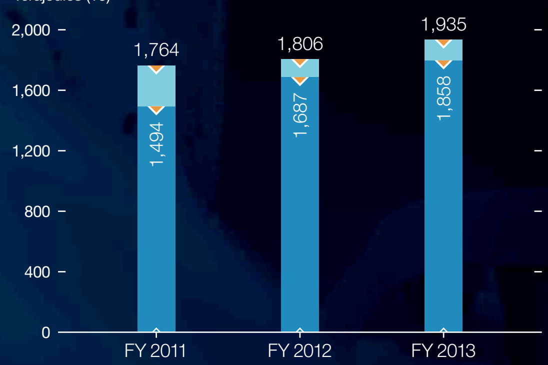


Jul 2010 Dec 2011 Dec 2012

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

WestSide Net Sales Volumes

Terajoules (TJ)



Meridian Third Party Gas

WestSide Corporation Limited is an ASX-listed company (ASX code: WCL) with interests in a diversified portfolio of coal seam gas (CSG) projects in Queensland. Since listing in January 2007, WestSide has emerged as a significant gas producer and participant in Australia's east coast energy market with established reserves and production.

COMPANY PROFILE

WestSide operates the Meridian SeamGas field west of Gladstone in Queensland's Bowen Basin in joint venture with major Japanese trading house subsidiary, Mitsui E&P Australia.

Meridian, in which WestSide has a 51 per cent interest, has been producing gas at an annualised rate of approximately 4 Petajoules a year. The Company has been moving aggressively to expand certified reserves to underpin production and sales growth.

Elsewhere in the Bowen Basin, WestSide has established certified CSG reserves for two of its projects, Paranui and Tilbrook and the Company is working to prove up further reserves within these tenements with its joint venture partners QGC and Mitsui E&P Australia.

WestSide is focused on executing its strategy of commercialising known gas assets, identifying and proving up new reserves and seeking new commercialisation opportunities.

The Company is well positioned with strong international partners, quality assets and experienced leadership to take advantage of the potential value of its resources.

WestSide is pursuing marketing opportunities to downstream industrial gas consumers and has access to Australia's domestic east coast gas market and the emerging export LNG industry in Queensland through existing gas pipeline connections.

PROJECT PORTFOLIO

See map right and Operations and Projects pages 17–19 for full project details

Southern Bowen Basin Meridian SeamGas CSG gas field and Paranui (ATP 769P)

Northern Bowen Basin Tilbrook and Mount Saint Martin (ATP 688P)

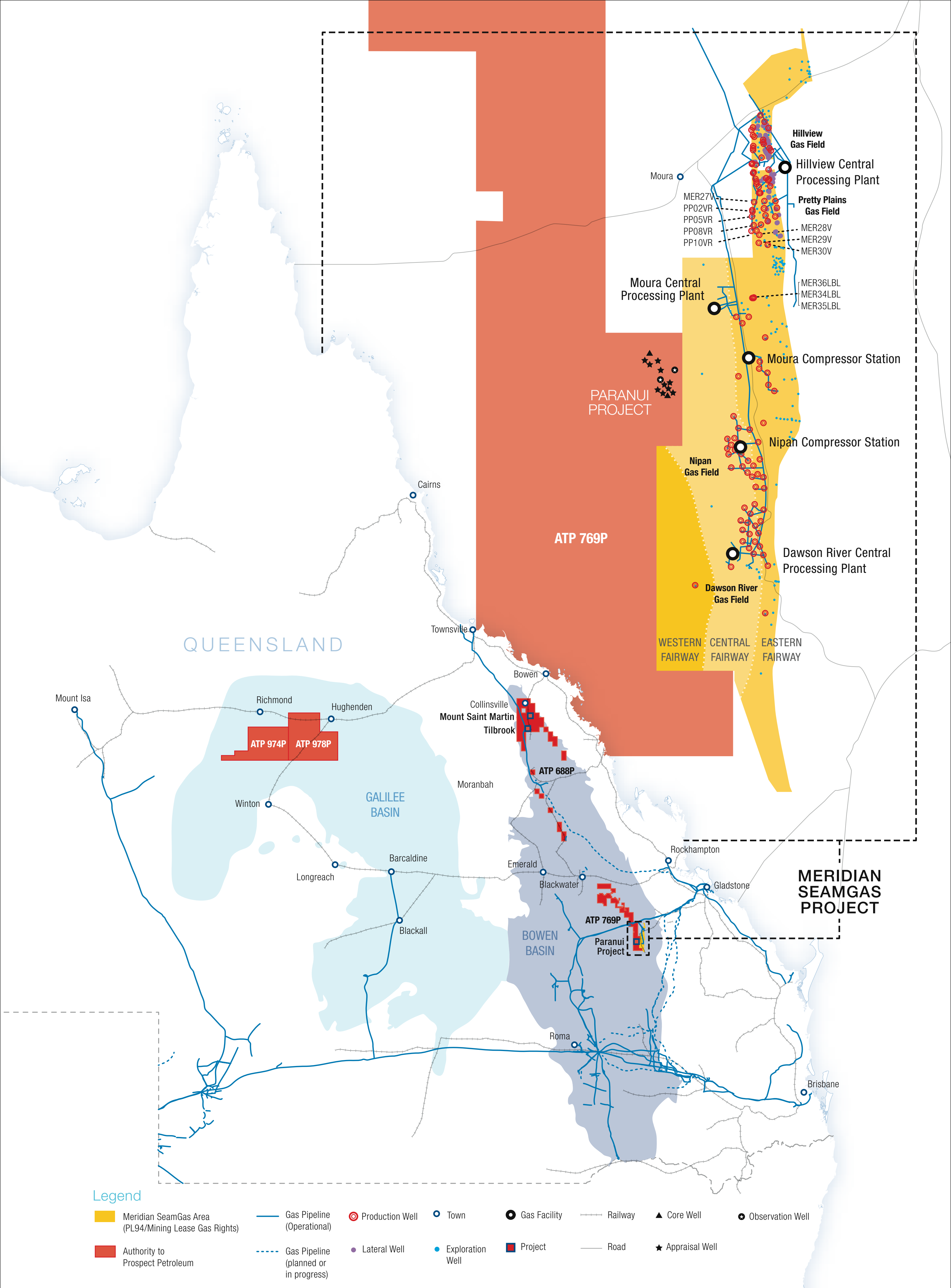
Northern Galilee Basin ATP 974P & ATP 978P

MISSION, VISION AND VALUES

WestSide is an ASX-listed gas explorer and producer, which supplies domestic customers in Queensland and aims to supply increasing volumes of gas in the future for a range of uses including export LNG. The Company aspires to be an Australian energy sector leader highly valued for its people, partnerships, innovation and performance. WestSide's core values are integrity, reliability, sustainability, innovation and collaboration.

CORPORATE HISTORY

- **2007**: Listed via IPO to fund CSG exploration through Sunshine Gas farm-in
- **2009**: Booked first 3P reserves for ATP 769P & ATP 688P
- **2010**: Acquired 51% operating interest in Meridian SeamGas from Anglo Coal
- **2012**: Received indicative takeover offer from PetroChina at 52 cps (withdrawn May 2013)
- **2013**: Certified 3P reserves increased to 885 PJ, including 347 PJ of 2P reserves



Hillview
Gas Field
Hillview Central
Processing Plant
Moura
Pretty Plains
Gas Field
MER27V
PP02VR
PP05VR
PP08VR
PP10VR
MER28V
MER29V
MER30V
Moura Central
Processing Plant
MER36LBL
MER34LBL
MER35LBL
Moura Compressor Station
PARANUI
PROJECT
Nipan Compressor Station
Nipan
Gas Field
Cairns
ATP 769P
Dawson River Central
Processing Plant
Dawson River
Gas Field
Townsville
WESTERN
FAIRWAY
CENTRAL
FAIRWAY
EASTERN
FAIRWAY
QUEENSLAND
Bowen
Mount Isa
Richmond
Hughenden
Collinsville
Mount Saint Martin
Tilbrook
ATP 974P
ATP 978P
ATP 688P
Moranbah
GALILEE
BASIN
Winton
Rockhampton
MERIDIAN
SEAMGAS
PROJECT
Barcaldine
Emerald
Longreach
Blackwater
Gladstone
ATP 769P
Blackall
BOWEN
BASIN
Paranui
Project
Roma
Brisbane
Legend
Meridian SeamGas Area
(PL94/Mining Lease Gas Rights)
Authority to
Prospect Petroleum
Gas Pipeline
(Operational)
Gas Pipeline
(planned or
in progress)
Production Well
Lateral Well
Town
Exploration
Well
Gas Facility
Project
Railway
Road
Core Well
Appraisal Well
Observation Well

GOALS AND ACHIEVEMENTS

2012–2013 GOALS	2013 RESULT	CURRENT STATUS
INCREASE PRODUCTION		
Increase production/sales from the Meridian SeamGas field towards 25 TJ/day by end 2012	Production up 10% on previous year and sales revenue up 24%	Average daily production up a further 20% since 30 June 2013; Remedial strategy being implemented following technical review of new wells
Demonstrate next generation of well development techniques in Bowen Basin coal measures	Blind lateral wells achieving good production with low operating costs; Advanced Treatment Trial implemented	Blind lateral wells still building toward peak gas flows; Initial gas flows from treated wells encouraging
Optimise surface facilities to increase gas recovery	Installed and commissioned two new booster compressors	Compressors performing as expected to reduce back pressure on targeted wells
INCREASE CERTIFIED RESERVES		
Increase Meridian SeamGas reserves using technology and techniques to enhance gas recovery	WestSide's net 1P reserves +626%, 2P reserves +35% and 3P reserves +22% net to WestSide	Sufficient 2P reserves to underpin large new long term Gas Supply Agreements with potential for further upgrades
Certify additional reserves in ATP 769P and ATP 688P	Drilling of pilot wells delayed due to review by joint venturers	Planning of exploration wells continues; Drilling in ATP 769P commenced September Quarter of 2013
PETROLEUM LEASES		
Prepare Petroleum Lease applications for ATP 769P and ATP 688P, subject to production pilot results	Drilling of pilot wells delayed due to review by joint venturers	Awaiting 2P reserve certification and commercialisation plans
COMMERCIALISATION		
Secure long term future Gas Supply Agreements and assess down-stream processing opportunities	GSA negotiations and commercial strategy refinement continued during indicative takeover due diligence process – execution of contracts suspended	Negotiations progressing on multiple GSA opportunities following PetroChina's withdrawal
Conduct exploration in previously unexplored areas of existing tenements	Galilee Basin exploration program suspended and placed under review; Planning continued to prepare for drilling in Bowen Basin tenements	Drilling in ATP 769P commenced in September Quarter of 2013
SUSTAINABILITY		
Upgrade water handling and treatment infrastructure at Meridian	Pilot treatment plant commissioned and operating successfully; Agreed Transitional Environmental Plan milestones all achieved	Plant has treated more than 2 million litres of produced water; Progressing rehabilitation of legacy evaporative ponds
Establish arrangements for beneficial reuse of treated water	Beneficial Use Agreement negotiations approaching conclusion	Supply of treated water for stock use ready to commence

Strategies WestSide has been progressing over the last couple of years to develop the Meridian field will come to fruition with the execution of material long term GSAs at significantly higher prices and the roll out of an associated field development plan to increase production.

2013–2014 Goals

INCREASE PRODUCTION

Increase production/sales from the Meridian SeamGas field

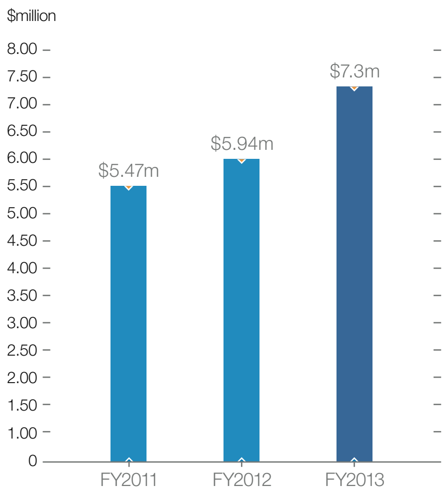
FINALISE DEVELOPMENT PLAN

Finalise and approve the field development plan to support investment decision on new Gas Supply Agreements

NEGOTIATE NEW GAS SUPPLY AGREEMENTS

Execute new long term Gas Supply Agreements underpinned by existing reserves and approved field development plan

Net Sales Revenue



Reserves net to WestSide

PROJECT	SHARE %	1P (PJ)	2P (PJ)	3P (PJ)
Meridian SeamGas[1]	51.0	47.2	347	777
ATP 769P (to 1,000m)	25.5			69
ATP 688P (to 1,000m)	25.5			39
Total		**47.2**	**347**	**885**

1 *Meridian 2P reserves to 800m and 3P reserves to 1,350m*

Production and sales

	30 JUNE 2013	30 JUNE 2012	CHANGE %
Gross Operated			
Production *(GJ)*	3,642,750	3,307,017	10.1
Gas Sales *(GJ)*	3,794,648	3,541,144	7.2
Net to WestSide (51%)			
Production *(GJ)*	1,857,802	1,686,578	10.1
Gas Sales *(GJ)*	1,935,270	1,805,983	7.2
Revenue *($m)*	7.3	5.9	24

Operational Highlights

Substantially increased certified gas reserves across all categories

Installed and commissioned two new booster compressors

Constructed and commissioned new pilot water treatment plant

Decommissioned two legacy evaporation ponds at Meridian

SECURING VALUE

The Board's current focus is fixed firmly on increasing the value of WestSide's assets.

Chairman's report

I am pleased to present WestSide Corporation Limited's 2013 Annual Report on behalf of the Board of Directors of the Company. While the past year has had its disappointments, WestSide remains poised to benefit from higher forecast prices as Queensland's export LNG industry impacts on Australia's east coast gas market.

The emerging market dynamics strongly favour WestSide as an independent CSG producer, with its large uncontracted 1P and 2P reserves position at Meridian, spare infrastructure capacity, and proximity and access to markets via our connection into the Queensland Gas Pipeline.

To take advantage of these unique market conditions will require a Company-wide transformation. I am delighted that Mike Hughes has accepted the role of CEO. His skills and experience are ideal for the development challenge that WestSide faces, having successfully built a large regional oil and gas business from a similar gas production level that WestSide is experiencing today. Importantly, Mike has extensive experience in Queensland's export LNG industry. I am confident he can lead WestSide into a period of growth that will reward all shareholders.

WestSide has been working to secure material new Gas Supply Agreements (GSAs) to replace our existing contracts when they expire in 2015 and negotiations are now progressing on multiple opportunities. Efforts to secure these GSAs earlier were disrupted by the receipt of two indicative takeover proposals - firstly from LNG Limited and then PetroChina.

Within a month of the withdrawal of the takeover proposals the Board had completed a strategic review of WestSide's business and initiated an organisational restructure to cut costs and sharpen the Company's development and production focus at Meridian. This action has already started to deliver results, evident from a 20 per cent increase in average daily gas sales since the end of the financial year and commissioning of an external validation of the Meridian field development plan to underpin execution of new GSAs.

Your Board believes the Meridian asset, which is already on the cusp of breaking even at current gas prices, has the potential to produce significantly enhanced volumes of gas at profitable margins.

Discussions are continuing with a number of industry participants interested in a possible transaction with WestSide. Only initiatives reflecting fair value, and therefore clearly in the interests of all shareholders, will be considered, but the Board's focus remains fixed firmly on increasing the value of WestSide's assets.

WestSide's reserves base was significantly expanded across all categories during the year, generating substantial shareholder value at a relatively low cost. The upgrade reflected WestSide's achievements in bringing new wells into production at Meridian and extending the life and productivity of existing wells.

The strategic decision to focus the Company's resources on increasing production at Meridian has meant that work programs within WestSide's other pipeline of CSG projects in the Bowen and Galilee basins did not proceed as expected.

WestSide generated $7.3 million in annual revenue from its share of Meridian's gas sales – up 24 per cent on 2012 – and receipts are expected to increase again this year as production rises.

Nevertheless, WestSide reported a pre-tax loss of $21.9 million for FY 2013 compared to a loss of $7.8 million in the previous year, which included a $3.7 million profit from the divestment of the Company's Indonesian assets.

The result included a $4.5 million write-down of WestSide's 51 per cent interest in its two Galilee Basin tenements, reflecting the commercialisation challenges of this geographically-remote resource and a $4.4 million write-down on the carrying value of the Company's drilling rig. Takeover-related expenses amounted to $0.8 million during the year.

The cost of regulatory compliance has continued to rise in recent years. Our industry needs certainty from Government regarding regulations governing CSG exploration and administrative simplification. While encouraging progress has been made, there is more to be done in this area.

One of the most vexing regulatory matters facing junior explorers, and WestSide in particular, relates to overlapping tenures with coal mining companies. Despite the adoption of a collaborative approach toward development of a new policy, value created through exploration activities within Authorities to Prospect potentially remain at risk in the absence of an agreed framework for co-operation.

The Board would like to thank outgoing CEO Dr Julie Beeby for her contribution over the past three years and wish her well for the future. I look forward to working with our new CEO Mike Hughes in leading the Company through its next growth phase.

The challenges of the last year have provided us with the chance to sharpen our focus on transforming WestSide into an important supplier of gas for both the domestic and export markets.

As the Company's existing sales contracts approach the end of their terms, the coming year offers an unprecedented opportunity for WestSide to capitalise on the rising demand for domestic gas and feedstock for export LNG at the higher pricing that this growth is expected to generate.

On behalf of the Board, I would like to thank all members of the WestSide management team, our employees, our joint venture partners and contractors for their valued contribution and look forward to the year ahead.

Thank you for your continued support,

Angus Karoll
Executive Chairman

SECURING PRODUCTION

Australia's east coast gas market has continued to demonstrate undersupply risk in coming years leading to an expected strong demand for WestSide's gas.

Operations report

During the 2013 financial year WestSide focused almost exclusively on activities required to set the Meridian SeamGas business up for executing new Gas Supply Agreements (GSAs) and ramping up production accordingly.

Australia's east coast gas market has continued to demonstrate undersupply risk in coming years leading to an expected strong demand for WestSide's gas.

The Company consequently concentrated during the period on demonstrating capability to deliver sustainable production levels at Meridian underpinned by economic well development and low operating costs.

Certified reserves were increased across all categories to provide a necessary foundation to support the execution of large, long term gas contracts while gas processing infrastructure capacity and water treatment capability were significantly enhanced to handle higher gas flows from the field.

Production

WestSide's net share of gas sales revenue from Meridian, including processing fees and compensation payments, was up 24 per cent in FY2013 to $7.3 million while net gas sales volume for the year was up 7.2 per cent to 1,935 TJ, despite a continuing fall in volumes supplied by third parties.

As noted in WestSide's quarterly reports, gas sourced from third parties continued to fall in FY2013 and volumes were down 35 per cent at 77 TJ and 71 per cent below the 270 TJ purchased in FY2011.

Total field production year-on-year increased by 10 per cent despite considerable interventions to treat old wells and recover production from new wells and the loss of wells due to mining activities for which revenue compensation was provided.

Production was also impacted by the disconnection of some wells in preparation for an Advanced Treatment Trial which was delayed by three months, wet weather and a temporary fall in demand associated with regional flooding in the wake of ex-Cyclone Oswald.

Drilling of new production wells continued during the December half when one dual-lateral well set and one blind lateral were completed. Connection and commissioning of these wells was delayed, but the dual lateral is now on pump and connection of the blind lateral is being planned.

The new blind lateral-style wells have proved to be a lower capital and operating cost option with less drilling risk and greater performance reliability than the dual-lateral wells. The performance of these wells has helped the joint venturers revise the way to manage the dual-lateral wells and work will continue on optimising well design for incorporation in the overall field development plan.

Halliburton was engaged during the year to implement an Advanced Treatment Trial to treat the build-up of minerals in coal cleats and arrest ongoing displacement of sand from cleats in a number of older vertical wells.

Encouragingly, the treated wells have been put back on pump and gas production from the seven wells has returned to previous levels. An increase in associated water flow from some of these wells reflects improved connectivity which augurs well for increased future gas production.

Production recovery from the new dual-lateral wells drilled at Meridian SeamGas since late 2010 has been slower than expected, prompting the engagement of a specialist consultant to conduct an external review. The analysis of the data confirmed that the gas reservoir was not compromised but that some well sections have become blocked with coal fines to varying degrees, affecting the performance of six of the well sets.

Key Achievements

- Net gas sales revenues up 24% to $7.3m
- Net gas sales volumes up 7.2% to 1,935 TJ
- Meridian production up 10.1% to 1,858 TJ
- Increased certified 1P, 2P & 3P reserves
- Installed and commissioned booster compressors
- Built and commissioned pilot water treatment plant
- Restructured to cut costs and sharpen focus

WestSide has devised a cost-efficient strategy to unblock these wells or to produce from the lateral ends of the wells. Management remains cautiously optimistic that a revised production target of 15 TJ/d can be achieved by the end of the 2013 calendar year as these wells recover along with the Advanced Treatment Trial wells.

An independent validation of the Meridian field development plan is also being commissioned to support potential customer confidence in the field's ability to supply increasing volumes into new contracts.

Reserves

WestSide received a new reserves report in February 2013 from independent reserve certifiers MHA Petroleum Consultants LLC, as part of a regular review of the Company's assets with particular focus on Meridian SeamGas production results for calendar year 2012.

WestSide's total net 1P reserves were up 40.7 PJ to 47.2 PJ – a more than six-fold increase from 6.5 PJ – while 2P reserves rose 34.5 per cent or 89 PJ from 258 PJ to 347 PJ and 3P reserves increased 22 per cent or 160 PJ from 725 PJ to 885 PJ.

The additional reserves were certified in accordance with SPE PRMS guidelines and acknowledged the Company's achievements as operator in bringing new wells into production at Meridian and extending the life and productivity of existing wells within the field. Importantly, the extension of productive well life enhances the projected returns from Meridian's ongoing field development due to the anticipated future impact of higher gas prices.

This reserves upgrade was achieved at relatively low cost and served to highlight the potential of additional 3P reserves contained in deeper seams within PL94 which have not been appraised via pilot production.

Analysis of data from the MER 07X exploration core well, drilled during the December quarter in a producing part of the Meridian field, confirmed that gas content in the targeted seams between wells had not been depleted as much as prior modelling anticipated. This finding further supported the reserves upgrade and has increased confidence and opportunities in field development planning.

Infrastructure

To improve gas production and recovery, two field booster compressors were installed at Meridian during the year. The new compressors will lower back pressure on wells which is expected to lead to a 10 per cent production increase and extended well life.

Work is now progressing on the field development plan to model critical infrastructure capacity increases that would be required to support increased gas production from the different gas fields within the greater Meridian field.

Achieving a long term solution to manage produced water has also been a critical task to support any future gas production ramp up. This water requires treatment to reduce salt content to a quality suitable for beneficial reuse at Meridian and/or by third parties as required by legislation.

FY2013 saw the design, installation, commissioning and operation of a pilot water treatment plant in at Meridian involving collaboration with Midell Water, Arris, and Central Queensland University. The plant uses a mix of ion-exchange and reverse osmosis to produce more suitable reusable water at a lower cost than pure reverse osmosis.

Over two million litres of produced water have been successfully treated by this pilot plant and Meridian has now met water quality standards set by the Queensland Government required to enable the supply of this water for local use via a Beneficial Use Agreement. Modules can be added to the existing pilot water treatment plant to increase capacity as required in future.

Markets

WestSide has intensified its focus on several valuable commercial opportunities available to the Company as an emerging independent gas producer in Australia's burgeoning east coast gas market.

Over the last 12 months, WestSide has observed increasing shortages of gas available for Queensland's new Liquefied Natural Gas (LNG) projects and to satisfy domestic gas demand. Recently-completed agreements by other parties and proposals received by the Company indicate a material firming in gas prices over the last six months.

These LNG projects are forecast by respected industry consultant EnergyQuest to more than triple east coast gas demand to approximately 2,350 PJ a year by 2017 resulting in anticipated shortfalls which provide producers like WestSide with opportunities to supply gas.

EnergyQuest's 2013 report notes that gas prices are expected "to increase to \$8–\$10/GJ, probably \$10–12/GJ, in the short term, reflecting LNG netbacks and higher production costs". This firming in gas prices further reinforces the strategic value of the 680 PJ of 2P gross gas reserves at Meridian SeamGas, the vast majority of which remains uncontracted.

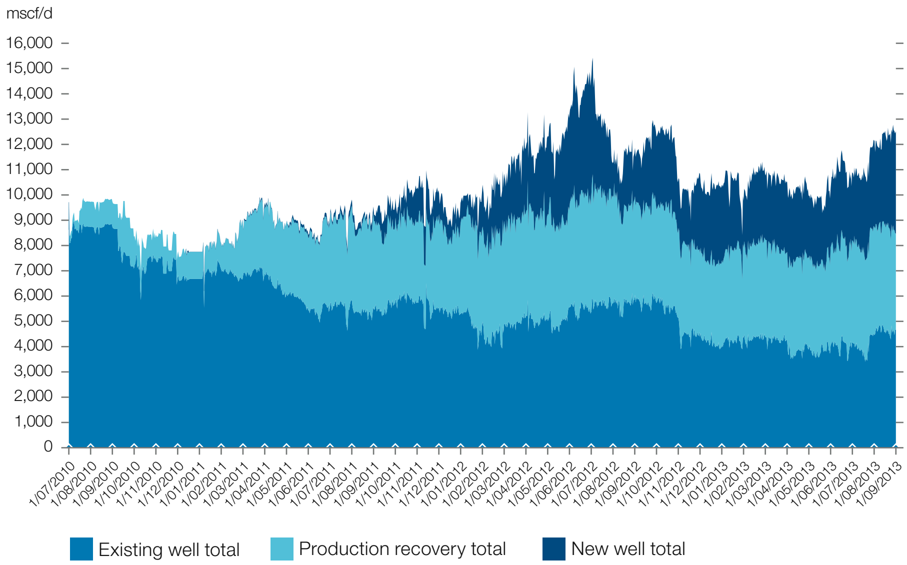
Meridian SeamGas remains in a strong position to supply the Queensland domestic and export gas markets, being the closest producing gas field to Gladstone, just 160 km to the east and connected via the Queensland Gas Pipeline. This location gives WestSide a substantial advantage over incremental supply from the Cooper or Northern Bowen Basins

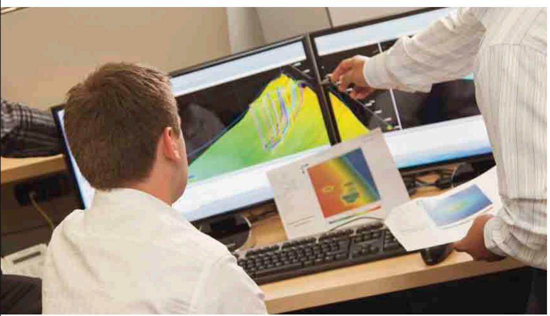
Regulation

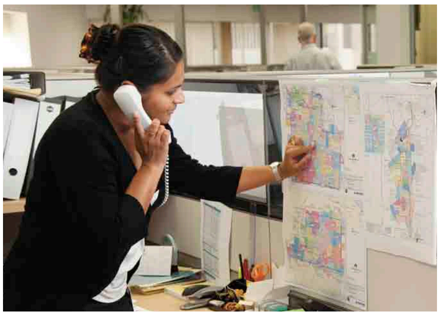
FY2013 has seen a number of changes in the regulatory area, reflecting the Queensland Government's commitment to reduce green-tape and red-tape. Through collaboration with the small CSG companies, APPEA and the State Government, changes have been made to streamline environmental approvals for exploration and low impact activities and to free up departmental resources to focus on higher impact project assessments.

Formation of the GasFields Commission Queensland has been a welcome development which has helped to manage and improve sustainable coexistence of landholders, regional communities and the State's onshore gas industry.

Meridian SeamGas production progress







However, areas of increasing regulation and potential policy risks remain a concern particularly where their impact on the WestSide operations is uncertain such as regional planning, the push for domestic gas reservation, overlapping tenures, land access and tenure reform. WestSide will continue to liaise with APPEA, the industry and government to try and ensure that the introduction of any relevant new policies or regulations is warranted and manageable.

Outlook

Following completion of the Board's strategic review and implementation of an organisational restructure WestSide will remain sharply focused on delivering a sustainable increase in production at Meridian SeamGas from existing wells during FY2014.

A revised production target of 15 TJ a day has been set for the forthcoming year and this is expected to be achieved from the advanced well treatments and from implementing well management improvements, as well as continuing the program of refurbishing and regenerating older wells to optimise production rates.

Strategies WestSide has been progressing over the last couple of years to develop the Meridian field will come to fruition with the execution of material long term GSAs at significantly higher prices and the roll out of an associated field development plan to ramp up production.

An external validation of the Meridian Development Plan is now well underway. This will lead into further engineering design and tendering of services to support an investment decision on executed GSAs. New GSAs with credit-worthy customers are expected to facilitate access to other financing opportunities for the capital works required to achieve the production ramp up.

WestSide has sufficient uncontracted reserves to enter into material long term gas supply contracts. Once the Company starts to benefit from higher gas prices and margins, the underlying cash-flows should help support further exploration drilling in the deeper fairways at Meridian and within WestSide's other tenements.

Until then exploration will be limited while planning for both exploration and appraisal work continues. The extent of subsequent activity will depend on the outcome of exploration currently underway in ATP 769P and commercialisation options for the gas reserves in each tenement where WestSide is operator.

Following completion of the Board's strategic review and implementation of an organisational restructure WestSide will remain sharply focused on delivering a sustainable increase in production at Meridian SeamGas from existing wells during FY2014.

SECURING RESULTS

WestSide heads towards 2014 a stronger, leaner and more focused Company than it was when the corporate takeover activity started 18 months ago.

Chief financial officer's report

While the attention of investors has been captured by the corporate takeover activity of 2012–2013 the WestSide Board and management have been carefully reviewing the Company's prospects and strategic direction with an aim of delivering the best value to shareholders.

The Company's recent share price has reflected the market's disappointment that a corporate transaction could not be completed, but WestSide heads towards 2014 a stronger, leaner and more focused Company than it was when the corporate takeover activity started 18 months ago.

Internally, the value of WestSide's various assets is now better understood in the context of the broader energy market. WestSide's coal seam gas interests in the southern Bowen Basin are perfectly positioned to supply gas to industrial users in Queensland and into the Gladstone LNG precinct.

A review of WestSide's portfolio of assets has resulted in the Company taking a decision to write-down the carrying value of its interests in the Galilee Basin and its drilling rig assets.

The distance between the Galilee Basin tenements and commercial gas markets, when viewed in conjunction with the geological challenges and environmental restrictions of the region, has raised sufficient uncertainty as to the likelihood of commercialising the resource. The Company has reduced the carrying value of the Galilee tenements to nil, resulting in a $4.5 million charge against profits this year.

The recent slump in global coal prices has resulted in a significant downturn in the local drilling market. The value of the Company's drilling rig has been written-down by $4.4 million to a book value which now reflects the market value of the rig and associated equipment.

There is no doubt that the Group's headline statutory loss of $21.9 million this year is disappointing, particularly when viewed against the previous year's $7.8 million after tax loss.

The expected signing of new gas contracts at export-parity gas prices in the coming year is expected to highlight the true value of WestSide's gas resources ...

However, when the impacts of items such as the asset write-downs, a prior year gain on disposal of the Indonesian assets and takeover-associated costs are stripped-out, the Company's Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) for FY2013 was actually $0.4 million superior to that of FY2012 as shown in the table below.

Comparison of EBITDA

	2013 $ MILLIONS	2012 $ MILLIONS
Loss after tax	(21.9)	(7.8)
Add-back tax credits	-	(0.4)
Add-back interest revenue	(1.0)	(1.0)
Add-back profit from discontinued operations	-	(3.7)
Less Impairment charges	8.9	-
Less Depreciation	7.1	5.8
Less Finance costs	0.9	1.1
EBITDA from continuing operations	(6.0)	(6.0)
Less: costs of corporate transactions	0.8	0.4
EBITDA from continuing operations before transaction costs	(5.2)	(5.6)

While a casual observer of the Company's share price and headline result could be forgiven for thinking that WestSide's prospects were faltering, the Company's underlying performance has been overwhelmingly positive. Sales volumes have increased 7.2 per cent on FY2012, gas sales revenues have increased 24 per cent to $7.3 million and 2P gas reserves are up 35 per cent.

The production gains experienced in the final quarter of FY2012 could not be sustained into FY2013, prompting a far-reaching external review of well drilling and operating practices. In response to the review, a number of changes have been made to further improve production rates. The benefits of these initiatives are already being experienced, with September 2013 average daily sales volumes up 20 per cent on those in June.

Increased work-over activity resulted in an increase to operating costs of $1.1 million as the focus of Meridian field operations swung towards enhancing production from the existing field. Expenditure on development projects increased from $10.7 million in 2012 to $11.7 million this year, with new field compression installed and the implementation of a treatment program to return seven old wells into production.

The production focus meant that only limited exploration activities were conducted during the year, with expenditure dropping from $3.7 million in FY2012 to $0.6 million in the 2013 financial year.

Some of the Company's activities have qualified for research and development tax concessions, resulting in receipts of $1.3 million during the year and a further claim will be lodged in respect of the 2013 financial year.

At current gas pricing and production volumes the Meridian SeamGas operation continues to incur losses, but it is important to note that gas prices are expected to more than double from 2015.

The impact of the pricing shift should not be underestimated. For example, if an increased gas price at double the existing rate were to be applied to WestSide's actual 2013 sales volumes, the Group's 2013 EBITDA could be improved by $5.6 million to a $0.5 million loss and the Meridian SeamGas operation's contribution to EBITDA could have been a profit of $4.5 million compared to the $1.1 million loss in 2013.

Demand for gas is increasing for both export and domestic use and the inevitable increase of gas prices will follow the export market. Gas from WestSide's Meridian SeamGas operation near Moura is available for new customers when the existing contracts finish in 2015.

The Company hopes to be able to secure significant new gas sales agreements in coming months which will then pave the way for an upgrade of the Meridian field's production capacity to meet these new contracts.

An external review of the development plans to drill and commission the required wells and to upgrade the existing infrastructure to meet the expected new sales contracts, is currently being conducted.

Once the expected capital and operating costs for the development plan have been verified, the Company will be able to tailor a funding strategy to match the necessary development plan. Binding long term contracts with credit-worthy customers are expected to provide access to a variety of funding alternatives.

There are many reasons to be optimistic about WestSide's future. The Meridian SeamGas production volumes are already benefitting from operational changes and Meridian remains the closest producing gas field to Gladstone.

The expected signing of new gas contracts at export-parity gas prices in the coming year is expected to highlight the true value of WestSide's gas resources and provide the catalyst to spark WestSide's transformation into a valuable supplier to Queensland's gas users and exporters.

Damian Galvin
Chief Financial Officer

SECURING PROJECTS

WestSide's projects are strategically well positioned to take advantage of nearby infrastructure and pathways to markets.

Operations and projects

WestSide Corporation Limited is a Brisbane-based CSG producer with certified reserves and a diversified portfolio of exploration assets in Queensland.

Bowen Basin

Meridian SeamGas PL94 & Mining Lease gas rights

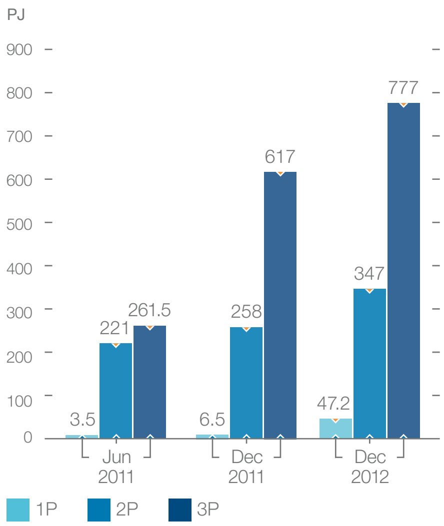
Location: Moura – Bowen Basin, Queensland

WestSide interest: 51%; Mitsui E&P Australia Pty Ltd: 49%

Reserves: 47.2 PJ (1P); 347 PJ (2P); 777 PJ (3P) net to WestSide

The Meridian SeamGas CSG field comprises a range of CSG assets including a petroleum lease (PL94), gas rights in a number of mining leases, production wells and gas compression and pipeline infrastructure connected to Queensland's commercial gas network, including Gladstone 160 km to the east.

Meridian Reserves Net to WestSide



The Meridian SeamGas CSG fields are also of strategic importance as they provide a potential pathway to market for WestSide's gas from the neighbouring ATP 769P tenement which the Company operates in joint venture with QGC, a BG Group business and Mitsui E&P Australia.

Gas, including gas purchased from the adjacent Mungi gas field, is sold to AGL under two existing contracts which run until 2014 and 2015 respectively.

The focus during the 2013 financial year remained on increasing production, reserve maturation and reservoir modelling to demonstrate improved long term recoverability of gas.

Gas reserves

WestSide's net interest in the Meridian SeamGas CSG field's certified gas reserves equates to 47.2 PJ of Proved (1P) reserves, 347 PJ of Proved and Probable (2P) reserves and 777 PJ of Proved, Probable and Possible (3P) reserves.

Construction of the new reservoir models and improving the geological models continued during the year to facilitate evaluation of the field potential and reduction of uncertainty for ongoing field development.

The gas needs for new contracts can be met from uncontracted gas in the shallower fairways. In addition the field development plan will address the potential of all the Baralaba coal seams within the field to a depth of 1,350 metres. However, there remains significant un-appraised gas within the lease area which contains a number of prospects. Significantly, 2P reserves are currently certified to 800 metres and 3P reserves to 1,350 metres to continue to supply the market well into the future.

Production Wells

During the 2013 financial year the joint venture completed one dual-lateral well-set to take the total new dual-lateral wells drilled since July 2010 to eight, as well as a fourth up-dip blind lateral well aimed at reducing deliverability costs per dollar spent.

Advanced Treatment Trials were conducted on a number of older vertical wells to address impediments to production, including mineralisation build-ups and the migration of proppant from the coal cleats.

The joint venture has also been evaluating the potential to rejuvenate a number of existing wells within the gas fields and return them to production.

Studies now indicate considerable potential from infield drilling to utilise existing infrastructure to deliver increased production at a lower unit cost.

Supply and Equipment Reliability 2013

Transmission pipeline availability has again been 100% reliable and there have been no physical gas outages to customers in the year. While there is more than adequate standby equipment in place to maintain supply continuity, there has been a considerable focus on improving the quality and reliability of surface equipment. This certainty of supply will be necessary for future production growth and good results have again been achieved in a range of areas during FY2013.

WestSide has increased the effectiveness of its maintenance systems for well head and associated downstream facilities that support its reputation as a reliable supplier. Compression and facility performance measurement systems have been introduced to ensure proper monitoring and equipment has been upgraded to increase reliability where it has been cost effective to do so.

Infrastructure

While Meridian SeamGas is currently producing at approximately 11 TJ/d the core pipeline infrastructure has total capacity of 60 TJ/d while the existing compression equipment can process up to 30 TJ/d.

This excess capacity provides the joint venture with an opportunity to increase production at a relatively low cost. The main compression station, Hillview comprises a bank of seven 1,000 HP compressors capable of processing 21 TJ/d and a dehydration unit with matching capacity.

Meridian SeamGas operates compression stations at four other locations within the gas field and additional booster compression was installed during 2013 to optimise gas flows from wells in the southern Meridian fields and improve longer term gas recovery.

There are also field pipelines, communication units, dehydration units and power generation and supply equipment located to ensure reliable operations.

Long Term Field Development

The coals in the Meridian SeamGas field offer a range of options for development around three distinct fairways. All three areas have demonstrated long-term producing wells and promising pilots, even in the deeper seams to 1,350 metres. The gas in place within the deeper coals is substantial.

The Eastern fairway features shallower coals adjacent to the coal mining area which favours lateral-based drilling options to a depth of around 500 metres. Coal seams in the Central fairway lie between 500 metres and 1,000 metres deep where multiple options for production well drilling techniques are available, including enhanced stimulation.

Further exploration and demonstration of production enhancement techniques are required to exploit the deeper coal seams located in the Western fairway. Significantly, as the coal seams get deeper the gas content rises to very high levels.

Opportunities remain in existing wells through re-entry or additional drilling that can access coal seams currently completed “behind pipe” which can provide production acceleration and increased gas recovery opportunities at a lower cost than new development areas.

Field Development Technologies

A range of technologies are employed across the Meridian SeamGas field to efficiently produce gas. Lateral wells are proven in CSG, particularly in Meridian’s Eastern and Central fairways, but could also be readily applied to the Western fairway.

Another traditional technique used in the Central fairway is the vertical stimulated well. Meridian is unique in that it also has proven vertical stimulated production wells from seams at depths as great as 1,350 metres.

Other techniques being trialled and/or considered involve up-dip blind lateral drilling and enhancement treatments such as the Advanced Treatment Trials performed this year.

ATP 769P – Paranui Project

Location: Moura-Bowen Basin, Queensland

WestSide interest: 25.5%; Mitsui E & P Australia Pty Ltd: 24.5%; QGC: 50%

Reserves: 69 PJ (3P) net to WestSide

Paranui

The Paranui CSG pilot project is located 10 km south of Moura and just 5 km to the west of the adjacent producing Meridian SeamGas CSG field. The target Baralaba Coal Measures in this part of the tenement lie at a depth of between 550 metres and 950 metres and generally contain 21–25 metres of gas-bearing coal in up to 12 seams.

The initial Paranui pilot is comprised of three exploration wells (Paranui 5R, 6R and 8), two observer wells (Paranui 4 and 7) and one core well (Paranui 10). Three more wells – Paranui 11, 12 and 13 – were drilled in 2010. These wells intersected between 26 metres and 30 metres of net coal and were under-reamed and flushed in selected coal seams.

Completion of these last three wells was delayed by approvals and wet weather and then suspended pending test results on new pumping technology at Meridian. This new pumping system is to be trialled on Paranui 13 and, subject to the outcome, will be installed on the other two wells to provide a three-spot open hole pilot.

The performance of these flushed and gas-lifted, vertical wells will then be compared to results from the initial pilot wells that were subjected to fracture stimulation treatments.

The aim is to deliver long term sustainable gas flows at the lowest possible drilling and completion costs and work toward certification of 2P reserves to support a Petroleum Lease application. The Paranui project is less than 10 km from existing gas supply infrastructure so the commercialisation pathway is evident.

Gas reserves

WestSide’s share of certified 3P gas reserves at the 25 km² Paranui pilot equates to 69 PJ. The Company assumed sole operatorship of the Paranui project and other tenement areas adjacent to PL94 in mid-2011. WestSide’s understanding of the geology has also been greatly enhanced through its operatorship of the adjacent Meridian gas field.

Regional exploration

It is estimated that ATP 769P contains a further 183 bcf of gas in place (WestSide’s share) to a depth of 1,000 metres. Substantially higher quantities of gas in place could be accessed by drilling to depths greater than 1,000 metres.

The ability to access gas from coals deeper than 1,000 metres could add significantly to WestSide’s current gas reserves. Along the eastern margins of ATP 769, there is further potential for CSG at depths between 1,000 metres and 1,500 metres.

Proximity to the Meridian SeamGas CSG fields also provides a strategic potential pathway to market for gas from Paranui.

A deep exploration appraisal core well, Thisit 01, located about 18 km north of Moura, was drilled by WestSide’s joint venture partner QGC in September 2013.

The well had been designed to intersect the entire Permian-age Baralaba Coal Measures, but the drilling contractor encountered unstable geological conditions, preventing the well from reaching its target depth. The well was plugged and abandoned.

The data gathered from the drilling and geological logging will be used in future exploration work programs in the region. The results of a 2D seismic survey, also being conducted by joint venture partner QGC, will lead to a greater understanding of the structure and potential of the Baralaba Coal seams across the entire tenement.

ATP 688P – Mount Saint Martin & Tilbrook

Location: Collinsville – Bowen Basin, Queensland

WestSide interest: 25.5%; Mitsui E&P Australia Pty Ltd: 24.5%; QGC: 50%

Reserves: 39 PJ (3P) net to WestSide

Located to the south of Collinsville and situated adjacent to the Moranbah-to-Townsville gas pipeline, the projects within ATP 688P target the coal seams of the Moranbah Coal Measures.

The coal seams in this area lie at depths between 300 metres and 600 metres and contain between 7 metres and 15 metres of gas-bearing net coal. WestSide's strategy, as operator in joint venture with Mitsui E&P Australia and QGC, is to combine the reserves from Mount Saint Martin and Tilbrook to form a marketable resource. WestSide also plans to examine the potential of the Rangal and Fort Cooper Coal Measures in the northern area of the tenement in future exploration programs.

Gas reserves

WestSide's share of certified 3P gas reserves from the area addressed by the Tilbrook pilot is 39 PJ. The reserves certification in June 2009 was consistent with WestSide's previous gas in place estimates for the area, providing an increased level of confidence that the Company can convert its share of gas in place in the remainder of the northern precinct of the tenement, estimated at 674 bcf net to WestSide, into commercial reserves.

Mount Saint Martin and Tilbrook Pilots

Two pilot sites, Mount Saint Martin and Tilbrook have been subjected to production testing in previous years returning promising results.

The Mount Saint Martin pilot is comprised of MSM 2, MSM 3 and MSM 4 – three of six wells drilled in 2010 to test the extent of the resource previously identified in the Moranbah Coal Measures at Mount Saint Martin.

The Tilbrook pilot is comprised of one dual-lateral horizontal appraisal well (Tilbrook 8), one vertical appraisal well (Tilbrook 7) and two observation wells (Tilbrook 4 and 6).

Once results of the Mount Saint Martin pilot have been assessed, a regional approach to both areas will be adopted.

Discussions are continuing with joint venture partners to finalise an exploration strategy that would aim to delineate additional targets within the tenement and plan new exploration wells.

Commercialisation

WestSide has been endeavouring to create a commercialisation opportunity in ATP 688P which would precede the submission of a Petroleum Lease Application, a co-development agreement with the overlapping coal party and a gas supply agreement which would then underwrite a field development project. During the June quarter WestSide submitted a gas study report to a potential gas user in the region.

Galilee Basin

ATP 974P & ATP 978P

Location: Hughenden – Galilee Basin, Queensland

WestSide interest: 51%; Mitsui E&P Australia Pty Ltd: 49%

WestSide acquired 100 per cent interests in Galilee Basin exploration permits ATP 974P and ATP 978P in July 2010 and Mitsui E&P Australia subsequently took a 49 per cent stake in each of the tenements which cover a combined area of 13,280 km^2 in the basin's north-western region.

WestSide drilled two wells under a grassroots exploration program to investigate the hydrocarbon potential of the Permian-age Betts Creek and Aramac Coal Measures thought to be present throughout the tenements.

The first well, Glenlyon 1 was plugged and abandoned after it became obstructed and the second, Glenlyon 2, was suspended before the targeted Aramac Coal Measures were intersected, due to the onset of the wet season in late 2011. No further exploration activity has been conducted within the tenements.

During the year the joint venture preparations were made to plug and abandon Glenlyon 2 and rehabilitating the lease to the satisfaction of the landowner. This work is expected to be completed before the end of the calendar year when the joint venture will review future plans for these tenements.

SECURING SUSTAINABILITY

WestSide is committed to satisfying ever increasing corporate and community standards in this area. A key feature of WestSide's operational ethos is to engage with its stakeholders to optimise results for all parties.

Sustainability

Building a sustainable business in coal seam gas exploration and production demands a proactive recognition of the breadth of stakeholder interests in the Company's operations.

WestSide is committed to satisfying ever increasing corporate and community standards in this area. A key feature of WestSide's operational ethos is to engage with its stakeholders to optimise results for all parties.

Our People

WestSide highly values its people.

To continue growing, WestSide needs to attract and retain good people and this remains a constant challenge in the growing CSG Industry.

In recognition of the competitive labour market forces at work in the resources sector, WestSide has adopted a flexible recruitment approach. Supporting initiatives include the provision of flexible work arrangements to accommodate personal needs, study assistance, in-house training, personal development planning and educational funding support.

The Company's flat management structure and mid-scale size have also proved instrumental in attracting talented people seeking increased responsibilities and opportunities that would be otherwise unavailable within larger entities.

WestSide takes pride in the creation of an open and inclusive corporate culture and the achievement of a vibrant team fit involving people from diverse professional and cultural backgrounds.

WestSide's policy is to become part of the communities in which the Company operates.

WestSide is committed to promoting diversity at all levels of the Company including the Board, senior management, and within the technical and financial management and support functions of the Company. WestSide will seek diversity in skills, experience, perspectives and styles that have been developed on account of employees' origin, culture, gender, age or other experiences.

The Company also relies on a range of outsourced services, providing flexibility to access skilled specialist assistance while controlling costs and optimising productivity.

The Company has a workforce of 31 full and part time staff, compared to 44 last year as a result of an organisational restructure which was implemented in June 2013.

Communities

WestSide's policy is to become part of the communities in which the Company operates. As operator of Meridian SeamGas in the southern Bowen Basin, WestSide has become an active participant in the regional communities of Biloela, Moura and Theodore and supports opportunities for industry and community members to collaborate and exchange ideas on matters of common interest.

WestSide is a member of the Moura Chamber of Commerce, participates and supports the Banana Shire Council's annual Industry Summit and sponsors regular events on the community calendar such as Moura's annual Coal and Country Festival.

Landholders

Meridian SeamGas, Australia's first producing CSG field, was established in the mid-1990s. The agricultural landholders within our operational areas around Moura typically have a long history of coal mining activity on or near their properties, sometimes spanning generations.

Since assuming control of Meridian SeamGas three years ago, the Company's dedicated Field Coordinators have sought to work closely with our landholders to discuss upcoming activities on their land.

Well sites and access routes are planned in consultation with landholders to ensure our operations avoid sensitive areas and minimise disruption to the landholder's activities and in some cases, improve the infrastructure available for use by landholders.

WestSide conducts its operations with a view to having a long and collaborative relationship with landholders and this commitment will be reflected as the joint venture moves to further increase production from the Meridian SeamGas fields.

WestSide greatly appreciates and highly values the landholders' ongoing cooperation with the Company's CSG operations on their land.

Traditional Owners

From the outset, WestSide has engaged the assistance of indigenous parties representing the Traditional Owners of the land on which it operates.

On assuming operatorship of Meridian SeamGas near Moura in July 2010, WestSide began liaising on behalf of the Joint Venture with the Gangulu People who are the Traditional Owners over areas where Meridian SeamGas operates.

WestSide entered a voluntary Cultural Heritage Investigation and Management Agreement (CHIMA) with the Gangulu in October 2011 to enable the Company to address Aboriginal cultural heritage with a degree of certainty within a statutory timeframe.

Importantly, the agreement formalised WestSide's ongoing commitment to the protection and management of Gangulu cultural heritage at Meridian SeamGas.

Representatives of the Birri People and the East Comet/West Dawson People have conducted site clearances prior to and during earthworks at the Tilbrook and Paranui pilots and at Mount Saint Martin.

In July 2012 WestSide executed a Memorandum of Understanding with the Nghally Ghungalu Thoonieda Aboriginal Corporation which acts on behalf of the Ghungalu/Kangoulu People over part of the Southern Operations Area of ATP 769P.

Following completion of negotiations, WestSide executed a new Cultural Heritage Investigation and Management Agreement (CHIMA) in September 2012 with the Gangulu People covering their traditional lands within the Southern Operations Area of ATP 769P.

In the Galilee Basin, WestSide has executed Cultural Heritage Management Plans with the Wannamara People and the Koa People, who claim traditional ownership over parts of ATP 974, while discussions are ongoing with the neighbouring Yirendali People who have a claim over ATP 974 and ATP 978.

WestSide is committed to ongoing communications and consultation with Traditional Owners in all the areas in which it operates.

Health and Safety

WestSide operations are conducted in line with the underlying philosophy that all occupational injury and harm is avoidable. Members of the Company's operational team continue to implement and enforce site safety procedures for WestSide's employees, joint venture personnel and contractors. Consequently staff at the Company's Brisbane and Moura offices participated in APPEA's Stand Together for Safety program in May 2013.

WestSide's safety and emergency management policies and plans meet regulatory and community standards and remain a key focus of our operations team. Both internal and external audits were conducted during the year.

During the FY2013 there were two reportable injuries; one medical treatment injury and one lost time injury. This compares with one reportable medical treatment injury which was also a lost time injury in FY2012.

Environment

WestSide anticipates water generated as a result of the Meridian SeamGas fields' continued development will be able to be treated and applied to beneficial reuse programs within the local region.

After taking over operatorship of the Meridian SeamGas CSG fields and infrastructure assets in July 2010, WestSide completed an initial environmental review and prepared a comprehensive Environmental Management Plan (EMP) and Water Management Plan (WMP) in accordance with new regulatory requirements.

Under amendments to the *Environmental Protection Act 1994* and associated policies and guidelines such as the Coal Seam Gas Water Management Policy, CSG water evaporation dams are considered by the Queensland Government to be a non-preferred water management approach.

Consequently it is a mandatory requirement that existing CSG water evaporation dams be transitioned into CSG aggregation dams or brine dams that meet the new policy standards, or be decommissioned.

WestSide has developed a Transitional Environmental Plan (TEP) to address transitional arrangements to bring dam construction standards for PL94 into compliance with this new policy and was subsequently granted a new Environmental Authority (EA) covering operations within PL94 and the TEP.

WestSide significantly progressed the TEP during FY2013 including the decommissioning of two evaporation ponds and the rehabilitation of the first. A new pilot water treatment plant was also constructed and commissioned.

Preparations are now underway to conduct soil treatment tests to establish the most cost-effective and sustainable process for the rehabilitation of the remaining evaporation ponds as part of the ongoing environmental restoration program.

WestSide and its joint venture partners also commenced work on Underground Water Impact Reports for other project areas during the year pursuant to the requirements of Chapter 3 (Sections 381 and 382) of the *Queensland Water Act 2000*.

WestSide holds Environmental Authorities to conduct activities within ATP 688P, ATP 769P, ATP 974P and ATP 978P. Operations on these tenements have been conducted in accordance with these authorities.

The management of produced water remains a significant issue for CSG producers in the Surat Basin, far to the south of WestSide's Bowen Basin tenements. In comparison the Meridian SeamGas CSG operations produce much less water and at significantly lower rates. WestSide anticipates water generated as a result of the Meridian SeamGas fields' continued development will be able to be treated and applied to beneficial reuse programs within the local region.

Production testing has indicated that water production rates at Paranui, Tilbrook and Mount Saint Martin will be also be relatively low compared to those from CSG operations in the Surat Basin.

Protection of the Great Artesian Basin aquifers remains a fundamental issue of general concern and to rural communities within the Galilee Basin in the State's far north west where WestSide has a 51 per cent operating interest in two tenements ATP 974P and ATP 978P.

During the year WestSide participated in regular meetings of the Galilee Basin Operators' Forum (GBOF). This forum was formed as an industry collective by companies actively exploring for CSG in the area to fund a regional baseline ground water assessment study for the Galilee Basin. The study's final report was presented to the Queensland Government, its agencies and community stakeholders in February this year.

The GBOF has also commissioned a basin-wide water isotope study to identify water associated with regional aquifers with the goal to produce a realistic hydrogeological model enabling a holistic understanding of Galilee and Eromanga Basins' properties.

Compliance

Given the importance of compliance with the frequency of changes to the regulatory framework within which the Company operates, WestSide has developed a Compliance Strategy to minimise or eradicate risks to the business and personal harm as a consequence on non-compliance.

WestSide acknowledges that the manner in which the Company manages compliance can have a significant impact on achievement of business objectives.

The WestSide Group is registered under the *National Greenhouse and Energy Reporting Act 2007*, and has systems and processes in place for the collection and calculation of the data required to comply with the Act. Annual reports are lodged as required under the Act.

MANAGEMENT

Michael Hughes
Chief Executive Officer

Damian Galvin
Chief Financial Officer and Company Secretary

Garth Borgelt
Commercial Manager

Simon Mewing
Chief Operating Officer

Peter Dingle
Moura Operations Manager

WestSide's management team has remained focused on achieving set business targets and completing work programs that continue to add value to the Company's assets.

Michael Hughes

Chief Executive Officer
MMa, MAICD

Joined WestSide in 2013

Michael is a seasoned oil and gas industry executive who has previously worked as Gas Supply Director for Santos Limited's Gladstone Liquefied Natural Gas (GLNG) project and brings a wealth of commercial, operating and project development expertise to WestSide. He has an international track record of building and operating successful oil and gas businesses in Asia and Australia and invaluable local experience gained while working within Queensland's emerging export CSG-to-LNG industry.

With more than 20 years' experience in the international oil and gas sector, Michael played an instrumental role in building and running the South East Asian operations of integrated global energy company Hess Corporation before joining the GLNG project in 2009. He has a Masters in Mathematics from the University of Oxford and is a member of the Australian Institute of Company Directors.

Simon Mewing

Chief Operating Officer
BE Chem (Hons)

Joined WestSide in 2008

Simon is a chemical engineer with 31 years' experience in the oil and gas industry covering both upstream exploration and production and downstream businesses, including refining and Liquefied Natural Gas.

Simon joined WestSide from energy sector service provider AGR Asia Pacific where he was Queensland Manager. Previously, Simon worked in refining engineering and management for 16 years. He was then employed for 10 years by various oil and gas companies where he worked in the upstream exploration and production sectors.

Damian Galvin

Chief Financial Officer and Company Secretary
BBus (Accounting), CA

Joined WestSide in 2006

Damian is a Chartered Accountant with more than 20 years' experience in the financial management of companies in Australia and overseas.

A former Chief Financial Officer and Company Secretary of coal seam gas pioneer, Queensland Gas Company Limited, Damian headed QGC's corporate function for five years, during which time the company grew from a junior CSG explorer to one of Australia's major CSG producers.

He has also had financial and commercial experience with Premier Oil Plc and Price Waterhouse.

Peter Dingle

Moura Operations Manager
BComm, AIMM

Joined WestSide in 2010

Peter has more than 20 years' experience in the resources sector, spanning coal and metalliferous mining in Australia and abroad and worked in a number of roles within the CSG industry in the Bowen Basin.

Prior to joining WestSide Peter was Vale's Australian Strategic Procurement Manager. He also previously held other senior procurement and logistics positions with Wesfarmers and BHP Billiton.

Peter has had a long association with CSG in the Bowen Basin, having started his career with the CSIRO on early exploration programs.

Peter subsequently joined Conoco which was then pioneering commercial CSG production at Moura in the mid-1990s and later worked for BHP Billiton on its evaluation program around Blackwater and Moranbah.

Garth Borgelt

Commercial Manager
MBA, FAIDC

Joined WestSide in 2010

Garth has had a career spanning more than 33 years in the gas pipeline industry having held executive management positions in five Australian states and territories, including the General Manager of NT Gas and the State Manager Western Australia for AGL.

Prior to joining WestSide Garth was working as an independent consultant to the wider mining and energy industry.

Garth holds an MBA and a Diploma of Company Directorship. He has held directorships in several companies, is a Fellow of the Australian Institute of Company Directors and has accreditations in project management, organisational effectiveness, negotiation, people profiling, coaching and mentoring.

Garth's experience covers gas production, processing, transportation, transmission and delivery systems, as well as gas-fired power generation, desalination and Liquefied Petroleum Gas production.

DIRECTORS

The Board remains focused on growing value by acting at all times in the strategic, long term interest of the Company and shareholders.

Angus Karoll 4

Executive Chairman

Director since 2005

Angus is the founding Director of WestSide Corporation Limited and has been instrumental in establishing the Company, including forming strategic relationships with investors and joint venture partners.

Angus was the key driver and initiator of the development of a world-scale downstream processing project for ammonia and urea in Asia and enlisted influential Australian and international parties into a consortium to develop the project.

He was also responsible for conducting due diligence on several other conventional gas projects in South East Asia.

Angus was the President, Director and controlling shareholder of PT WestSide Agritama, a major provider of logistics and transport services in Indonesia. He originally established this company in 1997 as a joint venture with JR Simplot International, one of the United States' largest private agricultural enterprises.

He also has other business interests currently in Africa and Australia.

John Clarke 1

Director

BCom, ACA

Director since 2010

John is the Managing Director of Infrastructure Capital Group. John has extensive experience in the financing of infrastructure-related businesses and projects.

His previous experience includes mergers and acquisitions in the New Zealand electricity industry and he was the CEO of Infratil Australia Ltd and Managing Director of HRL Morrison & Co Pty Ltd.

John is Chairman of the Stadium Australia group of companies (ANZ Stadium) and a Director of leading infrastructure industry group Infrastructure Partnerships Australia. John's other directorships include EIT Kwinana Holdings (and subsidiaries), EIT Mumbida Wind Farm Holdings (and subsidiaries), EIT Neerabup Holdings (and subsidiaries), DIT Flinders Ports Investments Pty Ltd, Gas Pipelines Victoria Pty Ltd and Wattle Point Holdings Pty Ltd.

John is Chairman of the Remuneration Committee and a member of the Audit and Compliance Committee.

Anthony Gall 2

Director

FCA

Director since 2005

Tony was a former employee and partner of Price Waterhouse for 39 years, during which time he gained international experience in the UK, USA and Indonesia.

More recently he has been an independent advisor and consultant to small and medium enterprises. He brings extensive exposure to a wide variety of industries and particular depth in the Audit and Corporate Advisory area in which he specialised at Price Waterhouse.

Tony is Chairman of the Audit and Compliance Committee and a member of the Remuneration Committee.

Nathan Mitchell 3

Director

Director since 2008

Nathan has over 23 years' experience with the drilling and resource exploration industry during which time he has developed both skilled technical ability and commercial management expertise. He has been particularly involved with the research and development of drilling techniques in the coal seam gas industry.

Nathan was previously the CEO of Mitchell Drilling Corporation, overseeing its expansion internationally prior to the sale of its Australian operations to Lucas Coal Technologies in 2008. He is currently CEO of Mitchell Group and has successfully spread business operations internationally to India, China, USA, Mozambique, Russia and Indonesia and has secured contracts with industry leaders such as Anglo Coal, BHP Billiton, BP, Mosaic Oil, Origin Energy, Rio Tinto, Santos, Sunshine Gas and Xstrata.

Nathan is also the Chairman of ASX-listed international CSG exploration company Tlou Energy Limited.

Robert Neale 5

Director

BSc (Hons)

Director since 2010

Rob has more than 40 years' experience in the resources sector and is Managing Director and CEO of New Hope Corporation Limited.

His main areas of expertise lie in exploration and mining industries in several countries covering gold, base metals, synthetic and conventional fuels, coal, bulk materials and shipping as well as power generation projects.

Over the past 16 years, Rob has effectively led corporate growth through business improvement, asset management and successfully implemented new business ventures.

Rob is also a Non-executive Director of Planet Gas Limited and a Director of both the Queensland Resources Council and the Australian Coal Association.

Rob is a member of the Remuneration Committee.

Trent Karoll 6

Director

BEc, FAICD

Director since 2006

Trent is a joint founder and Managing Director of Hedgehog Capital which is focused on direct investments in Australian SMEs as well as investor portfolio management.

He is a former Joint Managing Director of the Nelson Group of Companies, a substantial private business with operations in Australia, New Zealand, the UK and Germany and more than 400 employees.

Trent has a strong financial and management background across broad industry sectors including manufacturing, distribution, wholesaling and retail.

He has also gained commercial experience in commodity futures trading and corporate recovery. Trent is an experienced company director occupying six board positions in a variety of private companies.

Trent is a member of the Audit and Compliance Committee.

CORPORATE GOVERNANCE

Corporate Governance Statement

WestSide's Board recognises the importance of good corporate governance and is committed to maintaining the highest standards of corporate governance. WestSide's Directors are responsible to the shareholders for the performance of the Company and their overriding aim is to enhance the interests of shareholders and to ensure the Company is properly managed.

The Company has established a framework of principles to provide guidance to Directors, executives and staff in the day-to-day management of WestSide's operations. Summaries of these principles are set out on the Company's website: www.westsidecorporation.com

WestSide has adopted the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations" to the extent that they are considered applicable to a company of WestSide's size. These principles have been in operation for the full financial year ended 30 June 2013 unless otherwise indicated below. Areas where WestSide has elected not to comply with the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations" are set out in the table below.

Corporate Governance Principles and Recommendations

ASX RECOMMENDATION	WESTSIDE POSITION	REASON FOR DIFFERENCE
Majority of Board should be independent.	Majority of Board is non-executive, but only 50% can be considered independent.	Refer to following discussion (Independence of Directors).
The Chairman should be independent.	Chairman is not independent. The Company has undertaken to appoint a Non-executive Chairman in the near future	Refer to discussion below (Independence of Directors).
Nomination Committee should be established.	The Board performs the duties in relation to the nomination of new Directors.	The Board believes that WestSide is not of sufficient size to warrant formation of a permanent Nomination Committee.
Audit Committee Charter should be made publicly available.	A summary of the Charter of the Audit and Compliance Committee is available on the Company's website.	A summary of the Charter is considered to provide stakeholders with appropriate information.
Disclose the process for performance evaluation of the Board.	Board performance has been monitored informally on an ongoing basis by the Chairman. Detailed performance evaluation procedures will be developed as required.	The current arrangements are considered to be adequate for the Company's circumstances.

Management and oversight

WestSide's Board Charter[1] sets out the responsibilities and functions of the Board, in particular their responsibility for the direction, strategies and financial objectives of the Company and monitoring the implementation of those policies, strategies and functions. The Board delegates authority to the Chief Executive Officer and management for day-to-day operations in accordance with the delegations set by the Board.

WestSide has a Code of Conduct[1] in place for Directors, executives and employees which sets out practices necessary to maintain confidence in the Company's integrity, the practices necessary to take into account their legal obligations and expectations of stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Trading in the Company's securities by Directors, executives, employees and consultants are governed by a Securities Trading Policy[1].

The Company has a comprehensive Continuous Disclosure Policy[1] which puts in place procedures and policies to ensure compliance with ASX Listing Rule Requirements such that all investors have equal and timely access to material, factual information concerning the Company.

The Company has a policy of conducting annual performance appraisals for each Director and senior executive. Performance targets are set for each executive annually and a review of the performance of each senior executive was performed during the reporting period. CEO performance is reviewed by the Board and Remuneration Committee, while other executives are appraised by the CEO. Incentives are reviewed and approved by the Remuneration Committee and Board. As at 30 June 2013, no formal appraisal had been conducted for Directors, although Board performance is monitored informally on an ongoing basis. Details of the Company's remuneration policies and Directors' remuneration are set out in the Remuneration Report section of the Directors' Report.

The Company does not have a policy of prohibiting entering into transactions in associated products which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.

1 *A summary of these documents is available on the Company's website: www.westsidecorporation.com*

There is a procedure agreed by the Board for Directors to take independent professional advice at the expense of the Company on matters involving the discharge of the Director's responsibilities to the Company.

Diversity

The Company has a Diversity Policy to promote diversity at all levels of the organisation. WestSide respects and values the competitive advantage of "diversity", and the benefit of its integration throughout the Company. Diversity at all levels of the Company can enrich the Company's perspective, improve corporate performance, increase shareholder value and enhance the probability of achieving the Company's objectives. Diversity enables the Company to be alert to diverse strategies and opportunities and to develop diverse plans for achieving those strategies and taking advantage of those opportunities.

WestSide is committed to promoting diversity at all levels of the company including the Board, senior management and within the technical and financial management and support functions of the Company. WestSide will seek diversity in skills, experience, perspectives and styles that have been developed on account of personnel's origin, culture, gender, age or other experiences. The Board is yet to prescribe a specific mix of skills and diversity for Board composition but has set a longer-term target that 20% of the Board be female by 30 June 2015.

WestSide's Board recognises the importance of good corporate governance and is committed to maintaining the highest standards of corporate governance.

In considering the attributes of potential new Directors, the Board has regard to such factors as the Board considers appropriate, including judgement, skill, diversity, experience with business and organisations of a comparable size and the interplay of the candidate's experience with the experience of the other Board members.

WestSide acknowledges that gender diversity is relatively low in the oil and gas industry and has set a number of long term diversity targets to increase the proportion of appropriately-experienced females in the Company. Progress in achieving these targets is assessed annually. The current progress against these targets is shown in the table below.

The proportion of women employees in the whole Group is 37.5 per cent.

A copy of the Diversity Policy is available on the Company's website: www.westsidecorporation.com.

Board structure

Details of the Directors' skills, experience, expertise and membership of Board Committees are set out on page 27 of this Annual Report. The number of meetings held, and the attendance of each Director are set out in the Directors' Report.

The composition of the Board is assessed from time to time.

Independence of Directors

All Directors are required to bring independent judgement to bear in decision-making.

A majority of the Board are Non-executive Directors, although at no time during the year to 30 June 2013 was there a majority of independent Directors as recommended in the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations". Directors J Clarke, A Gall and N Mitchell, representing 50% of the Board can be considered independent under the ASX guidelines.

WestSide Diversity

FEMALE	TARGET DATE	TARGET	AT 30 JUNE 2013
Board members	30 June 2015	20%	nil
Executive team	30 June 2015	20%	11%
General staff	30 June 2015	20%	37.5%
Vacation students	31 December 2011	50%	50%

The Board believes that the current balance of executive and Non-executive Directors and between independent and non-independent Directors provides WestSide with a wide range of experience, qualifications and professional skills. To further strengthen the Board's composition, the Company has committed to appointing a non-executive Chairman in the near future.

The Board believes that in the current stage of the Company's development the technical and financial support of major stakeholders is essential in maximising the value of the Company's production and exploration assets and in serving the interests of all shareholders.

Each member's independence is assessed at the time of appointment and on a continuous basis throughout the term of their appointment. In assessing the independence of Directors, the following factors are considered:

(a) Director's shareholding: A Director cannot be considered to be independent if he, his associates or a company of which he is an officer, controls greater than 5% of the voting rights in WestSide.

(b) Previous executive capacity: A Director cannot be considered to be independent if he has been employed by the Company in an executive capacity in the previous three years.

(c) Material supplier or customer: A Director cannot be considered to be independent if he is:

- principal of a material professional advisor;
- a material consultant to the Company;
- an employee of a material advisor or consultant materially associated with the service provided;
- a material supplier of the Company, or an officer or associate of the supplier; or
- a material customer of the Company, or an officer or associate of the customer.

The relationship is considered to be material where, during the previous three years, or forecast for the forthcoming 12 months:

- The relevant services or goods acquired by WestSide amount to 5% or more of total purchases by WestSide;
- The relevant services or goods acquired by WestSide amount to 10% or more of the total income of the Director or associated company/advisor/consultant; or
- The relevant sales of WestSide's products amount to 10% or more of total sales by WestSide or of total purchases by the customer.

The Board regularly reviews whether previous relationships of any Director do, in fact, or are perceived to, compromise the Director's independence.

(d) Material contractual relationships: A Director cannot be considered to be independent if he has a material contractual relationship with the Company.

(e) Length of service: A Director cannot be considered to be independent where he has served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

(f) Other relationships: To be considered independent, a Director must be free from any interest and any business or other relationship which could, or reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

Safeguarding of financial reporting integrity

WestSide's Audit and Compliance Committee consists of three Non-executive Directors, A Gall (Chairman), J Clarke and T Karoll.

The Audit and Compliance Committee operates within the framework of a formal Charter. A summary is available on the Company's website: www.westsidecorporation.com

Fair and responsible remuneration

WestSide's Remuneration Committee consists of three Non-executive Directors, J Clarke (Chairman), A Gall and R Neale and supports and advises the Board on remuneration and remuneration-related matters with a view to aligning the interests of employees and shareholders. Recommendations are guided by the principle that employees should be appropriately and equitably compensated for their services and motivated to perform to the best of their abilities in the interest of shareholders.

The Remuneration Committee operates within the framework of a formal Charter. A summary is available on the Company's website: www.westsidecorporation.com

Managing risk

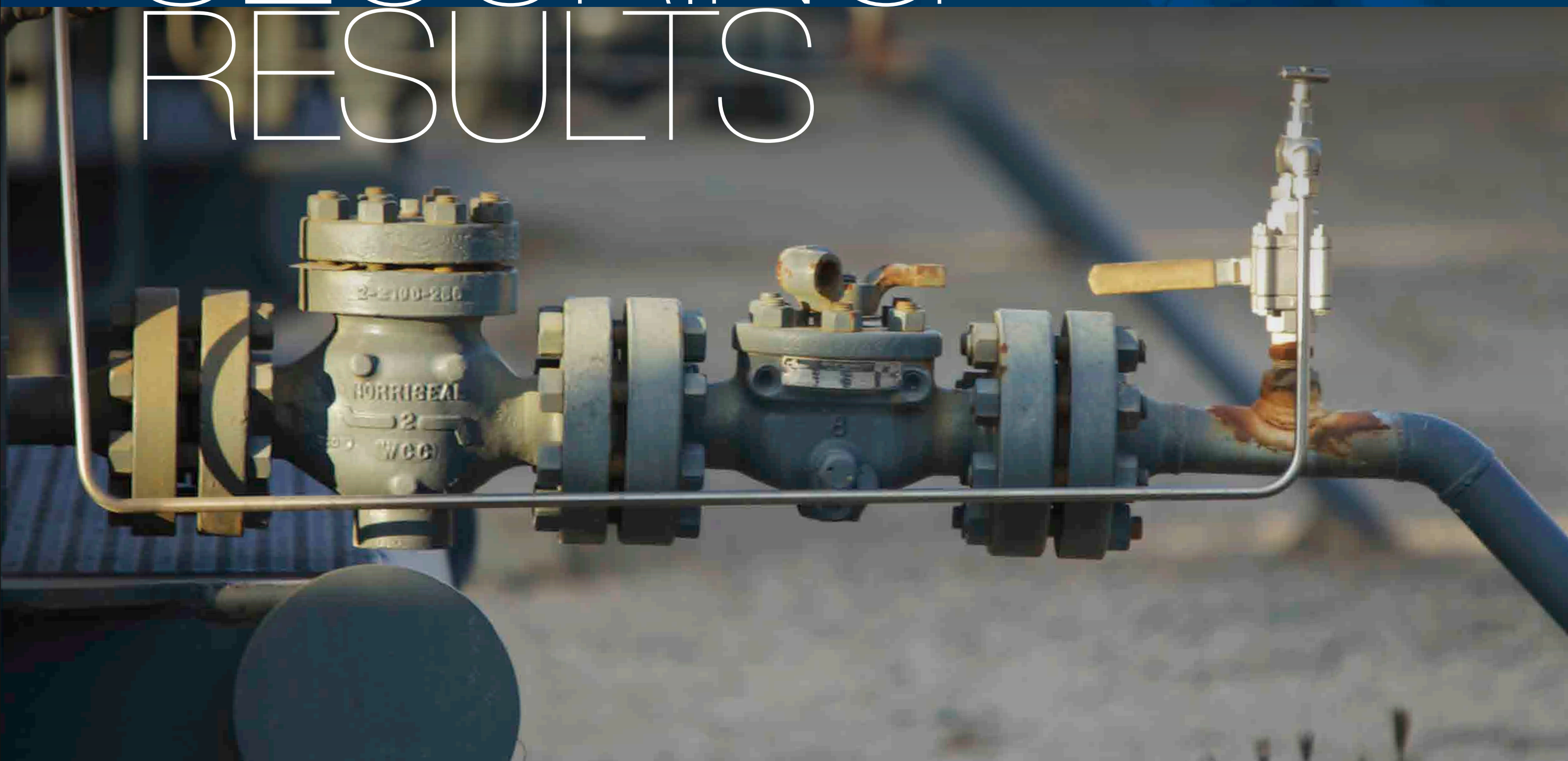
WestSide has a comprehensive risk management policy which sets out procedures for the regular review of registered risks and a disciplined assessment of new activities. The policy sets out the roles and responsibilities of the Board, management and all personnel. A summary is available on the Company's website: www.westsidecorporation.com

Management reports to the Board as to the effectiveness of the Company's management of its material business risks. The Board receives assurances from the CEO and CFO annually that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Annual Financial Report

FOR THE YEAR ENDED 30 JUNE 2013
WESTSIDE CORPORATION LIMITED
ABN 74 117 145 516

SECURING RESULTS



DIRECTORS' REPORT

Your Directors present their report on the Consolidated Entity (referred to hereafter as the Group) consisting of WestSide Corporation Limited (the Company) and the entities it controlled at the end of, or during, the year ended 30 June 2013.

Directors

The following persons are Directors of WestSide Corporation Limited at the date of this report. The number of ordinary shares in which the Directors hold a relevant interest, are:

Director	Ordinary Shares
A Karoll (Chairman)	22,990,548
J Clarke	-
A Gall	627,200
T Karoll	476,000
N Mitchell	13,918,816*
R Neale	-

* *A company controlled by Mr N Mitchell has the ability, in certain circumstances pursuant to a loan agreement, to control the disposal of 6,222,223 shares held by a trust associated with Mr A Karoll.*

The qualifications, experience and special responsibilities of the Directors and Company Secretary are shown on pages 24 to 27 of the Annual Report.

Directorships of listed companies

Mr R Neale is a Director of New Hope Corporation Limited and Planet Gas Limited. Mr N Mitchell is Chairman of Tlou Energy Limited which listed on ASX on 9 April 2013. No other Director has been a Director of other listed companies at any time in the three years before 30 June 2013.

Operating and financial review

Principal activities

WestSide Corporation Limited is an ASX-listed company (ASX code: WCL) with interests in a diversified portfolio of coal seam gas (CSG) projects in Queensland. WestSide operates the Meridian SeamGas field west of Gladstone in Queensland's Bowen Basin in joint venture with major Japanese trading house subsidiary, Mitsui E&P Australia.

Elsewhere in the Bowen Basin, WestSide has established certified CSG reserves for two of its projects, Paranui and Tilbrook in ATP 769P and ATP 688P respectively. The Company is working to prove up further reserves within these tenements with its joint venture partners QGC and Mitsui E&P Australia.

Operations

During the 2013 financial year WestSide focused on demonstrating capability to deliver sustainable production levels at Meridian. Drilling of new production wells continued early in the financial year when one dual-lateral well set and one blind lateral well were completed. Connection and commissioning of these wells were delayed, but the dual lateral is now on pump and connection of the blind lateral will soon be completed.

The new blind lateral-style wells have, to date, demonstrated lower capital and operating costs with less drilling risk and greater performance reliability than the dual-lateral wells. Several older under-performing wells were subjected to an Advanced Treatment Trial to treat mineral build ups and arrest ongoing displacement of sand from the coal cleats. Production from these wells has continued to recover subsequent to the end of the year.

An external review of lateral wells drilled since 2010 confirmed that some well sections have become blocked with coal fines, affecting the performance of six of the well sets. WestSide has devised a cost-efficient strategy to either unblock these wells or to produce from the lateral end of the wells.

Certified reserves were increased across all categories to provide a necessary foundation to support the execution of large, long term gas contracts while gas processing infrastructure capacity and water treatment capability were significantly enhanced to handle higher gas flows from the field.

An independent validation of the Meridian field development plan has also been commissioned to support potential customer confidence in the field's ability to supply increasing volumes into new contracts.

For much of the year, WestSide's Board and management facilitated due diligence investigations by a number of parties in response to the receipt of an indicative proposal to acquire the Company. The proposal was eventually withdrawn in May 2013. One-off costs of $0.8 million were incurred in relation to the indicative offer.

Financial position

The operating loss after income tax for the Group amounted to $21,884,624 (2012: $7,812,421), including asset write-downs of $8.9 million (2012: nil).

WestSide's net share of gas sales revenue from Meridian, was up 24% to $7.3 million while net gas sales volume for the year was up 7.2% to 1,935 TJ, despite a continuing fall in volumes supplied by third parties which was down 35% on FY2012.

Production was impacted by wet weather, a temporary fall in demand associated with regional flooding in the wake of ex-Cyclone Oswald and the disconnection of some wells in preparation for an Advanced Treatment Trial which was delayed by three months due to contractor availability.

Revenues included compensation for revenue from foregone production of approximately 1.5 TJ/d from wells impacted by an expansion of the adjacent coal mine last year.

Following a review of it's portfolio of assets, WestSide has written-down the carrying value of its interests in the Galilee Basin and its drilling rig assets. The distance between the Galilee Basin tenements and commercial gas markets, when viewed in conjunction with the geological challenges and environmental restrictions of the region raised sufficient uncertainty as to the likelihood of commercialising the resource. The Company has reduced the carrying value of the Galilee tenements to nil, resulting in a $4.5 million charge against profits this year. The recent slump in global coal prices has resulted in a significant downturn in the local drilling market. The value of the Company's drilling rig has been written-down by $4.4 million to a book value which now reflects the market value of the rig and associated equipment.

A comparison of the Company's underlying performance in FY2013 with FY2012 indicates an improvement in the operational result. When the impacts of unusual items such as the asset write-downs, prior year gain on disposal of the Indonesian assets and takeover-associated costs are stripped-out, the Company's adjusted EBITDA for 2013 was a loss of $5.2 million against a 2012 loss of $5.6 million. The reconciliation of these amounts to the reported loss after tax can be found at page 13 of the attached Annual Report.

The Group's net assets have declined since June 2012 due to the write-down of the carrying value of the Galilee exploration assets and the Company's drilling rig, combined with the net cash expenditure relating to the Group's operating loss.

Business strategies and prospects for future financial years

WestSide's immediate focus is to secure significant new gas sales agreements in coming months which are expected to lead to an upgrade of the Meridian field's production capacity to meet these new contracts from 2015. Demand for gas is increasing for both export and domestic use and the inevitable increase of gas prices will follow the export market.

Gas from WestSide's Meridian SeamGas operation near Moura is available for new customers when the existing contracts finish in 2015. An external review of the development plans to drill and commission the required wells and to upgrade the existing infrastructure to meet the expected new sales contracts is currently being conducted. Once the expected capital and operating costs for the development plan have been verified, the Company will be able to tailor a funding strategy to match the necessary development plan. Binding long-term contracts with credit-worthy customers are expected to provide access to a variety of funding alternatives.

The Meridian SeamGas production volumes are expected to benefit from operational changes and Meridian remains the closest producing gas field to Gladstone. The expected signing of new gas contracts at export-parity gas prices in the coming year is expected to highlight the true value of WestSide's gas resources and provide the catalyst to spark WestSide's transformation into a valuable supplier to Queensland's gas users and exporters.

The appointment of Mike Hughes as new Chief Executive Officer in September 2013 is expected to strengthen the management team's capability to secure new gas supply contracts and implement a field development plan to increase gas production accordingly.

The future prospects of the Company remain subject to some risk. Negotiations with potential new customers is at an advanced stage, although there remains a risk that new gas contracts will not be secured. The ability of the gas field to produce greater volumes of gas at a profitable return also remains unproven at this time. The ongoing operations and field development will require additional funding until such time as the operations become cash flow positive. Although WestSide believes that funding can be sourced from equity and debt markets in both the short and longer term, there remains some uncertainty as to whether this funding will be available. The Company's auditors have emphasised this uncertainty in their Audit Report and further discussion in respect of the Company's ability to continue as a going concern can be found in Note 1 to the Financial Statements.

Dividends

During the financial year, no amounts have been paid or declared by way of dividend (2012: nil). No dividend will be recommended by the Directors for declaration at the forthcoming Annual General Meeting.

As a matter of policy, the Board will, to the extent that is prudent, pay dividends from profits. The payment of dividends will be dependent on a number of factors including availability of profits, the Company's Franking Credit position, operating results, cash flow, financial and taxation positions, future capital requirements and other factors considered relevant by the Board. In view of the expected capital requirements for future exploration, appraisal and development activity, payment of a dividend would not be appropriate prior to establishing a long term profit stream which is capable of supporting both capital expenditure and dividend distribution.

Matters subsequent to the end of the financial year

Issue, vesting and lapsing of employee performance rights

In July 2013, 135,000 employee Performance Rights lapsed as a result of vesting conditions not being satisfied.

In August 2013, 322,000 employee Performance Rights lapsed as a result of vesting conditions not being satisfied and 620,000 ordinary shares were issued upon the vesting of Performance Rights.

In August 2013, 1,686,000 new employee Performance Rights with an expiry date of 30 June 2017 were issued.

In September 2013, 1,700,000 new employee Performance Rights with an expiry date of 30 June 2017 were issued.

Appointment of Chief Executive Officer

A new Chief Executive Officer, Mike Hughes, commenced on 18 September 2013.

No other matter or circumstance has arisen since 30 June 2012 that has significantly affected, or may significantly affect:

(a) the Group's operations in future financial years, or

(b) the results of those operations in future financial years, or

(c) the Group's state of affairs in future financial years.

Environmental regulation

Both State and Federal laws regulate the entity's environmental obligations. The Queensland Department of Environment and Heritage Protection (DEHR) has issued Environmental Authorities for each of the Group's Petroleum Leases, Petroleum Pipeline Leases and exploration tenements. These authorities are relatively prescriptive in regard to environmental protection. The Group operated in compliance with all local and state legislation governing the environmental management of its gas exploration, production and transport activities during 2013 with the exception of two incidents which resulted in the release of sewage effluent onto land adjacent to a drilling camp. DEHR advised that the release was not in accordance with the conditions of the Environmental Authority and issued a Penalty Infringement Notice and imposed a fine of $2,200. No environmental harm was caused, and modifications have been made to the equipment to prevent repeat occurrences.

Further information is presented at page 23 of the Annual Report.

Greenhouse gas and energy data reporting requirements

The Group is registered under the *National Greenhouse and Energy Reporting Act 2007*, and has systems and processes in place for the collection and calculation of the data required to comply with the Act. Annual reports are lodged as required under the Act.

Certain facilities operated by the Group qualify for inclusion in the carbon pricing scheme under the provisions of the *Clean Energy Act 2011*, and supporting legislation. The Company has implemented systems to capture data to enable it to assess its liability under the scheme and has registered as an account holder on the Australian National Registry of Emission Units.

Meeting of Directors

The numbers of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2013, and the numbers of meetings attended by each Director were:

Director	Board Meetings		Audit and Compliance Committee meetings		Remuneration Committee meetings	
	A	H	A	H	A	H
A Karoll	21	21	*	*	*	*
J Clarke	20	21	1	2	2	2
A Gall	17	21	2	2	2	2
T Karoll	19	21	2	2	*	*
N Mitchell	17	21	*	*	*	*
R Neale	17	21	*	*	2	2

A *Attended.*
H *Number of meetings held during the time the Director held office or was a member of the Board or Committee during the year*
* *Not a member of the relevant Committee.*

Retirement, election and continuation in office of Directors

Mr J Clarke and Mr R Neale are the Directors retiring by rotation who, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

Remuneration report

The information provided in this Remuneration Report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

A Principles used to determine the nature and amount of remuneration

The Board is responsible for setting a remuneration policy which enables the Group to attract and retain valued employees; motivate senior executives and executive Directors to pursue long term growth; demonstrate a clear relationship between performance and remuneration; and has regard to prevailing market conditions.

The Board, within the maximum amount approved by the shareholders from time to time, determines remuneration of Non-executive Directors with advice from independent experts where required. Currently Non-executive Directors receive $55,000 pa inclusive of superannuation where applicable, with an additional $5,000 pa payable for serving on each formal Board Committee.

Remuneration and other terms of employment for the Chief Executive Officer and certain other senior executives are formalised in employment contracts. Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Company's operations. The remuneration packages can include various components: fixed remuneration; short term incentives (cash bonus linked to key performance indicators and Company performance targets); and long term equity-based incentives. The incentive components are structured to align executive reward with the achievement of strategic objectives and the creation of shareholder value and to encourage retention of key personnel.

The key performance indicators (KPIs) and other targets for each executive are reviewed at least annually to ensure that they remain relevant and appropriate, and may be varied to ensure that the benefits offered to each executive to incentivise performance and achievement are consistent with the Company's goals and objectives. Short term KPIs are focussed on maintaining a safe workplace, satisfying all regulatory environmental requirements, increasing sales revenues and profits, reducing development and exploration costs and increasing gas reserves to underwrite sales contracts or downstream development. Key performance indicators are generally set so that targets can be measured objectively, thus allowing simple and unambiguous assessment of achievement. A component of the short term incentive is linked more generally to the Company's performance during the period to provide further alignment between an executive's performance and the overall goals of the Company.

Long term incentives currently take the form of grants of Performance Rights in accordance with the WestSide Employee Performance Rights Plan. Performance Rights have a number of vesting conditions to encourage performance and commitment by staff and to align performance with shareholder interests. Vesting conditions can include corporate targets, such as certification of additional gas reserves, and assessment of individual performance. Other Performance Rights have been issued as a retention incentive to encourage long term commitment from key staff. Performance Rights issued as retention incentives generally have vesting dates more than two years from grant date. Each Performance Right that vests converts into one Ordinary Share in the Company and is then subject to further disposal restrictions.

Remuneration Report (continued)

A Principles used to determine the nature and amount of remuneration (continued)

An annual allocation may be made to selected staff on similar terms to provide an ongoing long-term incentive.

In previous years some senior employees and Directors were granted Incentive Options with exercise prices approximating the share price at the time of grant. The Incentive Options do not vest for a significant period so as to encourage long term commitment by staff. Long term value is thus linked to the increase in share value, aligning performance with shareholders' interests. Following the exercise and lapsing of Incentive Options there are no longer any Incentive Options on issue.

The Company's development, exploration and appraisal operations are expected to deliver results over an extended period of time, such that the relationship between the Company's remuneration policy and the Company's short term performance may not be immediately apparent on a year-to-year basis. This has been the case in relation to earnings, as the Company does not expect to record a profit until additional revenues can be derived from the increased gas production which is expected to result from the current and future development programs.

The table below displays performance measures relative to earnings, short term bonuses paid and shareholder wealth (share price) for the last 5 years:

	30 June				
	2013	**2012**	**2011**	**2010**	**2009**
3P gas reserves (PJ)	**885**	725	369	211	211
2P gas reserves (PJ)	**347**	258	221	-	-
Gas sales (PJ)	**1.94**	1.81	1.76	-	-
Net profit / (loss) ($'000s)	**(21,885)**	(7,812)	(9,374)	(2,463)	(3,185)
Share price ($ per share)	**$0.14**	$0.335	$0.235	$0.44	$0.52
Average short-term cash bonus awarded (% of maximum possible)	**44%**	63%	67%	75%	79%

The Company's operations during the year ended 30 June 2013 were focussed on production and development activity at the Meridian SeamGas gas field in central Queensland. Gas sales volumes in the year to 30 June 2013 were 7.2% higher than the same period in 2012 and sales revenues were 24% higher than the previous year.

Considerable value has been added to the Company's assets during the year, with the Group's Proved and Probable (2P) gas reserves increasing by 34.5% to 347 Petajoules. Proved (1P) gas reserves increased six-fold and 3P gas reserves increased by 22% to a total of 885 Petajoules.

Investor disappointment that an indicative takeover proposal for WestSide did not proceed was reflected in the Company's share price at the end of the financial year – a drop of 58% since June 2012. The low share price resulted in 1,562,000 Incentive Options expiring unexercised during the year.

While the gas reserves targets were achieved, a number of other milestones linked to production and cost control were not fully satisfied resulting in the award of approximately 25% of the maximum short term incentive applicable to overall Company performance for the year (representing 50% of maximum short term incentives). Of the maximum 50% of total short term incentive entitlements attributable to achievement of personal KPIs, employees received between 38% and 87% of their maximum entitlement, depending on individual performance.

Use of remuneration consultants

Remuneration consultants McDonald & Company (Australasia) Pty Ltd were commissioned at a cost of $40,000 to: review WestSide's current remuneration competitiveness; review and evaluate reward options in the resource industry; and make recommendations appropriate to WestSide's size and development status. The recommendations covered all staff including the Group's key management personnel (Management).

McDonald & Co have confirmed that the recommendations were made free from undue influence by members of the Group's Management.

The Board is satisfied that the remuneration recommendations were made free from undue influence from any members of Management as McDonald & Co reported directly to the Chair of the Remuneration Committee for recommendations relating to Management's remuneration. No member of Management has been provided with a copy of the report which relates to remuneration of Management.

B Summary of remuneration

Amounts of remuneration

Details of the nature and amount of each element of remuneration of each Director and the other key management personnel (as defined in AASB 124 *Related Party Disclosures*) of WestSide Corporation Limited and the WestSide Corporation Limited Group are set out in the following tables.

Non-executive Director Remuneration

Details of the remuneration of each Non-executive Director of the Company and Group are set out in the following table.

2013	Short-term employee benefits	Post-employment benefits	Total
Name	Cash salary/fees $	Superannuation $	$
J Clarke [1]	65,000	-	65,000
A Gall	59,633	5,367	65,000
T Karoll	55,046	4,954	60,000
N Mitchell	50,459	4,541	55,000
R Neale	55,046	4,954	60,000
Total 2013	**285,184**	**19,816**	**305,000**

2012	Short-term employee benefits	Post-employment benefits	Share-based payments	Total
Name	Cash salary/fees $	Superannuation $	Options[2] $	$
J Clarke [1]	62,500	-	-	62,500
A Gall	57,339	5,161	6,696	69,196
T Karoll	52,752	4,748	4,464	61,964
N Mitchell	48,165	4,335	-	52,500
R Neale	52,752	4,748	-	57,500
Total 2012	**273,508**	**18,992**	**11,160**	**303,660**

1 *Director's fees for Mr J Clarke are paid to Infrastructure Capital Group Limited.*

2 *The amount of remuneration attributed to Incentive Options in 2012 results from the alteration of their exercise price. Full details of Incentive Options are set out later in this report in section D (Share-based compensation).*

Remuneration Report (continued)

B Summary of remuneration (continued)

Remuneration of Other Key Management Personnel

Details of the remuneration of each of the Company's and Group's key management personnel for the year ended 30 June 2013 are set out in the following table.

2013		Short-term employee benefits			Post-employment benefits	Share-based payments	
Name	Remuneration Period	Cash salary / fees $	Cash bonus $	Other $	Superannuation $	Performance Rights [1] $	Total $
Executive Directors							
A Karoll	Full year	201,835	-	-	18,165	-	220,000
Other key management personnel							
J Beeby	Full year	347,523	-	9,465	31,277	152,138	540,403
G Borgelt	Full year	247,890	16,268	-	22,310	15,121	301,589
R Cowie[2]	To 14 May 2013	363,675	-	-	-	25,877	389,552
P Dingle	Full year	228,211	14,976	35,200	20,539	28,264	327,190
D Galvin	Full year	272,064	17,854	9,465	24,486	92,383	416,252
A Knight	Full year	251,439	14,034	-	20,511	105,467	391,451
S Mewing	Full year	333,250	21,539	9,465	24,912	105,458	494,624
Total 2013		**2,245,887**	**84,671**	**63,595**	**162,200**	**524,708**	**3,081,061**

1 *Full details of Performance Rights are set out later in this report in section C (Details of remuneration of Directors and other key management personnel).*

2 *Remuneration for Mr R Cowie is paid to Drill Path Consulting Pty Ltd.*

B Summary of remuneration (continued)

2012		Short-term employee benefits			Post-employment benefits	Share-based payments		
Name	Remuneration Period	Cash salary/ fees $	Cash bonus $	Other $	Superannuation $	Options [1] $	Performance Rights [1] $	Total $
Executive Directors								
A Karoll	Full year	201,835	-	-	18,165	6,715	-	226,715
Other key management personnel								
J Beeby	Full year	340,367	-	9,023	30,187	-	151,081	530,658
G Borgelt	Full year	238,349	28,200	-	21,451	-	11,379	299,379
R Cowie[2]	From 3 January 2012	198,450	-	-	-	-	26,778	225,228
P Dingle	Full year	221,560	19,550	31,300	19,940	-	20,497	312,847
D Galvin	Full year	261,560	27,000	9,023	23,540	7,548	68,409	397,080
A Knight	Full year	221,184	21,350	-	43,945	-	37,354	323,833
S Mewing	Full year	318,624	32,900	9,023	28,676	5,753	77,767	472,743
Total 2012		**2,001,929**	**129,000**	**58,369**	**185,904**	**20,016**	**393,265**	**2,788,483**

1 *Full details of Incentive Options and Performance Rights are set out later in this report in section C (Details of remuneration of Directors and other key management personnel). The amount of remuneration attributable to Incentive Options in 2012 includes the increase in the fair value of the options resulting from the alteration of exercise prices as set out in more detail in section D (Share-based compensation).*

2 *Remuneration for Mr R Cowie is paid to Drill Path Consulting Pty Ltd.*

Changes since the end of the reporting period

J Beeby resigned as CEO effective 28 August 2013 and M Hughes was appointed as CEO, commencing 18 September 2013.

C Details of remuneration of Directors and other key management personnel

Non-executive Directors

On appointment to the Board, all Non-executive Directors agree to terms of appointment as set out in a letter of appointment. The letter sets out the remuneration applicable and other matters such as general Directors' duties, compliance with the Company's Corporate Governance Policies, access to independent professional advice and confidentiality obligations.

Non-executive Directors' fees are $55,000 pa, inclusive of compulsory superannuation where applicable. Committee members receive an additional $5,000 pa for each Committee position. There are no termination payments applicable.

Other key management personnel

Remuneration and other terms of employment for the Executive Chairman and the other key management personnel are generally by way of employment contracts. These agreements may provide for the provision of performance-related cash bonuses and Performance Rights. Car parking is provided for some key management personnel. Unless otherwise specified below, employment can usually be terminated with one months notice by either party, or immediately by the Company in a number of circumstances including serious misconduct, wilful neglect of duties, bankruptcy or criminal conviction.

Remuneration Report (continued)

C Details of remuneration of Directors and other key management personnel (continued)

Other major provisions of the agreements relating to remuneration are set out below.

A Karoll, Chairman

- Remuneration package of $220,000 per annum.
- Eligible to receive a short term performance bonus of $100,000 upon the successful completion of a specific corporate transaction. The vesting condition was not satisfied and no bonus was paid.

J Beeby, Chief Executive Officer

- Base remuneration package, inclusive of superannuation of $378,800 per annum, reviewed annually.
- Employment can be terminated with three months notice by either party, or immediately by the Company in a number of circumstances including serious misconduct, wilful neglect of duties, bankruptcy or criminal conviction.
- Grant of 415,000 Performance Rights. These will vest after 30 June 2013 dependent on the employee satisfying various vesting conditions tied to overall personal performance and general Company performance. In August 2013, 275,000 of these Performance Rights vested into ordinary shares and 140,000 Performance Rights lapsed. Further details of Performance Rights granted are set out in section D of this report (Share-based compensation).

G Borgelt, Commercial Manager

- Base remuneration package, inclusive of superannuation of $270,200 per annum, reviewed annually.
- Short term performance bonus of up to 15% of annual base salary earned upon assessment of overall personal performance and general Company performance by 30 June 2013. In recognition of performance during the year, 43% of the bonus was awarded, resulting in payment of a bonus of $16,268 in August 2013.

R Cowie, General Manager - Production

- Fixed term contract ending 30 June 2013. Ceased 14 May 2013.
- Base remuneration package of $1,890 per day to 21 December 2012 and $1,950 per day from 22 December 2012, paid to Drill Path Consulting Pty Ltd.
- Short term performance bonus of up to 15% of remuneration earned from 22 December 2012 upon assessment of Company performance against specific key performance indicators by 30 June 2013. No bonus was paid as service conditions were not satisfied.
- Of the 150,000 Performance Rights granted in 2012, 88,000 of these vested into ordinary shares and 62,000 Performance Rights lapsed upon partial achievement of performance targets in 2013. Further details of Performance Rights granted are set out in section D of this report (Share-based compensation).

P Dingle, Moura Area Manager

- Base remuneration package, inclusive of superannuation of $248,750 per annum, reviewed annually and a $2,933 per month allowance for living away from home whilst performing his duties.
- Short term performance bonus of up to 15% of annual base salary earned upon assessment of overall personal performance and general Company performance by 30 June 2013. In recognition of performance during the year, 43% of the bonus was awarded, resulting in payment of a bonus of $14,976 in August 2013.

D Galvin, Chief Financial Officer and Company Secretary

- Base remuneration package, inclusive of superannuation of $296,550 per annum, reviewed annually.
- Short term performance bonus of up to 15% of annual base salary earned upon assessment of overall personal performance and general Company performance by 30 June 2013. In recognition of performance during the year, 43% of the bonus was awarded, resulting in payment of a bonus of $17,854 in August 2013.

C Details of remuneration of Directors and other key management personnel (continued)

A Knight, Exploration Manager

- Base remuneration package, inclusive of superannuation of $271,950 per annum, reviewed annually.
- Employment can be terminated with three months notice by the employee and one month's notice by the Company, or immediately by the Company in a number of circumstances including serious misconduct, wilful neglect of duties, bankruptcy or criminal conviction.
- Short term annual performance bonus of up to 15% of annual base salary earned upon assessment of overall personal performance and general Company performance. In recognition of performance during the year, 41% of the bonus was awarded, resulting in payment of a cash bonus of $14,034 in August 2013.

S Mewing, Chief Operating Officer

- Base remuneration package, inclusive of superannuation of $357,750 per annum, reviewed annually.
- Employment can be terminated with three months notice by either party, or immediately by the Company in a number of circumstances including serious misconduct, wilful neglect of duties, bankruptcy or criminal conviction.
- Short term annual performance bonus of up to 15% of annual base salary earned upon assessment of overall personal performance and general Company performance. In recognition of performance during the year, 43% of the bonus was awarded, resulting in payment of a cash bonus of $21,539 in August 2013.

D Share-based compensation

Options

Details of options over ordinary shares of the Company provided as remuneration to each Director of WestSide Corporation Limited and each of the other key management personnel of the Parent Entity and Group are set out below. Further information on the options is set out in Note 16(e) to the financial statements.

No Incentive Options were granted by WestSide Corporation Limited to key management personnel during the year under the WestSide Director and Employee Incentive Option Plan. By 30 June 2013, all Incentive Options had either been exercised or had expired.

When exercisable, each option is convertible into one ordinary share of WestSide Corporation Limited. The Incentive Options could not be exercised until their vesting date, and were required to be exercised before their expiry date. Incentive Options lapsed 90 days after an employee/contractor ceased to be engaged by the Company except as indicated below. The rights of option holders were changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital.

The amounts disclosed for remuneration relating to options in the tables in section B (Summary of remuneration) of this report are the assessed fair value at grant date of the Incentive Options granted to Directors and specified executives, allocated equally over the period of service to which the grant relates up to the actual or expected vesting date.

The fair value of options granted is determined using a Black-Scholes-Merton option pricing model that takes into account the following variables:

- grant date
- share price at grant date
- exercise price
- term of the option – the estimated exercise date part way through the vesting period
- expiry date
- expected share price volatility
- expected dividend yield
- risk-free interest rate: the relevant Australian Government Bond Rate as applicable at individual grant dates

The expected price volatility was based on the historic volatility of the Company's share price and of a selection of junior coal seam gas exploration companies (based on the expected term of the options).

Remuneration Report (continued)

D Share-based compensation (continued)

Options (continued)

The terms and conditions of each grant of options affecting remuneration in the previous, current or future reporting periods are as follows:

Grant date	Expiry date	Exercise price	Value per option at grant date	Date exercisable (Vesting date)
16 November 2006	10 January 2013	$0.3130	$0.284	After 10 January 2010[3]
27 February 2007	10 January 2013	$0.3130	$0.205	After 10 January 2010[3]
18 April 2007	10 January 2013	$0.3130	$0.195	After 10 January 2010[3]
26 July 2007	30 June 2012	$0.7230	$0.372	After 1 July 2010[1]
14 November 2007	30 June 2012	$0.7230	$0.2015	After 1 July 2010[1]
2 May 2008	30 June 2013	$0.4515	$0.184	After 1 July 2011[2]
24 July 2008	30 June 2013	$0.4515	$0.313	After 1 July 2011[2]
25 September 2008	29 June 2013	$0.3130	$0.292	After 1 July 2011[2]
18 December 2008	29 June 2013	$0.3130	$0.162	After 1 July 2011[2]
29 January 2010	30 June 2013	$0.4515	$0.186	After 1 July 2011[2]

1 *These options expired during the previous financial year.*

2 *These options vested during the previous financial year and expired in the current financial year.*

3 *These options vested during the previous financial years and expired or were exercised in the current financial year.*

Details of Incentive Options held by key management personnel which vested or lapsed during the year are set out below:

Name	Number of options vested during the year		Number of options which lapsed during the year[1]	
	2013	2012	**2013**	2012
Directors of WestSide Corporation Limited				
T Gall	**-**	-	**300,000**	-
A Karoll	**-**	-	**300,000**	10,000
T Karoll	**-**	-	**200,000**	-
Other key management personnel of the Group				
D Galvin	**-**	62,000	**62,000**	45,000
S Mewing	**-**	300,000	**300,000**	-

1 *Options lapsed during the year due to passing of the expiry date. As the exercise price of each option exceeded the market value of an Ordinary Share in the Company at the expiry date, the options had a value of nil at that time.*

Shares provided on exercise of Incentive Options

On 10 January 2013, 300,000 Ordinary Shares were issued to D Galvin upon exercise of 300,000 Incentive Options at $0.313 per share. The value of the options at the exercise date was $23,100. The intrinsic value has been determined as the difference between the market value of an Ordinary Share and the exercise price of the options at that date.

D Share-based compensation (continued)

Options (continued)

Alteration of Incentive Option terms in previous year

On 17 April 2012 the exercise price of all Incentive Options on issue were altered in accordance with ASX Listing Rules as a result of the 2 for 5 entitlements issue of new shares. The market value of an Ordinary Share in the Company on 17 April 2012 was 38 cents.

Apart from the alteration of the exercise price, the terms of the Incentives Options after the exercise price were unchanged. The table below sets out the Incentive Options held by Directors and key management personnel which were impacted by the alteration of exercise price:

2012	Details of Incentive Options				Increase in total fair value of options as a result of the alteration
Vesting date	1 July 2010	10 January 2010	1 July 2011	1 July 2011	
Expiry date	30 June 2012	10 January 2013	29 June 2013	30 June 2013	
Original exercise price	$0.7714	$0.3614	$0.3614	$0.4999	
New exercise price	$0.7230	$0.3130	$0.3130	$0.4515	
	Number	**Number**	**Number**	**Number**	**$**
Directors of WestSide Corporation Limited					
A Karoll	**10,000**	**300,000**	**-**	**-**	**6,714**
A Gall	**-**	**300,000**	**-**	**-**	**6,696**
T Karoll	**-**	**200,000**	**-**	**-**	**4,464**
Other key management personnel of the Group					
D Galvin	**45,000**	**300,000**	**-**	**62,000**	**7,530**
S Mewing	**-**	**-**	**300,000**	**-**	**5,631**

Performance Rights

Eligible employees have been granted allocations of Performance Rights which are subject to various vesting conditions, including completion of a specified minimum service period or the achievement of various Company and personal performance targets and service milestones.

The plan is designed to align the performance of employees with that of the interests of shareholders and to assist in the retention of experienced personnel.

Each Performance Right that satisfies its vesting conditions can be converted to one Ordinary Share for nil consideration. Upon conversion, the issued ordinary shares will be subject to a holding lock until the earlier of seven years from grant, or cessation of employment.

The Board retains the discretion to waive vesting conditions in certain instances where there is a takeover offer for the Company or other events such as a merger or scheme of arrangement.

Further information on the Performance Rights is set out in Note 16(f) to the financial statements.

The amounts disclosed for remuneration relating to Performance Rights in the tables in section B (Summary of remuneration) of this report are the assessed fair value at grant date of an underlying Ordinary Share in WestSide Corporation Limited, adjusted to reflect the proportionate number of Performance Rights which are ultimately expected to satisfy their vesting conditions. The value is allocated equally over the period of service to which the grant relates up to the actual or expected vesting date.

Remuneration Report (continued)

D Share-based compensation (continued)

Performance Rights (continued)

The terms and conditions of each grant of Performance Rights affecting remuneration in the previous, this or future reporting periods are as follows:

Grant date	Vesting date	Expiry date	Value per right at grant date	Vesting conditions
29 March 2010	31 December 2012	31 December 2013	$0.54	1
5 March 2010	31 December 2012	31 December 2013	$0.475	1
11 May 2010	31 December 2012	31 December 2013	$0.53	1
15 July 2010	31 December 2012	31 December 2013	$0.45	1
28 September 2010	31 December 2014	31 December 2015	$0.415	2
24 February 2011	31 December 2014	31 December 2015	$0.34	2
12 December 2011	30 June 2012	30 June 2013	$0.265	3
31 October 2011	31 December 2014	31 December 2015	$0.28	2
7 March 2012	31 December 2015	31 December 2016	$0.40	2
8 March 2012	31 December 2012	31 December 2013	$0.40	3
26 July 2012	30 June 2013	30 June 2014	$0.355	4
8 August 2013	30 June 2016	30 June 2017	$0.18	2
11 September 2013	30 June 2016	30 June 2017	$0.165	2

1 *Vested after 31 December 2012 to participants employed at that time. These Performance Rights vested during the current financial year.*

2 *Vest after the vesting date if the participant is employed at that date.*

3 *Vest after the vesting date if the participant is employed at that time, at the discretion of the Board after considering Company and personal performance in the 12 months ending on the vesting date. These Performance Rights vested / lapsed during the financial year.*

4 *Vest after the vesting date if the participant is employed at that time, at the discretion of the Board after considering Company and personal performance in the 12 months ending on the vesting date.*

D Share-based compensation (continued)

Performance Rights (continued)

Details of Performance Rights of the Company provided as remuneration to each of the other key management personnel of the Parent Entity and Group are set out below:

Name	Number of Performance Rights granted during the year 2013	Number of Performance Rights granted during the year 2012	Number of Performance Rights which vested during the year and were converted into ordinary shares 2013	Number of Performance Rights which vested during the year and were converted into ordinary shares 2012	Value of Performance Rights at vesting date 2013	Value of Performance Rights at vesting date 2012	Number of Performance Rights which lapsed during the year due to non-satisfaction of vesting conditions 2013	Number of Performance Rights which lapsed during the year due to non-satisfaction of vesting conditions 2012	Value of Performance Rights at lapsing date 2013	Value of Performance Rights at lapsing date 2012
Other key management personnel of the Group										
J Beeby	**415,000**	761,400	**653,490**	173,550	**$0.35**	$0.29	**325,910**	139,150	**$0.35**	$0.29
G Borgelt	**-**	130,000	**-**	-	**-**	-	**-**	-	**-**	-
R Cowie	**-**	150,000	**88,000**	-	**$0.34**	-	**62,000**	-	**$0.34**	-
P Dingle	**-**	120,000	**80,000**	-	**$0.43**	-	**-**	-	**-**	-
D Galvin	**-**	140,000	**350,000**	-	**$0.43**	-	**-**	-	**-**	-
A Knight	**-**	130,000	**200,000**	-	**$0.43**	-	**-**	-	**-**	-
S Mewing	**-**	170,000	**400,000**	-	**$0.43**	-	**-**	-	**-**	-

E Additional information

Details of remuneration: cash and equity bonuses

For each cash bonus and grant of options and rights included in section B (Summary of remuneration) and section C (Details of remuneration of Directors and other key management personnel) of this report, the percentage of the available bonus or grant that was paid, or that vested, in the financial year, and the percentage that was forfeited because the person did not meet the performance criteria is set out below:

Remuneration Report (continued)

E Additional information (continued)

Details of remuneration: cash and equity bonuses (continued)

2013	Cash bonus		Incentive Options and Performance Rights[1]					
Name	Paid %	Forfeited %	Proportion of remuneration consisting of options/rights[2] %	Year granted (year ending 30 June)	Vested/ Forfeited %	Year in which options/rights may vest (year ending 30 June)	Maximum total value yet to vest[3] $	Value of options/rights at grant date[4] $
Directors of WestSide Corporation Limited								
A Karoll	-	100	-	-	-	-	-	-
Other key management personnel								
J Beeby	-	-	28	2013	-	2014	49,707	147,325
				2012	-	2015	72,800	72,800
				2012	44/56	2013	-	153,541
				2011	100/-	2013	-	180,000
G Borgelt	43	57	5	2012	-	2016	42,549	52,000
				2011	-	2015	47,154	68,700
R Cowie	-	100	7	2012	59/41	2013	-	60,000
P Dingle	43	57	9	2012	-	2016	39,276	48,000
				2011	-	2015	18,914	27,200
				2010	100/-	2013	-	42,400
D Galvin	43	57	22	2012	-	2016	45,822	56,000
				2011	-	2015	23,643	34,000
				2010	100/-	2013	-	189,000
A Knight	41	59	27	2012	-	2016	5,281	52,000
				2011	-	2015	1,754	27,200
				2010	100/-	2013	-	95,000
S Mewing	43	57	21	2012	-	2016	55,641	68,000
				2011	-	2015	23,643	34,000
				2010	100/-	2013	-	216,000

1 *The Incentive Options and Performance Rights have a minimum value yet to vest of nil, because failure to meet the vesting conditions will result in forfeiture of the options or rights.*

2 *The proportion of remuneration consisting of Incentive Options and Performance Rights is based on the value of options and rights expensed during the financial year ending 30 June 2013.*

3 *The maximum total value of Incentive Options and Performance Rights yet to vest has been determined as that amount of the value at grant date (amended for any subsequent fair value increment resulting from any alteration to the option terms) that is yet to be expensed.*

4 *The value at grant date is calculated as described in section D (Share-based compensation).*

E Additional information (continued)

Details of remuneration: cash and equity bonuses (continued)

2012	Cash bonus		Incentive Options and Performance Rights[1]					
Name	Paid %	Forfeited %	Proportion of remuneration consisting of options/rights[2] %	Year granted (year ending 30 June)	Vested/ Forfeited %	Year in which options/rights may vest (year ending 30 June)	Maximum total value yet to vest[3] $	Value of options/rights at grant date[4] $
Directors of WestSide Corporation Ltd								
A Gall	-	-	10	2007	-	2010	-	85,200
A Karoll	100	-	3	2008	-	2011	-	2,015
				2007	-	2010	-	85,200
T Karoll	-	-	7	2007	-	2010	-	56,800
Other key management personnel								
J Beeby	-	-	28	2012	-	2015	68,820	72,800
				2012	-	2013	86,367	153,541
				2011	-	2013	81,148	180,000
				2011	56/44	2012	-	140,715
G Borgelt	79	21	4	2012	-	2016	49,157	52,000
				2011	-	2015	55,666	68,700
R Cowie	-	-	12	2012	-	2013	33,222	60,000
P Dingle	59	41	7	2012	-	2016	45,376	48,000
				2011	-	2015	22,447	27,200
				2010	-	2013	18,630	42,400
D Galvin	69	31	19	2012	-	2016	52,939	56,000
				2011	-	2015	28,059	34,000
				2010	-	2013	80,850	189,000
				2009	-	2012	-	19,406
				2008	-	2011	-	16,740
				2007	-	2010	-	85,200
A Knight	59	41	12	2012	-	2016	49,157	52,000
				2011	-	2015	22,447	27,200
				2010	-	2013	40,897	95,000
S Mewing	69	31	18	2012	-	2016	64,283	68,000
				2011	-	2015	28,059	34,000
				2010	-	2013	92,400	216,000
				2009	-	2012	-	87,000

1 *The Incentive Options and Performance Rights have a minimum value yet to vest of nil, because failure to meet the vesting conditions will result in forfeiture of the options or rights.*

2 *The proportion of remuneration consisting of Incentive Options and Performance Rights is based on the value of options and rights expensed during the financial year ending 30 June 2012.*

3 *The maximum total value of Incentive Options and Performance Rights yet to vest has been determined as that amount of the value at grant date (amended for any subsequent fair value increment resulting from any alteration to the option terms) that is yet to be expensed.*

4 *The value at grant date is calculated as described in section D (Share-based compensation).*

Shares under option

There were no unissued Ordinary Shares of WestSide Corporation Limited under option at the date of this report.

440,000 Ordinary Shares were issued during the year ended 30 June 2013 upon exercise of Incentive Options at an issue price of $0.31 each.

Insurance of officers

Insurance and indemnity arrangements are in place for officers of the Company.

To the extent permitted by law, the Company indemnifies every person who is or has been an officer against:

- any liability to any person (other than the Company, related entities or a major shareholder) incurred while acting in that capacity and good faith; and
- costs and expenses incurred by that person in that capacity in successfully defending legal proceedings and ancillary matters.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

The Board has considered the position and, in accordance with the advice received from the Audit and Compliance Committee is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit and Compliance Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 "Code of Ethics for Professional Accountants".

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 50.

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for non-audit services provided during the year are set out below (amounts paid or payable in respect of audit services are set out in Note 23).

	Consolidated 2013 $	Consolidated 2012 $
Taxation services		
Taxation compliance	**33,311**	30,000
Taxation advice on mergers, acquisitions and divestments	**32,899**	8,500
R&D Tax advice	**130,338**	29,261
GST advice	**-**	3,540
Staff training	**1,000**	-
Total remuneration for non-audit services	**197,548**	71,301

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of Directors.

Robert Neale
Director
Brisbane
30 September 2013

pwc

Auditor's Independence Declaration

As lead auditor for the audit of WestSide Corporation Limited for the year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of WestSide Corporation Limited and the entities it controlled during the period.

Michael Shewan
Partner
PricewaterhouseCoopers

Brisbane, 30 September 2013

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2013 WESTSIDE CORPORATION LIMITED

		Consolidated	
	Notes	**2013 $'000**	**2012 $'000**
Revenue from continuing operations	3(a)	**10,149**	8,760
Other income	3(b)	**6**	-
Total income from continuing operations		**10,155**	**8,760**
Expenses			
Depreciation and depletion	4	**(7,106)**	5,791)
Employment		**(5,810)**	(5,716)
Operating costs and consumables – gas field		**(4,220)**	(3,054)
Accounting, legal and compliance		**(1,612)**	(1,247)
Operating costs and consumables – drilling rig		**(1,245)**	(1,456)
Other operations and administration		**(1,006)**	(1,260)
Occupancy		**(554)**	(604)
Gas supply remedy charge		**(383)**	-
Gas purchases		**(215)**	(328)
Impairment losses – other equipment and vehicles		**(4,391)**	-
Impairment losses – exploration and evaluation costs		**(4,550)**	-
Finance costs	4	**(948)**	(1,143)
Total expenses		**(32,040)**	**(20,599)**
Loss before income tax		**(21,885)**	(11,839)
Income tax credit	5	**-**	363
Loss from continuing operations*		**(21,885)**	(11,476)
Profit from discontinued operation*		**-**	3,664
Loss from continuing and discontinued operations		**(21,885)**	**(7,812)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Exchange differences on translation of foreign subsidiaries		**-**	(1)
Total comprehensive loss for the year attributable to the owners of WestSide Corporation Limited		**(21,885)**	**(7,813)**

** The income / loss from continuing and discontinued operations are wholly attributable to the owners of WestSide Corporation Limited*

		2013 Cents	**2012 Cents**
Loss per share for loss from continuing operations attributable to the ordinary equity holders of the Company:			
Basic and diluted earnings per share	24	**(6.12)**	(4.18)
Loss per share for loss attributable to the ordinary equity holders of the Company:			
Basic and diluted earnings per share	24	**(6.12)**	(2.85)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2013 WESTSIDE CORPORATION LIMITED

	Notes	Consolidated 2013 $'000	2012 $'000
ASSETS			
Current assets			
Cash and cash equivalents	6	**17,538**	34,059
Trade and other receivables	7	**1,283**	1,641
Inventories	8	**2,603**	2,953
Total current assets		**21,424**	38,653
Non-current assets			
Gas field assets	9	**76,168**	72,140
Other property, plant and equipment	10	**4,624**	9,780
Intangible assets – exploration and evaluation costs	11	**13,016**	17,200
Total non-current assets		**93,808**	99,120
Total assets		**115,232**	137,773
LIABILITIES			
Current liabilities			
Trade and other payables	12	**6,276**	5,402
Borrowings	13	**476**	28
Provisions	15(a)	**3,871**	2,833
Total current liabilities		**10,623**	8,263
Non-current liabilities			
Borrowings	14	**198**	100
Provisions	15(b)	**13,928**	17,870
Total non-current liabilities		**14,126**	17,970
Total liabilities		**24,749**	26,233
Net assets		**90,483**	111,540
EQUITY			
Contributed equity	16	**135,919**	134,549
Reserves	17(a)	**890**	1,432
Accumulated losses	17 (b)	**(46,326)**	(24,441)
Total equity		**90,483**	111,540

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2013 WESTSIDE CORPORATION LIMITED

	Notes	Contributed equity $'000	Reserves $'000	Retained earnings $'000	Total $'000
Balance at 1 July 2011		**110,479**	**974**	**(16,629)**	**94,824**
Loss for the year		-	-	(7,812)	(7,812)
Other comprehensive income for the year		-	(1)	-	(1)
Total comprehensive income for the year to 30 June 2012		**-**	**(1)**	**(7,812)**	**(7,813)**
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	16(c)	23,992	-	-	23,992
Employee share options	17(a)	-	39	-	39
Employee performance rights	17(a)	78	420	-	498
Balance at 30 June 2012		**134,549**	**1,432**	**(24,441)**	**111,540**
Loss for the year		**-**	**-**	**(21,885)**	**(21,885)**
Total comprehensive income for the year to 30 June 2013		**-**	**-**	**(21,885)**	**(21,885)**
Transactions with owners in their capacity as owners:					
Contributions of equity net of transaction costs	16(c)	**132**	**-**	**-**	**132**
Employee share options	17(a)	**143**	**(143)**	**-**	**-**
Employee performance rights	16(c) / 17(a)	**1,095**	**(399)**	**-**	**696**
Balance at 30 June 2013	16(c) / 17(a)	**135,919**	**890**	**(46,326)**	**90,483**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013 WESTSIDE CORPORATION LIMITED

	Notes	Consolidated 2013 $'000	Consolidated 2012 $'000
Cash flows from operating activities			
Receipts from customers		**10,902**	9,217
Receipts of refunds of goods and services tax		**3,728**	5,727
Payments to suppliers and employees (inclusive of goods and services tax)		**(30,959)**	(28,854)
Interest received		**1,210**	837
Income tax refunds		**-**	363
Interest paid		**(38)**	(17)
Net cash outflow from operating activities	6(a)	**(15,157)**	(12,727)
Cash flows from investing activities			
Receipts from joint venture participants (inclusive of goods and services tax)		**20,813**	19,937
Receipt of research and development incentives		**1,285**	-
Proceeds from sale of interests in exploration tenements		**-**	13,432
Payments for development work in progress		**(21,214)**	(24,512)
Payments for exploration and evaluation		**(2,077)**	(8,940)
Payments for property, plant and equipment		**(81)**	(275)
Proceeds from sale of property, plant and equipment		**17**	13
Net cash outflow from investing activities		**(1,257)**	(345)
Cash flows from financing activities			
Proceeds from issues of shares		**138**	25,419
Payments of share issue costs		**(114)**	(1,319)
Proceeds from borrowings		**516**	454
Repayment of borrowings		**(531)**	(474)
Finance lease payments		**(119)**	(3)
Net cash (outflow) / inflow from financing activities		**(110)**	24,077
Net (decrease) / increase in cash and cash equivalents		**(16,524)**	11,005
Cash and cash equivalents at the beginning of the financial year		**34,059**	23,053
Effects of exchange rate changes on cash and cash equivalents		**3**	1
Cash and cash equivalents at end of year	6	**17,538**	34,059

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Notes to the financial statements

This financial report covers the Consolidated Entity consisting of WestSide Corporation Limited (the "Company" or "Parent Entity" or "WestSide") and its subsidiaries. WestSide is a for-profit entity for the purposes of preparing the financial statements. The financial report is presented in the Australian currency.

WestSide Corporation Limited is a company limited by shares, incorporated and domiciled in Australia. Its Registered Office is Level 8, 300 Queen Street, Brisbane, Queensland, 4000.

A description of the nature of the Consolidated Entity's operations and its principal activities is included in the attached Annual Report on pages 1 to 30 and in the Directors' Report on pages 32 to 49, both of which are attached to, but do not form part of this financial report.

The financial report was authorised for issue by the Directors on 30 September 2013. The Company has the power to amend and reissue the financial report.

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*.

Going concern

The Group recorded a loss of $21.9 million for the year ended 30 June 2013 and held cash and cash equivalents of $17.5 million (2012: $34 million) at that date.

The Group holds interests in several gas projects at various stages of appraisal and development and intends to continue investing capital to assess and develop those assets. The Company has some discretion as to how aggressively it can pursue these plans and can tailor its activities to match available capital. In the near term, additional funds will be required from other sources, as existing cash balances, combined with expected cash inflows from the Company's production operations, are not expected to be sufficient to fund the ongoing operations or the planned level of future development and exploration activity.

The Group is actively pursuing funding options to strengthen its Balance Sheet and expects to be able to source funds from the issue of new securities in the near term.

In coming months, the Board expects to sign new gas sale agreements which will provide access to significantly higher revenues. Once the expected capital and operating costs for the resulting development plan have been verified, the Company expects to be able to tailor a funding strategy to match the capital requirement. Binding long-term contracts with credit-worthy customers are expected to provide access to various alternative funding sources, including corporate debt facilities, asset finance, project finance and issues of new securities.

The continuing viability of the Company and its ability to meet its debts and commitments as and when they fall due is dependent on the successful conclusion of these fund raising activities. As a result of these matters there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern, and therefore it may be unable to realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report.

The Directors believe that the Company will be successful in sourcing funds when required and will meet its debts and commitments as they fall due and, accordingly, have prepared the financial report on a going concern basis. At the date of this report, the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 30 June 2013. Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

Compliance with IFRS

The consolidated financial statements and notes of the WestSide Corporation Limited group comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss and certain classes of property, plant and equipment where relevant.

1 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Comparative information

Comparative information has been reclassified where appropriate to enhance comparability.

(b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of WestSide Corporation Limited as at 30 June 2013 and the results of all subsidiaries for the year then ended. WestSide Corporation Limited and its subsidiaries together are referred to in this financial report as the “Group” or the “Consolidated Entity”.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group (refer to Note 1(f)).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Statement of Profit and Loss and Balance Sheet respectively.

Joint ventures

Jointly controlled assets

The proportionate interests in the assets, liabilities and expenses of joint venture activities have been incorporated in the financial statements under the appropriate headings. Details of joint ventures are set out in Note 19.

(c) Trade and other receivables

All trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost less provisions for doubtful debts. Collectability is reviewed on an ongoing basis. Debts which are known to be uncollectible are written-off. An allowance for doubtful debts (provision for impairment of trade receivables) is made where there is objective evidence that the Group will not be able to collect all amounts due according to the original terms. The amount of the impairment allowance is the difference between the asset’s carrying amount and the present value of the estimated future cash flows discounted at the effective interest rate. The amount of any impairment loss is recognised in the Statement of Profit and Loss. Subsequent recoveries of amounts previously written-off are credited against expenses in the Statement of Profit and Loss.

Trade receivables are due for settlement no more than 30 days from the date of recognition.

(d) Inventories

Stores, consumables and work in progress are stated at the lower of cost and net realisable value. Cost comprises direct materials and labour incurred and includes the transfer from equity of any gains/losses on qualifying cash flow hedges relating to purchases of inventory items. The costs are assigned to individual items on the basis of weighted average cost. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs selling costs.

(e) Exploration, evaluation, development and restoration costs

Under the terms of various Joint Operating Agreements, the Company, as operator, is reimbursed by joint venturers for their share of expenditure incurred on gas field assets and deferred exploration and evaluation assets.

Exploration and evaluation costs

Exploration and evaluation expenditure incurred by or on behalf of the entity is accumulated separately for each area of interest. Such expenditure comprises net direct costs and related overhead expenditure only to the extent that those costs can be related directly to operational activities in the area of interest to which the exploration and evaluation asset relates.

1 Summary of significant accounting policies (continued)

(e) Exploration, evaluation, development and restoration costs (continued)

Each area of interest is limited to a size related to a known or probable petroleum resource. Currently the Company operates in multiple areas of interest in the Bowen and Galilee Basins in Queensland, and each is generally defined by tenement permit boundaries. The Company's interests in tenements are set out on page 97 of this Annual Report. Exploration expenditure for each area of interest is carried forward as an asset provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
- exploration activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Exploration expenditure which fails to meet at least one of the conditions outlined above is written off. As the assets are not yet ready for use no depreciation or depletion is recognised.

Expenditure is not carried forward in respect of any area of interest unless the Group's rights of tenure to that area of interest are current.

The ultimate recoupment of exploration and evaluation expenditure is dependent on successful development and commercial exploitation, or alternatively, sale of the respective area.

Gas field assets

When the technical feasibility and commercial viability of extracting the resource is demonstrable, the exploration and evaluation costs carried forward for that area of interest are assessed for impairment and reclassified as “gas field producing assets”.

Once commercial production has commenced, the accumulated “development work in progress” relating to that gas field are reclassified as either “property, plant and equipment” (identifiable equipment) or “gas field producing assets” (including the cost of drilling wells), depending on their nature.

Depletion and depreciation of gas field assets

Depletion charges are calculated using a unit-of-production method based on the proved and probable (2P) gas reserves relating to the area of interest. The depletion charge effectively amortises the written-down cost of carried–forward gas field producing assets in that area of interest, combined with the expected future cost of developing the 2P gas reserves, over the total 2P gas reserves.

Restoration, rehabilitation and environmental costs

Future estimated costs for the restoration and rehabilitation of areas affected by development and exploration activities are recognised at the present value of those future costs. The discount rate used to determine the present value reflects current market assessments of the time value of money and risks specific to the liability. Increases in the provision each year which result from the passage of time are recognised as finance costs.

Restoration, rehabilitation and environmental obligations recognised include the costs of reclamation, plant and waste site closure and subsequent monitoring of the environment.

Estimates are reassessed at least annually. Changes in estimates relating to areas of interest in the development or exploration and evaluation phase are dealt with in the period that the change is made, with any amounts that would have been written off or provided against under the accounting policy for development and production assets or exploration and evaluation immediately written off.

(f) Business combinations

The acquisition method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of assets transferred, equity interests issued or liabilities incurred at the date of acquisition. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in a newly-acquired subsidiary. Any incidental costs directly attributable to the acquisition are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of acquisition. The discount rate used is the Group's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

1 Summary of significant accounting policies (continued)

(g) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Gas field assets and exploration and evaluation assets are assessed annually for impairment, and more regularly when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of gas field assets is assessed by reference to discounted cash flow valuations and comparable market transaction multiples based on 2P and 3P gas reserves.

(h) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the asset, including any gains or losses from qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the Statement of Profit and Loss.

An asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation

Depreciation on assets is provided on a straight-line basis or hours-of-use basis to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives. Residual values and estimates of remaining useful lives are assessed annually for all assets.

The expected useful lives are as follows:

Plant and equipment	2-20 years
Buildings	20 years

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year which remain unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) Employee benefits

Wages and salaries, annual leave and sick leave

Liabilities arising in respect of wages and salaries, annual leave and any other employee entitlements expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

Long service leave liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date using the projected-unit-credit method. Consideration is given to expected future wage and salary levels, projected employee movements and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows. As no employees have yet served with the Group long enough for long service leave to vest, no liability has been recognised at balance date.

Bonus plans

A liability for employee benefits in the form of bonus plans is recognised in trade payables and accruals when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:

- There are formal terms in the plan for determining the amount of the benefit;
- The amounts to be paid are determined before the time of the completion of the financial report; or
- Past practice gives clear evidence of the amount of the obligation.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

1 Summary of significant accounting policies (continued)

(j) Employee benefits (continued)

Equity-based compensation benefits

Equity-based compensation benefits are provided to employees via the WestSide Director and Employee Incentive Option Plan and the Employee Performance Rights Plan.

The fair value of Incentive Options or Performance Rights issued to employees for no cash consideration is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised in reserves over the period during which the employees become unconditionally entitled to the shares, options or rights. When the options are exercised or rights converted to shares, the value is transferred to Contributed Equity.

The fair value of Incentive Options are determined using a Black-Scholes-Merton option pricing model that takes into account the exercise price, term of the options, the share price at grant date, expected price volatility of the underlying share and the risk free interest rate for the term of the option.

Performance Rights are valued at the market value of an underlying Ordinary Share in WestSide Corporation Limited at the grant date.

The assessed fair value at grant date of Incentive Options or Performance Rights granted to employees is allocated equally over the period of service to which the benefit relates up to the actual or expected vesting date with the quantity of shares, options or rights being included in the measurement of the transaction being adjusted to reflect the number of shares, options or rights which are expected to, or actually vest.

(k) Contributed equity

Ordinary share capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in the share proceeds received.

(l) Revenue recognition

Revenue is recognised at the time of delivery of the product to the customer and when the amount of revenue can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of amounts collected on behalf of third parties.

Interest income is recognised on a time proportion basis using the effective interest method.

(m) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in the deferred tax assets and liabilities attributable to temporary differences between the tax bases and their carrying amounts in the financial statements, and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset / liability is realised or settled. The deferred tax assets are not recognised for deductible temporary differences and unused tax losses unless it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Tax consolidation legislation

WestSide and its wholly-owned Australian entities have implemented the tax consolidation legislation. As a consequence, WestSide and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right. In addition to its own current and deferred tax amounts, WestSide as the head entity also recognises the current tax liabilities or assets and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

(n) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Australian dollars, which is the functional and presentation currency of the Company.

1 Summary of significant accounting policies (continued)

(n) Foreign currency translation (continued)

Transactions and balances

Foreign currency transactions are translated into the functional currency at the rate of exchange at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary items are reported as either part of the fair value gain or loss, or are included in the fair value reserve in equity.

Group companies

The results and financial position of Group entities which have a functional currency different from the Group's presentation currency are translated into the presentation currency. Assets and liabilities are translated at the exchange rate applicable at balance date, while Statement of Profit and Loss items are translated at the exchange rates applicable at the dates of the transactions, or an average exchange rate where it approximates the results of using individual rates. All resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken to shareholder's equity.

(o) Investments and other financial assets

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date. The treatment of categories relevant to these financial statements is as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the Balance Sheet.

Impairment

The Group and Parent assess at each balance date whether there are indicators that a financial asset or group of financial assets is impaired. Where the carrying value of the asset is assessed as being greater than the estimated present value of future cash flows discounted at an appropriate discount rate, an impairment loss is recognised in the Statement of Profit and Loss. Impairment losses recognised through the Statement of Profit and Loss are not reversed.

(p) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provisions of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(q) Cash and cash equivalents

For Cash Flow Statement presentation purposes, cash and cash equivalents includes cash on hand and term deposits held with financial institutions.

(r) Earnings per share

Basic earnings per share is determined by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share adjusts the amounts used in the determination of basic earnings per share to take into account the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. Potential ordinary shares are not considered dilutive where the Group incurs a loss per share.

1 Summary of significant accounting policies (continued)

(s) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the life of the lease.

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are recognised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding obligation for lease payments, net of finance charges, are recognised as borrowings. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment subject to finance lease is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term where there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

(t) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period, discounted at a rate that reflects the current market assessment of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(u) Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(v) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable and payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Balance Sheet.

All cash outflows in respect of GST, including payments to suppliers and employees, payments for exploration and evaluation, property, plant and equipment, and payments for inventory are included in payments to suppliers and employees from operating activities in the Cash Flow Statements.

Receipts of GST paid by the Company and subsequently refunded by taxation authorities are disclosed separately as a cash flow from operating activities. Receipts of GST included with receipts from customers are included in receipts from customers from operating activities on the Cash Flow Statements.

With the exception of receipts of cash contributions from joint venture participants for their share of joint venture costs incurred by the Company as operator, all cash flows from investing activities and from financing activities are net of GST as all associated GST cash flows are included in cash flows from operating activities.

(w) Government grants

Grants from the Government, such as research and development incentives, are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all conditions.

Government grants relating to costs are recognised in the profit or loss over the period which matches them with the costs that they are intended to compensate.

Grants relating to the incurring of exploration and evaluation costs or the purchase of gas field assets and property, plant and equipment are deducted from the carrying amount of the asset.

(x) Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

1 Summary of significant accounting policies (continued)

(x) Critical accounting estimates and judgements (continued)

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Provision for future remedies payable

Pursuant to various gas sales agreements, the Group is obligated to pay remedies to customers where not all contracted gas sale quantities are delivered. The Group has made provision for future remedies payable under these contracts based on forecast production volumes aligned to historical production levels in June 2013. The actual value of future remedies payable will ultimately be determined by the Group's ability to supply contracted quantities of gas. The provision does not take into account additional gas production which may result from the commissioning of new wells and remediation of existing production wells as there is insufficient certainty as to the impact of these initiatives at this time. Were future production volumes to differ by 10% from management's estimates, the provision for future remedies payable would be $398,000 higher or lower.

Provision for restoration and rehabilitation

The Group is required to rehabilitate areas disturbed by its production and exploration activities. These restoration activities may be performed at any time up to the time that the permit or tenement is relinquished. In raising the provision, it has been estimated that while some of the areas will be rehabilitated in the coming year, the majority will be rehabilitated close to the expiry of the relevant Lease or Authority to Prospect. If the rehabilitation work were to be performed one year earlier than management's estimate, then the provision for restoration and rehabilitation and non-current assets would each be $94,000 higher at balance date. The amount recognised is also dependent upon an estimate of the future cost of conducting the required rehabilitation work. If the actual cost of conducting the rehabilitation work was 10% higher than management's estimate, then the provision for restoration and rehabilitation and non-current assets would be $1,369,000 higher at 30 June 2013.

Depletion and depreciation

Depletion charges are calculated using a unit-of-production method based on the proved and probable (2P) gas reserves relating to the area of interest. The depletion charge effectively amortises the written-down cost of carried forward gas field producing assets in that area of interest, combined with management's estimate of the expected future cost of developing the 2P gas reserves, over the total 2P gas reserves. If the future costs of developing the 2P gas reserves were 10% higher than management's estimate then the depletion charge for the year to 30 June 2013 would have been $425,000 higher.

Impairment of exploration and evaluation costs

In accordance with the Group's policy for deferral of exploration and evaluation costs as set out in note 1(e), exploration expenditure for each area of interest is carried forward as an asset as exploration activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

The ultimate recoupment of exploration and evaluation expenditure is dependent on successful development and commercial exploitation, or alternatively, sale of the respective area. It is possible that the eventual results of exploration will not satisfy these criteria and the costs may have to be written off as a loss against profits.

There are no critical judgements that management consider would significantly affect amounts recognised in the financial statements.

(y) New accounting standards and UIG interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2013 reporting period. The Group's assessment of the impact of these new standards and interpretations is set out below.

1 Summary of significant accounting policies (continued)

(y) New accounting standards and UIG interpretations (continued)

Reference	Description	Applicable from*	Impact on financial report
AASB 2009-11 / AASB 2012-6 / AASB 9	New Accounting Standard AASB 9 Financial Instruments addresses the classification and measurement of financial assets.	1/1/2015	2
AASB 2010-2 / AASB 1053	New Accounting Standard AASB 1053 Application of Tiers of Australian Accounting Standards removes some disclosure requirements for entities with no public accountability	1/7/2013	2
AASB 2010-7	Revision to AASB 9 Financial Instruments	1/1/2013	2
AASB 2011-4	Amendments to Australian Accounting Standards to remove some individual key management personnel disclosure requirements	1/7/2013	1
AASB 2011-7 / 2012-10 / AASB 10 / AASB 11 / AASB 12	New Accounting Standards: AASB 10 Consolidated Financial Statements; AASB 11 Joint Arrangements; AASB 12 Disclosure of Interests in Other Entities; and revised Accounting Standards: AASB 127 Separate Financial Statements; and AASB 128 Investments in Associates and Joint Ventures were introduced to address accounting for joint arrangements, consolidated financial statements and associated disclosures	1/1/2013	3
AASB 2011-8 / AASB 13	New Accounting Standard AASB 13 Fair Value Measurement explains how to measure fair value and aims to enhance fair value disclosures	1/1/2013	1
AASB 2011-10	Revision to AASB 119 Employee Benefits – amended treatment of defined benefit assets or liabilities	1/1/2013	2
AASB 2012-2 / AASB 7 / AASB 2012-3 / AASB 132	Revision to AASB 7 Financial Instruments: Disclosures and AASB 132 Financial Instruments: Presentation - amended disclosures and presentation for rights of set-off and netting arrangements associated with financial assets and liabilities	1/7/2013	2
AASB 2012-5 / AASB 1 / AASB 101 / AASB 116 / AASB 132 / AASB 134	Minor amendments to AASB 1 First time adoption of Australian Accounting Standards – allows repeat application; AASB 101 Presentation of Financial Statements – clarification of the requirements for comparative information; AASB 116 Property Plant and Equipment – amended guidance on the classification of spare parts; AASB 132 Financial Instruments: Presentation – amending disclosure of the tax effect of distributions to equity holders; and AASB 134 Interim Financial Reporting – amendments to disclosure requirements for interim financial reports	1/1/2013	1

* *The Consolidated Entity expects to implement these standards from their applicable dates.*

1 *Application of the standard will not affect any of the amounts recognised in the financial statements, but may impact the type of information disclosed.*

2 *Application of the standard is not expected to have an impact on the Group's financial statements as management has assessed that the Group currently has no transactions of the type impacted by this accounting standard.*

3 *WestSide's joint ventures are classified as "joint operations" under the AASB 11 as each party holds a direct interest in the underlying assets and contributes their share of expenses and sells their share of gas produced. The new standard will not require any change in measurement, but may result in some minor changes to the type of information disclosed.*

(z) Segment reporting

Operating segments have been determined based on the categories reported to the Chief Executive Officer, senior management and the Board.

(aa) Parent entity financial information

The financial information for the Parent Entity, WestSide Corporation Limited, disclosed in Note 28 has been prepared on the same basis as the Consolidated Financial Statements.

2 Segment information

The Group's primary operating segment is its gas production, development and exploration activities at the Meridian SeamGas gas field. The Group's exploration activities in the Galilee Basin are disclosed as a separate segment due to the materiality of the reported loss from those activities in the current year. The Group's other two exploration tenements are managed separately, but as the operations in each of these areas are similar, the two tenements have been aggregated into one operating segment.

The Group operates a drilling rig. Drilling operations are considered to be a separate operating segment as the revenues and costs of drilling operations are reported separately to management and the Board.

The Group's activities are conducted in two geographical areas, being Australia and, in previous years, Indonesia. Operations in Indonesia ceased in the financial year ended 30 June 2012.

Revenue of $1,785,000 (2012: $778,263) is derived from a single external customer attributable to drilling rig operations and $6,247,000 (2012: $5,675,132) of gas sales revenue from the Meridian SeamGas operations is derived from a single external customer.

Year ended 30 June 2013	Meridian SeamGas	Drilling rig operations	Exploration Galilee Basin	Exploration Other	All other segments	Total
	Australia $'000	Australia $'000	Australia $'000	Australia $'000	Australia $'000	$'000
Revenue from external customers	7,353	1,785	-	-	49	9,187
Add interest revenue						968
Total income from continuing operations	7,353	1,785	-	-	49	10,155
Segment profit / (loss) before interest	(7,431)	(4,475)	(4,555)	-	(5,444)	(21,905)
Add interest revenue						968
Less interest expense						(948)
Loss after income tax from continuing operations	(7,431)	(4,475)	(4,555)	-	(5,444)	(21,885)
Segment assets and liabilities						
Segment assets	82,387	3,328	98	13,723	514	100,050
Add jointly utilised assets:						
Cash						14,890
Inventory						292
Total assets	82,387	3,328	98	13,723	514	115,232
Segment liabilities	22,564	132	133	657	1,263	24,749
Total liabilities	22,564	132	133	657	1,263	24,749
Other segment information						
Acquisitions of non-current assets	12,904	3	35	464	16	13,422
Depreciation and amortisation expense	6,344	460	-	-	302	7,106
Impairment losses - exploration and evaluation costs	-	-	4,550	-	-	4,550
Impairment losses – other equipment and vehicles	-	4,391	-	-	-	4,391

2 Segment information (continued)

Year ended 30 June 2012	Meridian SeamGas	Drilling rig operations	Exploration Galilee Basin	Exploration Other	All other segments		Total
	Australia $'000	Australia $'000	Australia $'000	Australia $'000	Indonesia $'000	Australia $'000	$'000
Revenue from external customers	**6,826**	**778**	**-**	**-**	**3,704**	**108**	**11,416**
Add interest revenue							1,048
Less revenue from discontinued operations							(3,704)
Total income from continuing operations	**6,826**	**778**	**-**	**-**	**3,704**	**108**	**8,760**
Segment profit / (loss) before interest	**(5,424)**	**(1,323)**	**-**	**363**	**3,664**	**(4,997)**	**(7,717)**
Add interest revenue							1,048
Less interest expense							(1,143)
Less profit from discontinued operations							(3,664)
Loss after income tax from continuing operations	**(5,424)**	**(1,323)**	**-**	**363**	**3,664**	**(4,997)**	**(11,476)**
Segment assets and liabilities							
Segment assets	**77,881**	**8,141**	**4,644**	**13,665**	**-**	**1,216**	**105,547**
Add jointly utilised assets:							
Cash							31,927
Inventory							299
Total assets	**77,881**	**8,141**	**4,644**	**13,665**	**-**	**1,216**	**137,773**
Segment liabilities	**23,343**	**469**	**117**	**733**	**-**	**1,571**	**26,233**
Total liabilities	**23,343**	**469**	**117**	**733**	**-**	**1,571**	**26,233**
Other segment information							
Acquisitions of non-current assets	19,440	7,300	2,822	617	-	205	30,384
Depreciation and amortisation expense	5,429	169	-	-	-	193	5,791
Income tax credit	-	-	-	363	-	-	363
Gain on disposal of Indonesian assets (non-cash)	-	-	-	-	3,667	-	3,667

3(a) Revenue	Note	Consolidated 2013 $'000	2012 $'000
From continuing operations			
Sales revenue			
Gas sales and processing income		**7,345**	5,943
Rig rental income		**1,785**	778
Other revenue			
Interest		**968**	1,048
Release of provision for remedies payable		**-**	883
Sub-lease rental income		**51**	108
Total revenue from continuing operations		**10,149**	**8,760**
From discontinued operations			
Gain on disposal of foreign subsidiaries	18	**-**	3,667
Revenue from services to joint venture entity		**-**	37
Total revenue from discontinued operations		**-**	**3,704**

3(b) Other Income

Gain on disposal of assets	**6**	-
Total other income	**6**	**-**

4 Expenses

Loss before income tax includes the following specific expenses:

	2013 $'000	2012 $'000
Expenses arising from share-based payment transactions		
Options and Performance Rights granted to Directors and staff	**696**	538
Amount capitalised to gas field assets / deferred exploration and evaluation asset	**(66)**	(74)
Expenses arising from share-based payment transactions	**630**	**464**
Depreciation and depletion		
Depreciation and depletion	**7,270**	5,906
Amount capitalised to gas field assets / deferred exploration and evaluation asset	**(164)**	(115)
Depreciation and depletion expense	**7,106**	**5,791**
Defined contribution superannuation contributions		
Defined contribution superannuation expense	**565**	584
Amount capitalised to gas field assets / deferred exploration and evaluation asset	**(54)**	(81)
Defined contribution superannuation contributions	**511**	**503**
Rental expense relating to operating leases		
Sub-lease expenses	**441**	531
Amount capitalised to gas field assets / deferred exploration and evaluation asset	**(42)**	(74)
Rental expense relating to operating leases	**399**	**457**
Finance costs		
Interest and finance charges	**38**	18
Provisions: unwinding of discount	**914**	1,128
Amount capitalised to gas field assets / deferred exploration and evaluation asset	**(4)**	(3)
Finance costs	**948**	1,143

5 Income tax expense

	Consolidated 2013 $'000	Consolidated 2012 $'000
Income tax expense		
Current tax	**(4,198)**	(1,387)
Deferred tax	**(2,456)**	(2,636)
Current year tax losses not recognised	**6,654**	4,023
Adjustments for current tax of prior periods	**(132)**	363
Current tax of prior periods not recognised	**132**	-
Income tax credit attributable to loss from continuing operations	**-**	**363**
Deferred income tax expense included in income tax expense comprises:		
Increase in deferred tax assets	**(1,836)**	(206)
Decrease in deferred tax liabilities	**(620)**	(2,430)
	(2,456)	**(2,636)**
Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing and discontinued operations before income tax expense	**(21,885)**	(8,175)
Tax at the Australian tax rate of 30% (2012: 30%)	**(6,565)**	(2,453)
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Initial recognition exemption – Meridian SeamGas acquisition	**498**	527
Initial recognition exemption – provision for remedies payable	**(969)**	(962)
Intra-group rig profit elimination	**-**	3
Share issue costs amortisation	**(289)**	(288)
Share-based payments	**209**	161
Initial recognition exemption – Nazara impairment	**459**	-
Adjustment in respect of prior years	**-**	87
Non-deductible expenses	**3**	3
Gain on sale of foreign subsidiaries	**-**	(1,101)
	(6,654)	(4,023)
Current year tax losses not recognised	**6,654**	4,023
Adjustments for current tax of prior periods	**-**	**363**
Income tax credit	**-**	**363**

5 Income tax expense (continued)

	Consolidated 2013 $'000	Consolidated 2012 $'000
(c) Amounts recognised directly in equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or credited to equity:		
Net deferred tax	**(289)**	139
Current year tax losses not recognised	**289**	(139)
	-	-
(d) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	**59,610**	45,616
Potential tax benefit @ 30%	**17,883**	**13,685**
(e) Unrecognised temporary differences		
Net deferred tax liability comprises temporary differences attributable to:		
Share issue costs	**397**	686
Professional fees	**452**	225
Property, plant and equipment	**1,303**	139
Accruals	**31**	107
Employee entitlements	**117**	105
Provisions	**963**	590
Petroleum resource rent tax	**47,958**	40,881
Deferred tax assets	**51,221**	**42,733**
Deferred exploration and evaluation costs	**3,776**	4,540
Property, plant and equipment	**1,311**	537
Stores and consumables	**781**	886
Unrealised foreign exchange gains	**-**	1
Deferred tax liability	**5,868**	**5,964**
Net deferred tax asset	**(45,353)**	(36,769)
Deferred tax assets not brought to account	**45,353**	36,769
Net deferred tax liability / (asset) brought to account	**-**	**-**

(f) Tax consolidation legislation

WestSide Corporation Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. The accounting policy in relation to this legislation is set out in Note 1(m).

6 Current assets – Cash and cash equivalents

	Consolidated 2013 $'000	Consolidated 2012 $'000
Cash at bank and in hand	**4,443**	3,568
Deposits at call	**13,095**	30,491
	17,538	**34,059**

Market risks

Cash at bank and in hand are bearing interest rates between nil and 2.70% (2012: nil and 3.45%). The deposits are bearing floating interest rates between 3.40% and 3.70% (2012: 4.75% and 5.70%). These deposits have an average maturity of 24 days (2012: 66 days).

The Group's policies in relation to monitoring and controlling market risks such as Foreign Exchange Risks and Interest Rate Risks, including the sensitivity of cash and cash equivalents is set out in Note 27.

Of the total cash balances above, $8,595,170 (2012: $8,763,437) is held as security for various facilities, including:

- $8,310,832 (2012: $8,310,832) held as security for bank guarantees in favour of the State of Queensland and other parties in respect of the Group's obligations under environmental licences and commercial agreements;
- $184,338 (2012: $352,605) held as collateral to secure bank guarantees for the Company's obligations under the terms of its leases of business premises; and
- $100,000 (2012: $100,000) held as collateral to secure a corporate credit card facility pursuant to a right of set-off.

The amount unused on the bank guarantee facility was $395,634 (2012: $227,366) at balance date.

The Group has an asset finance facility of $400,000 (2012: $400,000). Finance leases have been drawn on the facility (Note 20(c)) and the amount unused on the facility at balance date was $163,390 (2012: $282,617).

An amount of $17,000 (2012: $14,000) was owed under the corporate credit card facility at balance date.

	Consolidated 2013 $'000	Consolidated 2012 $'000
(a) Reconciliation of profit / (loss) after income tax to net cash outflow from operating activities		
Loss for the year	**(21,885)**	(7,812)
Non-cash rental income	**(1,784)**	(736)
Receipts of refunds of goods and services tax	**3,728**	5,727
Goods and services tax paid	**(5,031)**	(4,807)
Operating expenses paid on behalf of joint venturers	**(7,256)**	(5,919)
Depreciation and depletion	**7,106**	5,791
Finance costs – unwinding of discount on provisions	**914**	1,128
Non-cash profit on disposal of Indonesian interests	**-**	(3,667)
Non-cash loss on impairment of property, plant and equipment	**4,391**	-
Non-cash loss on impairment of exploration costs	**4,550**	-
Non-cash employee benefits expense - share-based payments	**630**	464
Non-cash gain on disposal of plant and equipment	**(6)**	-
Net exchange differences	**(3)**	39
Change in operating assets and liabilities:		
Decrease in receivables and other current assets	**1,345**	114
Decrease in inventories	**73**	167
Increase in trade and other payables	**971**	993
Decrease in provisions	**(2,900)**	(4,209)
Net cash outflow from operating activities	**(15,157)**	**(12,727)**

6 Current assets - Cash and cash equivalents (continued)

(b) Non-cash investing and financing activities

Finance leases

During the year, the Company acquired vehicles and equipment costing $678,568 (2012: $124,298) by way of finance leases.

Issue of Performance Rights to employees

During the year, the Company issued Performance Rights to employees as set out in Note 16(f).

Sale of Indonesian assets – prior year

On 16 September 2011, WestSide Corporation Limited disposed of its Indonesian operations comprising of two overseas subsidiaries domiciled in Singapore and its 50% interest in several jointly controlled entities. As consideration for the disposal of WestSide's interests in these entities WestSide received full ownership of a drilling rig that it had been using in its Australian drilling operations. After taking into account an independent valuation as at 2 September 2011 and WestSide's previous contributions to the costs of commissioning the drilling rig, the fair value of the consideration received was $3,664,264. No cash consideration was received.

7 Current assets – Trade and other receivables

	Consolidated	
	2013 $'000	**2012 $'000**
Trade receivables	**648**	722
Other receivables	**560**	591
Interest receivable	**54**	296
Prepayments	**21**	32
	1,283	**1,641**

Past due but not impaired

As at 30 June 2013, trade receivables of $101,000 (2012: $82,000) were past due but not impaired. These are expected to be recovered in the near future.

	2013 $'000	2012 $'000
Up to 3 months	**-**	11
3 to 6 months	**24**	71
6 to 9 months	**-**	-
9 to 12 months	**6**	-
Greater than 12 months	**71**	-
	101	**82**

Market risks

Trade and other receivables are non-interest bearing.

The Group's policies in relation to monitoring and controlling market risks such as Foreign Exchange Risks and Interest Rate Risks, including the sensitivity of trade and other receivables is set out in Note 27.

Fair value and Credit risk

Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value.

Interest receivable on term deposits is owed from high-quality financial institutions.

Trade and other receivables comprise amounts owing from a customer for gas sales, the Australian Taxation Office for GST and fuel credits; amounts owing from joint venturers for their share of exploration costs incurred; reimbursement of costs from contractors; and sublease rental receivables. The Company's gas customer is a significant Australian listed company with no history of default. The creditworthiness of joint venturers is assessed at the time that the Group becomes a party to a joint venture and monitored regularly thereafter. These parties are backed by significant international energy companies and have no history of default. The Group's rights to reimbursement of costs incurred as operator are secured by Deeds of Cross Charge over the joint venturers' interest in the respective tenements. The Group does not hold any collateral in relation to receivables owing from customers, contractors or sub-lessees.

8 Current assets – Inventories

	Consolidated 2013 $'000	Consolidated 2012 $'000
Stores and consumables – at cost	**2,603**	**2,953**

9 Non-current assets – Gas field assets

	Gas field producing assets $'000	Development work in progress $'000	Plant and equipment $'000	Leased plant & equipment $'000	Total $'000
Opening net book amount at 1 July 2011	**31,017**	**2,554**	**24,605**	**-**	**58,176**
Additions	-	10,652	37	-	10,689
Transfer from development work in progress	11,383	(12,014)	631	-	-
Transfer from exploration assets	287	-	-	-	287
Restoration asset movement	8,317	-	-	-	8,317
Depletion and depreciation expense	(3,711)	-	(1,618)	-	(5,329)
Closing net book amount at 30 June 2012	**47,293**	**1,192**	**23,655**	**-**	**72,140**
At 30 June 2012					
Cost	53,818	1,192	26,924	-	81,934
Accumulated depletion and depreciation	(6,525)	-	(3,269)	-	(9,794)
Net book amount at 30 June 2012	**47,293**	**1,192**	**23,655**	**-**	**72,140**
Opening net book amount at 1 July 2012	**47,293**	**1,192**	**23,655**	**-**	**72,140**
Additions	**-**	**11,743**	**11**	**531**	**12,285**
Transfer from development work in progress	**11,171**	**(12,331)**	**1,160**	**-**	**-**
Transfer from exploration assets	**114**	**-**	**-**	**-**	**114**
Research and development incentives received	**(1,128)**	**-**	**-**	**-**	**(1,128)**
Restoration asset movement	**(943)**	**-**	**-**	**-**	**(943)**
Depletion and depreciation expense	**(4,573)**	**-**	**(1,692)**	**(35)**	**(6,300)**
Closing net book amount at 30 June 2013	**51,934**	**604**	**23,134**	**496**	**76,168**
As at 30 June 2013					
Cost	**63,032**	**604**	**28,095**	**531**	**92,262**
Accumulated depletion and depreciation	**(11,098)**	**-**	**(4,961)**	**(35)**	**(16,094)**
Net book amount at 30 June 2013	**51,934**	**604**	**23,134**	**496**	**76,168**

10 Non-current assets – Other Property, Plant & Equipment

	Land and buildings $'000	Furniture, fittings and equipment $'000	Other equipment and vehicles $'000	Leased vehicles $'000	Total $'000
At 30 June 2011					
Cost	550	556	2,594	-	3,700
Accumulated depreciation	(26)	(159)	(799)	-	(984)
Net book amount at 30 June 2011	**524**	**397**	**1,795**	**-**	**2,716**
At 30 June 2011					
Additions	-	39	7,489	124	7,652
Disposals	-	-	(11)	-	(11)
Depreciation expense	(26)	(140)	(410)	(1)	(577)
Closing net book amount at 30 June 2012	**498**	**296**	**8,863**	**123**	**9,780**
At 30 June 2012					
Cost	550	595	10,062	124	11,331
Accumulated depreciation	(52)	(299)	(1,199)	(1)	(1,551)
Net book amount at 30 June 2012	**498**	**296**	**8,863**	**123**	**9,780**
Opening net book amount at 1 July 2012	**498**	**296**	**8,863**	**123**	**9,780**
Additions	**-**	**16**	**52**	**148**	**216**
Disposals	**-**	**(2)**	**(9)**	**-**	**(11)**
Depreciation expense	**(26)**	**(140)**	**(768)**	**(36)**	**(970)**
Impairment charge	**-**	**-**	**(4,391)**	**-**	**(4,391)**
Closing net book amount at 30 June 2013	**472**	**170**	**3,747**	**235**	**4,624**
At 30 June 2013					
Cost	**550**	**601**	**10,088**	**272**	**11,511**
Accumulated depreciation and impairment	**(78)**	**(431)**	**(6,341)**	**(37)**	**(6,887)**
Net book amount at 30 June 2013	**472**	**170**	**3,747**	**235**	**4,624**

Impairment charge

The carrying value of the Group's drilling rig has been reviewed in response to significant falling demand for drilling services in the current year across the resources industry. An independent valuation of the drilling rig performed at 30 June 2013 has resulted in the recognition of an impairment loss in the year ended 30 June 2013 of $4,391,000 to reduce the carrying value of the equipment to its fair value, less costs to sell.

Non-current assets pledged as security

Refer to Note 14 for details of non-current assets pledged as security by the Parent Entity and its controlled entities.

11 Non-current assets – Intangible assets – Exploration and evaluation costs

	Consolidated	
	2013 $'000	2012 $'000
Balance at the start of the year	**17,200**	27,286
Additions	**613**	3,726
Transfer to gas field assets	**(114)**	(287)
Research and development incentives received	**(158)**	-
Restoration asset movement	**25**	(93)
Disposals	**-**	(13,432)
Impairment charge	**(4,550)**	-
Balance at the end of the year	**13,016**	17,200

Impairment charge

Following a review of the Group's exploration tenements, an impairment loss of $4,550,000 has been recognised in respect of the exploration and evaluation costs carried-forward for the Group's interests in ATP974P and ATP978P in the Galilee Basin. The results of exploration activities in the region to date and the distance from established infrastructure or gas markets has raised significant uncertainty over the ability of the Group to recover the carrying value from successful development or sale. The carrying value of the Group's interests in these tenements has been reduced to nil.

12 Current liabilities – Trade and other payables

	Consolidated	
	2013 $'000	2012 $'000
Trade payables and accruals	**5,885**	5,050
Employee benefits	**391**	352
	6,276	5,402

Market Risks

Trade payables and accruals do not bear interest and the aggregate carrying values of these financial liabilities approximates the net fair values.

The Group's policies in relation to monitoring and controlling market risks such as Foreign Exchange Risks and Interest Rate Risks, including the sensitivity of trade and other payables is set out in Note 27.

Liquidity risks

All trade and other payables are expected to be settled within 12 months.

Payables of $17,000 (2012: $14,000) are secured by a right of set-off against cash on deposit.

13 Current liabilities – Borrowings

	Consolidated	
	2013 $'000	2012 $'000
Bank loans - secured	**-**	14
Lease liabilities	**476**	14
	476	28

Security and fair value disclosures

Information about the security and the fair value of the borrowings is provided in Note 14.

The Group's policies in relation to monitoring and controlling market risks such as Foreign Exchange Risks and Interest Rate Risks, including the sensitivity of trade and other payables are set out in Note 27.

14 Non-current liabilities – Borrowings

	Consolidated 2013 $'000	Consolidated 2012 $'000
Lease liabilities	**198**	100
	198	100

(a) Secured liabilities and assets pledged as security

	2013 $'000	2012 $'000
The total secured liabilities (current and non-current) are as follows:		
Bank loans - secured	**-**	14
Lease liabilities	**674**	114
	674	128

Bank loans are secured by a chattel mortgage over specified field vehicles with a carrying value of $46,000 (2012: $66,000). Lease liabilities are secured over specified light vehicles with a carrying value of $235,000 (2012: $123,000) and over a trailer mounted compression unit with a carrying value of $496,000 (2012: nil).

(b) Fair value

The carrying amount of current and non-current borrowings is a reasonable approximation of fair value.

15 Current and non-current liabilities – Provisions

	A Provision for remedies payable $'000	B Provision for restoration and rehabilitation $'000	C Provision for unavoidable rental contract $'000	Total $'000
Balance at the start of the year - current	2,744	36	53	2,833
Balance at the start of the year – non-current	3,613	14,257	-	17,870
Balance at the start of the year – current and non-current	6,357	14,293	53	20,703
Additional provisions recognised	-	880	-	880
Effect of changes in discount rates	-	(1,799)	-	(1,799)
Amounts used during the year	(3,229)	-	(53)	(3,282)
Charged / (credited) to the Statement of Comprehensive Income:				
Additional provision recognised	383	-	-	383
Unwinding of discount	470	444	-	914
Balance at the end of the year	3,981	13,818	-	17,799
Comprising				
(a) Current - expected to be utilised within the next 12 months	3,078	793	-	3,871
(b) Non-current - expected to be utilised after one year	903	13,025	-	13,928
	3,981	13,818	-	17,799

15 Current and non-current liabilities – Provisions (continued)

A Provision for future remedies payable

Pursuant to various gas sales agreements, the Group is obligated to pay remedies to customers where not all contracted gas sale quantities are delivered. The Group has made provision for future remedies payable under these contracts based on forecast production volumes aligned to historical production levels in June 2013. The future remedies payable have been recognised at their present value using a discount rate reflective of the Group's expected cost of borrowing. The actual value of future remedies payable will ultimately be determined by the Group's ability to supply contracted quantities of gas. The provision does not take into account additional gas production which may result from the commissioning of new wells and remediation of existing production wells as there is insufficient certainty as to the impact of these initiatives at this time.

B Provision for restoration and rehabilitation

The Group is required to rehabilitate areas disturbed by its production and exploration activities. These restoration activities may be performed at any time up to the time that the permit or tenement is relinquished. In raising the provision above, it has been estimated that while some of the areas will be rehabilitated in the coming year, the majority will be rehabilitated close to the expiry of the relevant Lease or Authority to Prospect. Further explanation is provided at Note 1(e).

C Provision for unavoidable rental contract

The Group vacated leased office space in June 2010 as the space was no longer sufficient to accommodate the number of staff required to efficiently operate the expanded operations. The provision recognised is the future unavoidable lease costs payable under the operating lease after contributions from the sub-lessee for the remainder of the lease period. The lease expired in December 2012.

16 Contributed equity

	Notes	2013 Shares	2012 Shares	2013 $'000	2012 $'000
(a) Share capital					
Authorised and issued ordinary shares – fully paid	16(c),(d)	**358,639,380**	355,867,890	**135,919**	134,549

	Notes	2013 Securities	2012 Securities
(b) Other equity securities			
Share options – Incentive Options	16(e)	**-**	2,002,000
Performance Rights	16(f)	**2,812,000**	5,661,400
Total other equity securities		**2,812,000**	7,663,400

16 Contributed equity (continued)

(c) Movements in ordinary share capital

Date	Details	Number of shares	Issue price $	Value $'000
30 June 2011	**Balance**	**254,017,800**		**110,479**
23 August 2011	Issue of shares[1]	173,550	-	78
17 April 2012	Entitlements issue 2 for 5	101,676,540	0.25	25,419
	Less: share issue costs			(1,427)
30 June 2012	**Balance**	**355,867,890**		**134,549**
27 July 2012	Issue of shares[1]	253,490	-	67
2 January 2013	Issue of shares[1]	1,990,000	-	978
4 January 2013	Issue of shares – exercise of Incentive Options[2]	70,000	-	41
10 January 2013	Issue of shares – exercise of Incentive Options[2]	370,000	-	240
4 February 2013	Issue of shares[1]	88,000	-	50
	Less: share issue costs			(6)
30 June 2013	**Balance**	**358,639,380**		**135,919**

1 *Shares were issued upon vesting of Performance Rights. The value recognised in contributed equity is the fair value of the Performance Rights at their grant date.*

2 *Shares were issued upon exercise of Incentive Options. The value recognised in contributed equity is the exercise price ($0.313 per share) and the fair value of the Incentive Options at their grant date (adjusted for any incremental fair value upon revision of their exercise prices since their grant date).*

(d) Ordinary shares

Ordinary shares have no par value.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

(e) Incentive Options

At 30 June 2013, there were nil (2012: 2,002,000) unexpired Incentive Options on issue.

Incentive Options were issued to Directors and senior staff to align their interests with those of shareholders in maximising shareholder value. Each Incentive Option could be exchanged for one ordinary share upon payment of the exercise price. The Incentive Options could not be exercised until their vesting date and had to be exercised before their expiry date. The rights of option holders had been changed to the extent necessary to comply with the ASX Listing Rules applying to a re-organisation of capital in prior years.

Consolidated 2013			Number of Incentive Options			
Vesting date	**Expiry date**	**Exercise price**	**Balance at the start of the year**	**Forfeited during the year**	**Exercised during the year**	**Outstanding at the end of the year [1]**
10 January 2010	10 January 2013	$0.313	1,240,000	(800,000)	(440,000)	-
1 July 2011	30 June 2013	$0.4515	462,000	(462,000)	-	-
1 July 2011	29 June 2013	$0.313	300,000	(300,000)	-	-
Total 30 June 2013			**2,002,000**	**(1,562,000)**	**(440,000)**	**-**
Weighted average exercise price ($)			**$0.34**	**$0.35**	**$0.313**	**-**

1 *The weighted average remaining contractual life of Incentive Options outstanding at the end of the year is nil days (2012: 258 days).*

There were no Incentive Options exercisable at the end of the year.

16 Contributed equity (continued)

(e) Incentive Options (continued)

Consolidated 2012			Number of incentive options			
Vesting date	Expiry date	Exercise price	Balance at the start of the year	Forfeited during the year	Outstanding at the end of the year	Exercisable at the end of the year
10 January 2010	10 January 2013	$0.313	1,240,000	-	1,240,000	1,240,000
1 July 2010	30 June 2012	$0.723	70,000	(70,000)	-	-
1 July 2011	30 June 2013	$0.4515	462,000	-	462,000	462,000
1 July 2011	29 June 2013	$0.313	300,000	-	300,000	300,000
Total 30 June 2012			**2,072,000**	**(70,000)**	**2,002,000**	**2,002,000**
Weighted average exercise price ($)			**$0.41**	**$0.723**	**$0.34**	**$0.34**

Revision of Incentive Options exercise prices (year ended 30 June 2012)

On 17 April 2012, the exercise prices of all outstanding Incentive Options were revised in accordance with ASX Listing Rules as a result of the 2 for 5 Entitlement Issue of ordinary shares. The changes are set out in the table below:

Options expiry date	Exercise price	
	Original	Revised
30 June 2012	$0.7714	$0.7230
10 January 2013	$0.3614	$0.3130
29 June 2013	$0.3614	$0.3130
30 June 2013	$0.4999	$0.4515

The fair values of the options before and after the revision were assessed as at the modification date. As the options had already vested, any incremental value has been expensed in the financial year ended 30 June 2012.

The weighted average incremental increase in fair value as a result of the revision was $0.02 per Incentive Option.

The fair value of the Incentive Options were determined using a Black-Scholes-Merton option pricing model, taking into account the expiry dates, the $0.38 share price at the revision date, 86% historical 12 month share price volatility, no expected dividends and risk free interest rates of 4.25% and 3.70% pa depending on the remaining time to expiry.

(f) Performance Rights

At 30 June 2013, there were 2,812,000 Performance Rights on issue (2012: 5,661,400).

Eligible employees have the opportunity to participate in the Employee Performance Rights Plan which replaced the Incentive Option Plan. Under the plan, eligible employees can be granted an allocation of Performance Rights which will vest upon completion of a specified minimum service period or upon the achievement of performance targets and service milestones.

The plan is designed to align the performance of employees with the interests of shareholders and to assist in the retention of experienced personnel.

Each Performance Right that satisfies its vesting conditions can be converted to one ordinary share for nil consideration. Upon conversion, the issued ordinary shares will be subject to a holding lock until the earlier of seven years from grant, or cessation of employment.

The Board retains the discretion to waive vesting conditions in certain instances where there is a takeover offer for the Company or other events such as a merger or scheme of arrangement.

The fair value of the Performance Rights is the market value of the Company's Ordinary Shares on the date the Performance Rights were granted and does not take into account vesting conditions.

16 Contributed equity (continued)

(f) Performance Rights (continued)

The movements in Performance Rights on issue during the year are as follows:

Consolidated 2013 — **Number of Performance Rights**

Vesting date	Expiry date	Balance at the start of the year	Granted during the year	Vested and converted to shares during the year	Forfeited during the year	Outstanding at the end of the year
30 June 2012[2]	30 June 2013	579,400	-	(253,490)	(325,910)	-
31 December 2012[1]	31 December 2013	2,180,000	-	(2,078,000)	(102,000)	-
30 June 2013[2]	30 June 2014	-	415,000	-	-	415,000
31 December 2014[3]	31 December 2015	1,120,000	-	-	(240,000)	880,000
31 December 2015[3]	31 December 2016	1,782,000	-	-	(265,000)	1,517,000
Total 30 June 2013		**5,661,400**	**415,000**	**(2,331,490)**	**(932,910)**	**2,812,000**
Weighted average fair value at grant date			**$0.355**			

Consolidated 2012 — **Number of Performance Rights**

Vesting date	Expiry date	Balance at the start of the year	Granted during the year	Vested and converted to shares during the year	Forfeited during the year	Outstanding at the end of the year
30 June 2011[2]	30 June 2012	312,700	-	(173,550)	(139,150)	-
30 June 2012[2]	30 June 2013	-	579,400	-	-	579,400
31 December 2012[1]	31 December 2013	2,110,000	150,000	-	(80,000)	2,180,000
31 December 2014[3]	31 December 2015	1,030,000	350,000	-	(260,000)	1,120,000
31 December 2015[3]	31 December 2016	-	1,842,000	-	(60,000)	1,782,000
Total 30 June 2012		**3,452,700**	**2,921,400**	**(173,550)**	**(539,150)**	**5,661,400**
Weighted average fair value at grant date			**$0.35**			

1 *These Performance Rights vest upon achievement of performance targets and service milestones – the participant must be employed by the Group at the vesting date.*

2 *These Performance Rights vest upon achievement of performance targets and service milestones and may be settled wholly or partly in cash at the discretion of the Board.*

3 *These Performance Rights vest upon achievement of service milestones – the participant must be employed by the Group at the vesting date.*

17 Reserves and retained profits

	Consolidated 2013 $'000	Consolidated 2012 $'000
(a) Reserves		
Share option reserve	**526**	669
Performance rights reserve	**364**	763
Foreign currency translation reserve	**-**	-
Total reserves	**890**	**1,432**
Movements:		
Share option reserve		
Balance at the start of the year	**669**	630
Employee option expense	**-**	39
Transfer to contributed equity upon exercise of options	**(143)**	-
Balance at the end of the year	**526**	**669**
Performance rights reserve		
Balance at the start of the year	**763**	343
Employee performance rights expense	**696**	498
Transfer to contributed equity upon issue of shares	**(1,095)**	(78)
Balance at the end of the year	**364**	**763**
Foreign currency translation reserve		
Balance at the start of the year	**-**	1
Currency translation differences arising during the year	**-**	2
Release of provision to profit upon sale of foreign subsidiaries	**-**	(3)
Balance at the end of the year	**-**	**-**
(b) Accumulated losses		
Movements in accumulated losses were as follows:		
Balance at the start of the year	**(24,441)**	(16,629)
Net loss for the year	**(21,885)**	(7,812)
Balance at the end of the year	**(46,326)**	**(24,441)**

(c) Nature and purpose of reserves

Share option reserve

The share option reserve is used to recognise the fair value of share options granted or issued. When options are exercised the value attributed to those options is transferred to contributed equity.

Performance rights reserve

The performance rights reserve is used to recognise the fair value of share rights granted or issued. When share rights vest and shares are issued, the value attributed to those rights is transferred to contributed equity.

Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of any net investment in foreign entities. The reserve is recognised in profit and loss when the net investment is disposed of.

18 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of all subsidiaries in accordance with the accounting policy described in Note 1(b), including the following significant subsidiaries:

Name of entity	Country of incorporation	Class of shares	Equity holding *	
			2013	2012
			%	%
WestSide ATP 688P Pty Ltd	Australia	Ordinary	**100**	100
WestSide ATP 769P Pty Ltd	Australia	Ordinary	**100**	100
WestSide CSG A Pty Ltd	Australia	Ordinary	**100**	100
WestSide CSG D Pty Ltd	Australia	Ordinary	**100**	100
Nazara Energy Pty Ltd	Australia	Ordinary	**100**	100

* *The proportion of ownership interest is equal to the proportion of voting power held.*

Deeds of cross charge

WestSide Corporation Limited, WestSide ATP 688P Pty Ltd, WestSide ATP 769P Pty Ltd, Nazara Energy Pty Ltd, WestSide CSG A Pty Ltd and WestSide CSG D Pty Ltd are parties to Deeds of Cross Charge with their respective joint venture partners. Pursuant to the Deeds, each party has granted a fixed and floating charge over their participating interest in the respective exploration tenements, Petroleum Leases, Pipeline Licences and joint venture assets to secure their prospective liabilities under Joint Operating Agreements. In respect of joint ventures in ATP 688P and ATP 769P, the Deeds of Cross Charge are capped at a maximum of $1 million in the event of default.

Sale of Indonesian subsidiaries – discontinued operations – prior year

On 16 September 2011, WestSide Corporation Limited disposed of its Indonesian operations comprising of two overseas subsidiaries domiciled in Singapore, WestSide CSG Holdings Pte Ltd and WestSide KPC Holdings Pte Ltd, and its 50% interest in several jointly controlled entities. As consideration for the disposal of WestSide's interests in these entities WestSide received full ownership of a drilling rig that it had been using in its Australian drilling operations. After taking into account WestSide's previous contributions to the costs of commissioning the drilling rig, the fair value of the consideration received was $3,664,264. No cash consideration was received.

The carrying value of the assets and liabilities of the entities disposed of on 16 September 2011 was nil.

19 Joint ventures

Jointly controlled assets

Subsidiaries have entered into joint ventures to jointly explore, appraise, develop and produce coal seam gas resources in specific Petroleum Leases and exploration tenements in Queensland. Interests in these joint ventures are set out below:

		Consolidated	
Joint venture	Principal activities	2013	2012
ATP 769P	Coal seam gas exploration	**25.5%**	25.5%
ATP 688P	Coal seam gas exploration	**25.5%**	25.5%
ATP 974P	Coal seam gas exploration	**51%**	51%
ATP 978P	Coal seam gas exploration	**51%**	51%
Meridian SeamGas	Coal seam gas production	**51%**	51%

WestSide group companies hold direct interests in the underlying assets of the joint ventures above and contribute to expenses in proportion to their ownership interest. Each joint venturer sells to customers its own share of gas production from the assets which form part of the Meridian SeamGas Joint venture, based on its ownership interest in the joint venture. Capital expenditure commitments relating to the joint ventures are set out in Note 20(a). There are no contingent liabilities relating to the joint venture activities.

20 Commitments

	Consolidated 2013 $'000	Consolidated 2012 $'000
(a) Capital commitments		
Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:		
Intangible assets – exploration and evaluation costs[1]	**17,665**	19,005
Non-current assets – Gas field development assets and Property, plant and equipment [2]	**1,494**	12,091

1 *Although the Group has not necessarily contracted with suppliers for the exploration work, the Group is committed to conducting exploration and appraisal programs with its joint venturers. These amounts represent WestSide's share of expected expenditure required to complete these approved work programs. The capital commitments for exploration and evaluation costs include capital expenditure commitments of $17,655,000 (2012: $19,005,000) relating to joint ventures listed in Note 19.*

2 *Although the Group has not necessarily contracted with suppliers for development work, the Group is committed to conduct development activities to increase production from the Meridian SeamGas gas fields. These amounts represent WestSide's share of expected expenditure to complete these programs. The capital commitments include capital expenditure commitments of $1,494,000 (2012: $12,091,000) relating to joint ventures listed in Note 19.The Parent Entity has committed to provide funding for these programs.*

(b) Operating lease commitments

Non-cancellable operating leases

The Group leases offices and office equipment under non-cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights.

	Consolidated 2013 $'000	Consolidated 2012 $'000
(b) Operating lease commitments		
Non-cancellable operating leases		
The Group leases offices and office equipment under non-cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights.		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	**507**	596
Later than one year but less than five years	**1,191**	1,690
	1,698	2,286

The 2012 operating lease commitments above include amounts in respect of an unavoidable rental contract for which a provision has been recognised as set out in Note 15.

Sub-lease payments receivable		
Future minimum lease payments expected to be received in relation to non-cancellable sub-lease of operating leases	-	60

20 Commitments (continued)

	Notes	Consolidated 2013 $'000	Consolidated 2012 $'000
(c) Finance leases			
Commitments in relation to finance lease are payable as follows:			
Within one year		**505**	22
Later than one year but less than five years		**230**	120
Minimum lease payments		**735**	142
Future finance charges		**(61)**	(28)
Recognised as a liability		**674**	114
Representing lease liabilities:			
Current	13	**476**	14
Non-current	14	**198**	100
Total lease liabilities		**674**	114

The Group leases various vehicles with a carrying value of $235,000 (2012: $123,000) and gas field equipment with a carrying value of $496,000 (2012: nil) under finance leases expiring within five years and one year respectively. Under the terms of the leases, the Group has the option to acquire the leased vehicles for approximately 30% of their original acquisition cost and the gas field equipment for approximately 93% of its original fair value on expiry of the leases.

21 Related party transactions

(a) Parent Entity and related parties

The Parent Entity, and ultimate Australian Parent Entity within the Group is WestSide Corporation Limited.

Interests in significant subsidiaries are set out in Note 18.

Interests in joint ventures and jointly controlled entities are set out in Note 19.

(b) Key management personnel

Disclosures relating to key management personnel are set out in Note 22 and in paragraph (e) below.

	Consolidated 2013 $	Consolidated 2012 $
(c) Transactions with related parties		
The following transactions occurred with related parties:		
Costs incurred as operator of joint venture and on-charged to joint venture	**40,354,239**	40,839,916
Contributions to joint venture costs	**23,147,428**	20,092,249
Costs incurred on behalf of joint venture entity and on-charged to joint venture entity	**-**	37,882
Provision of services to joint venture entity	**-**	36,885

21 Related party transactions (continued)

	Consolidated 2013 $	Consolidated 2012 $
(d) Outstanding balances arising from transactions with related parties		
The following balances are outstanding at the reporting date in relation to transactions with related parties:		
Current assets – trade and other receivables		
From joint ventures for costs incurred as operator of joint venture	**69,655**	370,699

(e) Other transactions with key management personnel

A Director, N Mitchell, controls Mitchell Energy Group Pty Ltd, Mitchell Energy Services Pty Ltd and Mitchell Equipment Hire Pty Ltd, companies which service the petroleum industry. During the previous year, the Group purchased and rented equipment from these companies on normal commercial terms and conditions.

	2013 $	2012 $
Aggregate amounts of each of the above types of transactions with key management personnel:		
Amounts recognised as expense: purchase and rental of gas field equipment and services	-	182,404
Amounts recognised as current assets – Other receivables: rig repair costs recoverable from insurer	-	6,110
Amounts recognised as non-current assets – Property, Plant & Equipment: Gas field assets	-	207,108
Aggregate amount of assets at the end of the reporting period relating to the above types of other transactions with key management personnel:		
Current assets	-	6,110
Non - current assets	-	207,108

22 Key management personnel disclosures

(a) Directors

The following persons were Directors of WestSide Corporation Limited during the financial year:

Name	Position	Period of appointment (year ended 30 June) 2013	2012
A Karoll	Chairman	**Full year**	Full year
Non-executive Directors			
J Clarke	Director	**Full year**	Full year
A Gall	Director	**Full year**	Full year
T Karoll	Director	**Full year**	Full year
N Mitchell	Director	**Full year**	Full year
R Neale	Director	**Full year**	Full year

(b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Company and the Group, directly or indirectly, during the financial year:

Name	Position	Period of appointment (year ended 30 June) 2013	2012
J Beeby	Chief Executive Officer	**Full year**	Full year
G Borgelt	Commercial Manager	**Full year**	Full year
R Cowie	General Manager - Production	**To 14 May 2013**	From 3 January 2012
P Dingle	Moura Area Manager	**Full year**	Full year
D Galvin	Chief Financial Officer and Company Secretary	**Full year**	Full year
A Knight	Exploration Manager	**Full year**	Full year
S Mewing	Chief Operating Officer	**Full year**	Full year

	Consolidated 2013 $	2012 $
(c) Key Management personnel compensation		
Short-term employee benefits	**2,679,337**	2,462,806
Post-employment benefits	**182,016**	204,896
Share-based payments	**524,708**	424,441
	3,386,061	**3,092,143**

Detailed remuneration disclosures can be found in sections A - C of the Remuneration Report, included within the Directors' Report attached to the financial statements.

22 Key management personnel disclosures (continued)

(d) Equity instrument disclosures relating to key management personnel

Options and Performance Rights provided as remuneration and shares issued on exercise of these securities

Details of Incentive Options and Performance Rights provided as remuneration and shares issued on the exercise of these securities, together with terms and conditions of the options, can be found in section D (Share-based compensation) of the Remuneration Report, included within the Directors' Report attached to the financial statements.

Option holdings

The number of options over ordinary shares in the Company held during the financial year by each Director of WestSide Corporation Limited and other key management personnel of the Group, including their personally related parties, are set out below:

2013	Incentive Options – 2013 (Number of options)				
Name	**Held at the start of the year**	**Lapsed during the year**	**Exercised during the year**	**Held at the end of the year**	**Vested and exercisable at the end of the year[1]**
Directors of WestSide Corporation Limited					
A Gall	300,000	(300,000)	-	-	-
A Karoll	300,000	(300,000)	-	-	-
T Karoll	200,000	(200,000)	-	-	-
Other key management personnel of the Group					
D Galvin	362,000	(62,000)	(300,000)	-	-
S Mewing	300,000	(300,000)	-	-	-

2012	Incentive Options – 2012 (Number of options)				
Name	**Held at the start of the year**	**Lapsed during the year**	**Held at the end of the year**	**Vested and exercisable at the end of the year[1]**	**Vested during the year**
Directors of WestSide Corporation Limited					
A Gall	300,000	-	300,000	300,000	-
A Karoll	310,000	(10,000)	300,000	300,000	-
T Karoll	200,000	-	200,000	200,000	-
Other key management personnel of the Group					
D Galvin	407,000	(45,000)	362,000	362,000	62,000
S Mewing	300,000	-	300,000	300,000	300,000

1 *There are no options unvested at the end of the year.*

No Incentive Options vested during the year and no Incentive Options were exercised during the 2012 financial year.

22 Key management personnel disclosures (continued)

(d) Equity instrument disclosures relating to key management personnel (continued)

Performance rights holdings

The number of Performance Rights held during the financial year by each Director of WestSide Corporation Limited and other key management personnel of the Group, including their personally related parties, are set out below:

2013	Performance Rights - 2013 (Number of rights)					
Name	Held at the start of the year	Granted as compensation during the year	Vested to ordinary shares during the year	Lapsed during the year	Held at the end of the year	Unvested at the end of the year
Other key management personnel of the Group						
J Beeby	1,161,400	415,000	(653,490)	(325,910)	597,000	597,000
G Borgelt	310,000	-	-	-	310,000	310,000
R Cowie	150,000	-	(88,000)	(62,000)	-	-
P Dingle	280,000	-	(80,000)	-	200,000	200,000
D Galvin	590,000	-	(350,000)	-	240,000	240,000
A Knight	410,000	-	(200,000)	-	210,000	210,000
S Mewing	670,000	-	(400,000)	-	270,000	270,000

2012	Performance Rights - 2012 (Number of rights)					
Name	Held at the start of the year	Granted as compensation during the year	Vested to ordinary shares during the year	Lapsed during the year	Held at the end of the year	Unvested at the end of the year
Other key management personnel of the Group						
J Beeby	712,700	761,400	(173,550)	(139,150)	1,161,400	1,161,400
G Borgelt	180,000	130,000	-	-	310,000	310,000
R Cowie	-	150,000	-	-	150,000	150,000
P Dingle	160,000	120,000	-	-	280,000	280,000
D Galvin	450,000	140,000	-	-	590,000	590,000
A Knight	280,000	130,000	-	-	410,000	410,000
S Mewing	500,000	170,000	-	-	670,000	670,000

No Performance Rights were vested and exercisable at the end of the year (2012: nil).

22 Key management personnel disclosures (continued)

(d) Equity instrument disclosures relating to key management personnel (continued)

Share holdings

The number of shares in the Company held during the financial year by each Director of WestSide Corporation Limited and other key management personnel of the Group, including their personally related parties, are set out below:

2013	Ordinary Shares – 2013 (Number of shares)				
Name	Held at the start of the year	Received upon conversion of vested Performance Rights during the year	Issued upon exercise of Incentive Options during the year	Other changes during the year	Held at the end of the year
Directors of WestSide Corporation Limited					
A Gall	627,200	-	-	-	627,200
A Karoll	22,990,548	-	-	-	22,990,548
T Karoll	476,000	-	-	-	476,000
N Mitchell	7,696,594	-	-	(1)	7,696,593
Other key management personnel of the Group					
J Beeby	273,550	653,490	-	-	927,040
R Cowie	-	88,000	-	(88,000)	-
P Dingle	15,300	80,000	-	-	95,300
D Galvin	243,570	350,000	300,000	-	893,570
A Knight	35,700	200,000	-	-	235,700
S Mewing	345,072	400,000	-	-	745,072

2012	Ordinary Shares – 2012 (Number of shares)			
Name	Held at the start of the year	Received upon conversion of vested Performance Rights during the year	Other changes during the year	Held at the end of the year
Directors of WestSide Corporation Limited				
A Gall	448,000	-	179,200	627,200
A Karoll	17,312,770	-	5,677,778	22,990,548
T Karoll	340,000	-	136,000	476,000
N Mitchell	5,621,338	-	2,075,256	7,696,594
Other key management personnel of the Group				
J Beeby	-	173,550	100,000	273,550
P Dingle	15,300	-	-	15,300
D Galvin	163,600	-	79,970	243,570
A Knight	68,700	-	(33,000)	35,700
S Mewing	246,480	-	98,592	345,072

23 Remuneration of auditors

	Consolidated 2013 $	Consolidated 2012 $
During the year the following fees were paid or payable for services provided by PricewaterhouseCoopers, the auditor of the Parent Entity:		
(a) Audit services		
Audit and review of financial reports	**211,379**	209,363
(b) Non-audit services		
Taxation services		
Taxation compliance	**33,311**	30,000
Taxation advice on mergers, acquisitions and divestments	**32,899**	8,500
Research & development tax rebate advice	**130,338**	29,261
GST advice	**-**	3,540
Staff training	**1,000**	-
Total remuneration for taxation services	**197,548**	**71,301**
Total auditor's remuneration	**408,927**	**280,664**

It is the Group's policy to employ PricewaterhouseCoopers on assignments additional to their statutory audit duties where PricewaterhouseCoopers' expertise and experience with the Group are important. These assignments are principally tax advice, or where PricewaterhouseCoopers is awarded assignments on a competitive basis. It is the Group's policy to seek competitive tenders for all major consulting projects.

Approval from the Audit and Compliance Committee is required for non-audit assignments.

24 Earnings per share

	Consolidated 2013 Cents	Consolidated 2012 Cents
(a) Basic and diluted earnings / (loss) per share		
From continuing operations attributable to the ordinary equity holders of the Company	**(6.12)**	(4.18)
From discontinued operations	**-**	1.33
Total basic and diluted earnings per share attributable to the ordinary equity holders of the Company	**(6.12)**	**(2.85)**

	Consolidated 2013 $'000	Consolidated 2012 $'000
(b) Reconciliations of earnings used in calculating earnings per share		
Basic and diluted earnings / (loss) per share		
Earnings / (loss) attributable to the ordinary equity holders of the Company used in calculating basic and diluted earnings per share		
From continuing operations	**(21,885)**	(11,476)
From discontinued operations	**-**	3,664
	(21,885)	**(7,812)**

24 Earnings per share (continued)

	2013 Number	2012 Number
(c) Weighted average number of shares used as the denominator		
Basic and diluted earnings per share		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	**357,328,627**	274,780,023

(d) Information concerning the classification of securities

Potential shares that may arise from share options and Performance Rights, in relation to the Company's recorded loss for the year, are anti-dilutive and have not been used to calculate diluted loss per share. Details of options and rights are set out in Notes 16(e) and 16(f).

25 Events occurring after the balance sheet date

Issue, vesting and lapsing of employee performance rights

In July 2013, 135,000 employee Performance Rights lapsed as a result of vesting conditions not being satisfied.

In August 2013, 322,000 employee Performance Rights lapsed as a result of vesting conditions not being satisfied and 620,000 ordinary shares were issued upon the vesting of Performance Rights.

In August 2013, 1,686,000 new employee Performance Rights with an expiry date of 30 June 2017 were issued.

In September 2013, 1,700,000 new employee Performance Rights with an expiry date of 30 June 2017 were issued.

Appointment of Chief Executive Officer

A new Chief Executive Officer, Mike Hughes, commenced on 18 September 2013.

26 Contingencies

Guarantees

For information about guarantees given by the Group and Parent Entity, please refer to Note 6, Note 18 and Note 28.

Rehabilitation liabilities of sub-leased Petroleum Lease

WestSide has subleased part of Petroleum Lease 94 (PL94) to other parties who have assumed all of the permit and environmental obligations associated with that area. If the sub-lessee were to default on its sub-lease obligations, WestSide as a registered permit holder, would have an obligation to contribute to the rehabilitation of the area. WestSide's share of the estimated liability for restoration and rehabilitation at balance date would be $1,763,665 (2012: $809,700).

Unresolved dispute

In 2011, damage was sustained to a drilling rig owned by the Company. WestSide has asserted a claim against a contractor, currently $1,419,912.86 (including amounts claimable by the Company's insurer against the contractor via its rights of subrogation). The contractor has asserted a claim against WestSide of $841,201. It is anticipated that each claim will be defended and the matter will proceed to litigation unless resolved beforehand. At the time of this report, no resolution of these matters has been reached and the liability of either party remains uncertain.

27 Financial risk management

The Group seeks to minimise potential adverse effects on the financial performance of the Group arising from market risks including currency risk; credit risk and liquidity risk. The Group has implemented a range of policies and procedures designed to assess and mitigate these risks.

Market risk - Foreign exchange risk

The Group aims to limit its exposure to foreign currency fluctuations for major firm orders of equipment and inventories denominated in foreign currency. The Group enters into agreements with suppliers of equipment where the prices are fixed in foreign currency – predominantly US Dollars. No services are provided to foreign customers.

In order to protect against exchange rate movements, the Group may use US Dollar bank accounts to purchase US Dollars to match the expected timing of foreign currency payments where material firm orders have been placed.

Market risk - Interest rate risk

The Group's borrowings disclosed in Note 13 and Note 14 are fixed interest liabilities and are not subject to interest rate risk. The Group has no other borrowings as at 30 June 2013.

Interest earned on available cash is managed by depositing surplus funds in fixed term deposits to optimise interest revenue taking into account forecast cash flow requirements. Further detail is set out in Note 6.

Market risk - Sensitivity analysis

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to market risks:

2013 Consolidated		**Foreign exchange risk**		**Interest rate risk**	
		-10%	**+10%**	**-10%**	**+10%**
	Carrying amount $'000	**Profit $'000**	**Profit $'000**	**Profit $'000**	**Profit $'000**
Financial assets					
Cash and cash equivalents	17,538	1	(1)	(56)	57
Trade and other receivables	1,259	-	-	-	-
Financial liabilities					
Trade and other payables	(5,885)	(1)	1	-	-
Borrowings	(674)	-	-	-	-
Total increase / (decrease)		**-**	**-**	**(56)**	**57**

2012 Consolidated		**Foreign exchange risk**		**Interest rate risk**	
		-10%	**+10%**	**-10%**	**+10%**
	Carrying amount $'000	**Profit $'000**	**Profit $'000**	**Profit $'000**	**Profit $'000**
Financial assets					
Cash and cash equivalents	34,059	1	(1)	(173)	173
Trade and other receivables	1,609	-	-	-	-
Financial liabilities					
Trade and other payables	(5,050)	(9)	7	-	-
Borrowings	(128)	-	-	-	-
Total increase / (decrease)		**(8)**	**6**	**(173)**	**173**

27 Financial risk management (continued)

Market risk - Sensitivity analysis (continued)

The above sensitivity analysis assumes that changes in interest rates will have an immediate impact on all cash balances, notwithstanding that at balance date a significant portion of cash is held as term deposits which have fixed interest rates and an average maturity of 24 days (2012: 66 days). The impact of changes of interest rates on cash balances is based on the annual interest which would be received if the cash balances at balance date were maintained for a full year and does not attempt to predict changes in cash balances over that period. The sensitivity analysis is based on pre-tax figures as the Group is currently in a tax loss position which results in nil tax payable and nil tax expense.

The analysis is conducted in relation to a base AUD / USD exchange rate of $0.9194 (2012: $1.0191) and an interest rate of 3.24% pa (2012: 5.07%).

Credit risk

The Group has no significant concentrations of credit risk. Cash transactions and deposits are with ANZ Bank, a high credit quality financial institution. Further information relating to the credit risk of trade and other receivables is set out in Note 7.

Funding and liquidity risk management

The Group maintains a system of controls which provide for continual monitoring of future cash flow requirements, allowing it to put in place appropriate facilities to ensure that sufficient funds are available to fund the Group's activities in the short to medium term.

The Group's and the Parent Entity's underlying objectives with respect to managing capital are to safeguard their ability to continue as a going concern to enable the Group to operate to increase shareholder value. While the Group's activities comprise mainly development, exploration and appraisal operations, funding through equity, rather than debt is considered to be the most appropriate capital structure.

28 Parent Entity financial information

	2013 $'000	2012 $'000
(a) Summary financial information		
Assets		
Current assets	**20,972**	38,156
Total assets	**120,869**	**131,832**
Liabilities		
Current liabilities	**7,022**	5,690
Total liabilities	**7,220**	**5,790**
Shareholders' equity		
Contributed equity	**135,919**	134,549
Share option reserve	**526**	669
Performance rights reserve	**364**	763
Accumulated losses	**(23,160)**	(9,939)
Total shareholders' equity	**113,649**	**126,042**
Loss for the year	**(13,221)**	(1,193)
Total comprehensive income	**(13,221)**	**(1,193)**

(b) Parent Entity contingent liabilities

The Parent Entity is a party to Deeds of Cross Charge as set out in Note 18 and is in dispute with a contractor as set out in Note 26.

The Parent Entity has guaranteed the obligations of wholly-owned subsidiaries WestSide CSG A Pty Ltd and WestSide CSG D Pty Ltd in respect of their obligations under Joint Operating Agreements and other commercial agreements.

Cash of $8,310,832 (2012: $8,310,832) is held as security for bank guarantees in favour of the State of Queensland and other parties in respect of obligations of the Company's subsidiaries under environmental licences and commercial agreements.

Cash of $184,338 (2012: $352,605) is held as collateral to secure bank guarantees for the Company's obligations under the terms of its leases of business premises. The amount unused on the facility was $395,634 (2012: $227,336) at balance date.

Cash of $100,000 (2012: $100,000) is held as collateral to secure a corporate credit card facility pursuant to a right of set-off. An amount of $17,000 (2012: $14,000) was owed under the corporate credit card facility at balance date.

(c) Parent Entity commitments

The Parent Entity's operating lease commitments are as disclosed for the Group in Note 20(b). The Parent Entity has also committed to fund the capital commitments of its subsidiaries as set out in Note 20(a).

DIRECTORS' DECLARATION

30 JUNE 2013 WESTSIDE CORPORATION LIMITED

In the Directors' opinion:

(a) the financial statements and notes set out on pages 51 to 92 are in accordance with the *Corporations Act 2001,* including:

 (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

 (ii) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2013 and of its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

Robert Neale
Director

Brisbane
30 September 2013

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Independent auditor's report to the members of WestSide Corporation Limited

Report on the financial report

We have audited the accompanying financial report of WestSide Corporation Limited (the company), which comprises the consolidated balance sheet as at 30 June 2013, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for WestSide Corporation Limited (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the consolidated entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of WestSide Corporation Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

(b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

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Material uncertainty regarding continuation as going concern

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the consolidated entity has experienced operating losses and negative cash flows in the current period and will seek to obtain new funding to finance future operations. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore the company may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the remuneration report

We have audited the remuneration report included in pages 35 to 47 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of WestSide Corporation Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Michael Shewan
Partner

Brisbane
30 September 2013

SHAREHOLDER INFORMATION

30 JUNE 2013 WESTSIDE CORPORATION LIMITED

The shareholder information set out below was applicable as at 25 September 2013.

A Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

Number of securities held			Ordinary shares	Performance Rights
			Shareholders	Rightholders
1	-	1,000	124	-
1,001	-	5,000	309	-
5,001	-	10,000	302	-
10,001	-	100,000	1,295	11
100,001	and over		325	12
			2,355	23

There were 213 holders of less than a marketable parcel of ordinary shares.

B Equity security holders

Twenty largest quoted equity security holders

The names of the 20 largest holders of ordinary shares are listed below:

Name	Ordinary Shares	
	Number held	Percentage of issued shares
UNIFORD PTY LTD	69,722,800	19.4
JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	47,456,626	13.2
MR ANGUS NELSON KAROLL	16,768,325	4.7
CITICORP NOMINEES PTY LIMITED	10,917,592	3.0
FITEL NOMINEES LIMITED	10,200,000	2.8
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	7,636,107	2.1
MITCHELL FAMILY INVESTMENTS (QLD) PTY LTD	7,263,393	2.0
PRUDHOE INVESTMENTS PTY LTD	6,222,223	1.7
BERNE NO 132 NOMINEES PTY LTD	5,500,000	1.5
FANCHEL PTY LTD	5,433,000	1.5
RESOURCE & LAND MANAGEMENT SERVICES PTY LIMITED	4,972,292	1.4
MR BENJAMIN DAVID SKERMAN	4,040,490	1.1
SAND KING PTY LTD	3,374,000	0.9
JP MORGAN NOMINEES AUSTRALIA LIMITED	2,800,000	0.8
MR IAN MORTON & MRS DEBORAH MORTON	2,480,800	0.7
HEYERS AUTOS PTY LTD	2,400,000	0.7
MR RALPH LESLIE O'SHEA & MRS ZITA DAUNT	2,045,220	0.6
RG WITHERS TRUSTEE PTY LTD	2,000,000	0.6
ADRIENNE JANET HOPKINS	1,800,000	0.5
MS SUSAN JOHNSON	1,560,000	0.4
Total	**214,592,868**	**59.7**

Unquoted equity securities

	Number on issue	Number of holders
Ordinary shares	1,226,320	10
Employee Performance Rights issued under the WestSide Employee Performance Rights Plan	5,121,000	23

C Substantial holders

Substantial holders in the Company are set out below:

	Ordinary Shares	
Name	Number of shares in which relevant interest held	Percentage of issued shares
Washington H. Soul Pattison and Company Limited	69,722,800	19.4
Australia and New Zealand Banking Group Limited	47,294,800	13.2
Saad Investments Company Limited	20,400,000	5.7
Mr Angus Nelson Karoll	22,990,548	6.4

D Voting rights

The voting rights attaching to each class of equity securities are as set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Incentive Options and Performance Rights

No voting rights.

E Interests in tenements

Tenement	Location	WestSide Interest
PL94	Bowen Basin - Queensland	51%
ATP 688P	Bowen Basin - Queensland	25.5%
ATP 769P	Bowen Basin - Queensland	25.5%
ATP 974P	Galilee Basin - Queensland	51%
ATP 978P	Galilee Basin - Queensland	51%

MAJOR ANNOUNCEMENTS

Date	Release
19 June 2013	Strategic Review Implementation
14 May 2013	Indicative Takeover Proposal Withdrawn
30 April 2013	Quarterly Activities Report
5 March 2013	Indicative Takeover Proposal Update
1 March 2013	S&P DJ Indices Announces March Quarterly Rebalance
26 February 2013	WestSide focused on increasing Meridian production
26 February 2013	Half Yearly Accounts
12 February 2013	WestSide certified gas reserves substantially upgraded
31 January 2013	Quarterly Activities Report
8 January 2013	Indicative takeover proposal update
12 December 2012	Indicative takeover proposal update
22 November 2012	Annual General Meeting – CEO’s Presentation
22 November 2012	Chairman's Address to Shareholders
20 November 2012	Indicative takeover proposal
14 November 2012	Ceasing to be a substantial holder
1 November 2012	Presentation – Mining 2012 Resources Convention, Brisbane
30 October 2012	Quarterly Activities Report
15 October 2012	Indicative Takeover Proposal Update
10 October 2012	Presentation – RBS Morgans 2012 Queensland Conference
2 October 2012	Presentation – 2012 Annual Results and Business Update
26 September 2012	Annual results – WestSide unlocks Meridian value
26 September 2012	WestSide Corporation Limited 2011–2012 Annual Report
4 September 2012	Presentation – RIU Good Oil Conference 2012
31 July 2012	Quarterly Activities Report
30 July 2012	WestSide launches new Meridian production drilling program
20 July 2012	Presentation – Noosa Mining & Exploration Conference 2012
3 July 2012	Meridian’s average daily June sales up 53.4% on last year

RESERVES STATEMENT

The reserves figures for Meridian SeamGas as at 31 December 2012 and 31 December 2011 are based on information compiled by John P. Seidle, Ph.D., P.E., and Vice President of MHA Petroleum Consultants LLC in accordance with the definitions and guidelines set forth in the 2011 Petroleum Resources Management System approved by the Society of Petroleum Engineers (SPE PRMS). The certified reserves figures for ATP 769P and ATP 688P are also based on information compiled by MHA, co-signed by Mr Seidle (Reserves Reports dated June 2009 and April 2010 respectively). Mr Seidle, who has more than 30 years’ experience, is not an employee of WestSide Corporation Ltd and consents to the presentation of these reserves figures in the form and context in which they appear.

GLOSSARY

Term	Meaning
1P	Proved gas reserves
2P	Proved and Probable gas reserves
3P	Proved, Probable and Possible gas reserves
3C	Contingent resource (High) estimate
ASX	Australian Securities Exchange
Authority to Prospect (or ATP)	An authority to explore for petroleum granted by the Queensland Minister for Mines and Energy under Part 4 of the Petroleum Act
BCF (or Bcf)	Billion cubic feet (10^9 cubic feet). While BCF is a unit volume and PJ is a unit of energy the Calorific Value of CSG is such, on the average, that one BCF of gas provides one PJ of energy
Board or Board of Directors	The Board of Directors of WestSide Corporation Limited
BWPD (or bwpd)	Barrels of water per day
Coal Measure	Refers to the stratification of layers of coal interspersed with strata of other sedimentary materials
Consolidated Entity	The Company and its subsidiaries as set out in Note 18 to the financial statements
Company	WestSide Corporation Limited (WestSide) and / or its related bodies corporate as the context requires (ABN 74 117 145 516)
Core or coring	The process of drilling a hole and extracting material from a target depth for examination and testing – 'taking a core'
CSG (or CBM)	Coal seam gas, also called coal bed methane (CBM), refers to the gas (principally methane) which is found in coal seams
Director(s)	A Director of the Board of the Company
Gas in Place (or GIP)	The quantity of gas which is estimated to be contained in a known coal formation or discrete area
Gigajoule (or GJ)	Gigajoule (10^9 joules). There are 1,000 GJ in a Terajoule (TJ) and 1,000 TJ in a Petajoule (PJ)
Listing	The official listing of the Company on ASX
m	metres
MEPAU	Mitsui E&P Australia Pty Ltd
mscfd	Thousand standard cubic feet per day
Permeability	Permeability describes the ability of a gas like methane to pass through or be released from a fractured solid like coal
Pilot Well	A well for gas and water extraction, generally in close proximity to another for the assessment of gas production potential
PJ	Petajoule (10^{15} joules)
P&A	Plugged and abandoned
Reserve	A resource which has been quantified by a verifiable process and has demonstrated commercial value
Resource	An unquantified body of material of potential value
Seismic	An assessment process whereby the reflected vibrations from a series of shocks or vibrations on the surface are used to infer underground structures
Share	A fully paid ordinary share in the capital of WestSide Corporation Limited
Shareholder	A holder of Shares
TJ	Terajoule (10^{12} joules)
TCF (or Tcf)	Trillion cubic feet (10^{12} cubic feet)
Tenement	The area and location over which an ATP is granted

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